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September 10, 2013

VIA E-MAIL AND FEDERAL EXPRESS

Deborah Krueger
4110 NE 42nd Ave.
Portland, OR 97218
deborah@low-carb-scams.com

Dear Ms. Krueger:

This firm represents Heath Squier and Julian Bakery, Inc. This letter concerns websites that you have been operating at <http://julianbakeryinfo.com>, <http://low-carb-scams.com/offending-companies/the-bernie-madoff-of-the-low-carb-scam-artists/>, and potentially other online locations ("websites"). These websites appear to have no other purpose but to defame and cause grief to Mr. Squier and his business. As set forth in detail below, the websites that you operate contain knowingly false information that damage Julian Bakery and Mr. Squier.

Your websites are saturated with outrageous invectives, including statements that Mr. Squier is "The 'Bernie Madoff' of the Low Carb Internet Scam Artists," and that Julian Bakery "bilked" and "cheated" the low-carb and diabetic communities. You have even gone so far as to accuse Julian Bakery or Mr. Squier of "business raping." You have also extensively misused copyrighted images of Mr. Squier, Julian Bakery's bread, and Julian Bakery's logo. There is simply no truth to any of your assertions. These statements are obviously damaging to the professional and personal reputations of Julian Bakery and Mr. Squier.

By knowingly operating these defamatory websites, you face exposure to claims for defamation, product disparagement, misuse of copyrights, and breach of contract. In light of this, we demand that you immediately shut down these websites and refrain from publishing any other material concerning Julian Bakery that could be seen as defamatory.

Background.

As you are aware, Julian Bakery has successfully been in the business of developing healthy bread products since 1990. Although it launched a product in 2008 that proved to be inaccurate in its nutritional labeling, Julian Bakery did the right thing and completely remade its product to reflect its originally intended standards of quality and health. Today, Julian Bakery is proud to say that all of its products are lab verified and 100% nutritionally accurate.

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Based on the nature of your websites, your displeasure with Julian Bakery has been a long-running affair. However, on March 30, 2013, you wrote an email to Mr. Squier in which you proposed a clean resolution to your dispute through a *quid pro quo*-style contract. You agreed to take down your websites and refrain from defaming Julian Bakery any further online, so long as Julian Bakery took down all references on its website to three specified breads and posted lab results for three other specified breads. Mr. Squier honored the agreement that the two of you had. On April 10, 2013, he removed references for the three breads, and sent you the posted results for six lab tests.

Despite Mr. Squier's good faith efforts to reconcile with you, you have failed to keep your end of the bargain. There is no excuse for your continued operation of these websites. As mentioned previously, your ranting on these websites now serves no purpose other than defame Mr. Squier and to spread false information about Julian Bakery. In so doing, you have exposed yourself to substantial legal liability.

Cease and Desist Demand.

We find your actions troubling, to say the least. It is unfortunate that you chose to engage in attacks upon Mr. Squier and Julian Bakery and to propagate the plainly false characterizations on your websites. The defamatory websites not only sully Julian Bakery's and Mr. Squier's reputations, but they may also prompt clients and business partners to avoid Julian Bakery. As a result, Julian Bakery is suffering, and will suffer, significant damages in the form of loss of reputation and lost clients.

As a party who knowingly makes such false claims on your websites, you face serious exposure on several fronts. Julian bakery may recover damages stemming from your defamatory statements for impugning its reputation. *Barnes-Hind, Inc. v. Superior Court* (1986) 181 Cal.App.3d 377, 381; *DiGiorgio Frut Corp. v. AFL-CIO* (1963) 215 Cal.App.2d 560, 570-571 (A corporation can be libeled by statements which injure its business reputation). Defamatory statements which are libelous or slanderous allow Julian Bakery to proceed on its claims without a showing of special damages. *Slaughter v. Friedman* (1982) 32 Cal.3d 149, 153-154; *See also, Palm Springs Tennis Club v. Rangel* (1999) 86 Cal.Rptr.2d 73. The websites are also in violation of the Digital Millennium Copyright Act, as they contain photographs of Mr. Squier, Juilan Bakery's bread, and Julian Bakery's logo. The photographs are the copyrighted work for which Julian Bakery and Mr. Squier have not given permission to distribute or use for any purpose. Moreover, your failure to uphold your end of the *quid pro quo* contract you offered to Mr. Squier holds you liable for breach of contract. *Acoustics, Inc. v. Trepte Construction Co.* (1971) 14 Cal.App.3d 887, 913; *Leonard v. Rose* (1967) 65 Cal.2d 589, 592-93. Your conduct,

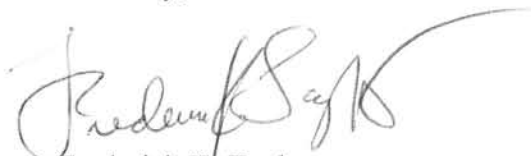
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therefore, is in violation of the law, making you liable to Mr. Squier and Julian Bakery for damages.

Julian Bakery takes its legal rights very seriously. It is prepared to bring all available resources to bear which are necessary and proper to protect itself and its reputation. To avoid this eventuality, you must immediately: (i) remove all derogatory comments regarding Julian Bakery and Mr. Squier from your websites; (ii) refrain from making any further derogatory comments about Julian Bakery or Mr. Squier and; (iii) refrain from any publishing, or causing to be published, any websites which reference Julian Bakery or Mr. Squier. Please confirm your acceptance of these terms within five (5) business days of the date of this letter. Your failure to implement these remedial measures may result in the prompt commencement of formal legal action against you without further warning.

We look forward to your cooperation. Please feel free to contact me should you wish to discuss the contents of this letter, or any other issue, in greater detail.

Sincerely,



Frederick K. Taylor

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