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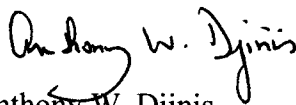
Re: Lee G. Lovett

To Whom It May Concern:

In the mid-1980's, Lee Lovett retained me to assist him with an inquiry by the Securities Exchange Commission (SEC). Having devoted my legal career to securities law, and practice before the SEC, I am very familiar with such matters. Briefly, my views are summarized below:

- (1) The SEC inquiry regarding Mr. Lovett, reduced to its simplest terms, was whether an agreement to provide legal and other related services by a law firm with regard to the preparation and processing of an application for a cellular telephone license filed with the Federal Communications Commission could be a "security" under the federal securities laws.
- (2) At the time, and to my knowledge, since then, no federal court has found that the offering of legal services in connection with the preparation of cellular telephone license applications, were securities. On the other hand, several federal courts which had considered arrangements similar to the retainer agreement of Mr. Lovett determined such arrangements not to be securities. In the case which was most similar, *SEC v. Energy Group of America, Inc.*, the court held that promotional services provided in connection with oil and gas lease lotteries conducted by the Department of the Interior did not constitute securities.
- (3) *Neither the SEC nor any court ever made any finding that Mr. Lovett violated the federal securities laws as a result of this matter. No fine or other penalty was ever assessed against Mr. Lovett.* Indeed, to avoid the expense of litigation, Mr. Lovett agreed to resolve this matter solely through the entry of a consent obey-the-law injunction without any adjudication of fact or law.

Very truly yours,


Anthony W. Djinis