



COX WOOTTON LERNER
GRIFFIN HANSEN & POULOS LLP

March 13, 2015

**VIA EMAIL AND
PERSONAL DELIVERY**

Leasing News, Inc.
18736 Montewood Dr.
Saratoga, CA 95070
Attn: Christopher Menkin
kitmenkin@leasingnews.org

CEASE AND DESIST

Dear Mr. Menkin:

Our law firm represents Blue Star Capital, Inc. ("BSC"), which conducts business under the names Matrix Business Capital ("MBC") and Ability Capital Solutions ("ACS"). Please forward all correspondence regarding this matter to our office. The purpose of this letter is to provide Leasing News, Inc. ("Leasing News"), and its related entities, with five-business-days' notice to cease and desist from the unlawful activity outlined below in order to avoid further legal action. This includes removal of all defamatory content from Leasing News' website.

BSC has determined that Leasing News has committed acts of interference with prospective business advantage, unfair business practice, and commercial defamation against BSC, MBC and ACS with regard to their commercial leasing businesses. Our investigation has additionally revealed that Leasing News' motivation for these unlawful acts is, at least in part, BSC's declining to advertise in the Leasing News.

Leasing News is to cease and desist from this unlawful activity immediately. If Leasing News fails to comply with this demand, BSC will file suit against Leasing News and seek monetary and injunctive relief.

Commercial Defamation

The defamatory acts by Leasing News are numerous and include the following:

Terence S. Cox
Richard C. Wootton[†]
Neil S. Lerner[‡]
Mitchell S. Griffin
Rupert P. Hansen
Marc T. Cefalu
Galin G. Luk

Max L. Kelley
Jolene R. Rice
Courtney M. Crawford
Jody T. McCormack
Marc A. Centor
Angelique P. So
Manford B. Susman
Mark E. Tepper
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On or about February 15, 2010, Leasing News published two defamatory pieces. The first report alleged unconfirmed “ethical violations” by ACS and MBC in relation to EarthArtist Mountain Studio-Campus LLC, a company that attempted to pledge fraudulent collateral for a loan with ACS. Leasing News published the second report, concerning La Paz Community Health Care Center, Inc., without taking care to confirm the accuracy of the allegations published.

On or about May 4, 2012, Leasing News falsely published statements in an attempt to link MBC CEO Brian Acosta with an “Operation Lease Fleece” story regarding the federal criminal prosecution against Ziya Arik, although Mr. Acosta had absolutely nothing to do with the allegations being presented. Leasing News repeated this slanderous practice on or about September 3, 2013.

On or about July 24, 2013, Leasing News posted unverified information regarding the complaint of Graphic Dynamics, Inc. In addition to unverified allegations, this post included baseless conjecture regarding the naming of BSC’s various affiliates. Furthermore, it included yet another attempt by the Leasing News to dishonestly connect the name of BSC’s CEO Brian Acosta with Ziya Arik’s federal criminal case, with which BSC and Mr. Acosta were in no way involved.

On or about August 16, 2013, Leasing News admitted that it had published a defamatory piece regarding ACS without first conducting an independent investigation. Only after printing the harmful allegations did Leasing News take the time to properly investigate the truthfulness of the allegations. That investigation revealed, according to Leasing News, that: “Mr. Kastleman did not fulfill his obligation to commence the lease after it was arranged by Ability Capital.”

On or about August 26, 2013, Leasing News published an unverified complaint from David LaDuke of Sputnik, Inc., without attempting to verify the accuracy of said complaint.

On or about December 5, 2014, Leasing News again published unverified allegations made by Larry D. Dubin against MBC. And although Brian Acosta emailed Christopher Menkin regarding these allegations on the morning of November 25, 2014, Leasing News blatantly lied in publishing: “The following Cancellation Letter and Timeline of Events was sent by Leasing News to Brian Acosta several times for a comment; *no response was received*[.]”

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On or about January 14, 2015, Leasing News published an alleged complaint from Kelly Ethredge of Graphic Results in Houston, Texas, defaming MBC and its CEO Brian Acosta without taking reasonable care to confirm the accuracy of the statements published. Furthermore, despite BSC's having sent you evidence (the day prior to your defamatory article) that it had refunded the disputed deposit, you falsely reported that the deposit was "not returned to date."

Also on January 14, 2015, Leasing News used BSC's videos, without BSC's consent, in a further attempt to denigrate our client. BSC has never authorized the Leasing News to use BSC's copyrighted videos on the Leasing News' website. Leasing News is still not authorized to post these videos and must take them down immediately.

On or about February 9, 2015, Leasing News published an anonymous defamatory complaint that falsely alleges that "Ability Capital Solutions aka Matrix Business Capital aka Blue Star Capital" are engaged in a "scam[.]" Additionally, you published ACS's propriety documents in the Leasing News without the permission of ACS or BSC.

In conjunction with the numerous specific defamatory acts listed above, Leasing News has compelled former customers to file complaints against BSC and Brian Acosta with the NAELB, NEFA, and CLP. Leasing News has also mentioned these organizations in various postings regarding BSC and Mr. Acosta, regardless of the fact that these organizations are unrelated to the postings at issue. It is clear that the Leasing News is intentionally and illegally aiming to damage the reputation of BSC and Mr. Acosta within the leasing industry.

The multiple false statements contained on the Leasing News website constitute commercial defamation pursuant to California Civil Code §§ 45 and 45a and libel pursuant to Civil Code § 48a. To state a claim for commercial defamation, BSC must prove that a false statement concerning BSC's reputation was communicated to a third-party and that the third-party understood the communication to be both derogatory and about BSC.

The derogatory and false statements regarding BSC's business reputation, and the reputations of MBC and ACS, as set forth above, were communicated to the world and all of BSC's prospective clients via the Leasing News website. The general public was led to believe the many false and misleading statements contained on your website, especially as they purport to be from a neutral and unbiased news site. BSC and its affiliates hereby demand a retraction of all of the above-described libelous material pursuant to California Civil Code § 48a.

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Failure to cease and desist in such conduct will result in the filing of legal action seeking compensatory and punitive damages. *DiGiorgio Fruit Corp. v. AFL-CIO*, 215 Cal. App. 2d 560, 570 (1963) (“A defamatory publication is actionable if it has a tendency to injure the person to whom it refers in his occupation.”).

Interference with Prospective Economic Advantage

In addition to the fraudulent publishing of defamatory content on its website, our investigation has revealed that Leasing News and its agents have also contacted BSC’s lending institutions in an attempt to damage BSC’s relationship with those institutions.

These deceptive and fraudulent acts, in addition to the pattern of defamatory publishing detailed above, constitute intentional and/or negligent interference with prospective economic advantage under California law. The elements of interference with prospective economic advantage are all satisfied in this case: (a) BSC had economic relationships with a probability of future economic benefit; (b) you knew about BSC’s economic relationships; (c) your conduct was substantially certain to interfere with those economic relationships; (d) your conduct was independently unlawful; (e) your conduct disrupted BSC’s relationships; (f) BSC suffered actual injury; and (g) your conduct was a substantial factor in causing the disruption of the economic relationships. BSC has sufficient evidence to prove each of these elements.

Leasing News knew that BSC had economic relationships with both lending institutions and prospective customers seeking commercial leasing services. By misleading the public and denigrating the services offered by BSC, you intended to interfere with BSC’s business relationships with prospective customers and lending institutions. These independently unlawful acts have caused and continue to cause BSC to lose business and suffer economic loss. Failure to cease and desist in such conduct will result in the filing of legal action seeking compensatory and punitive damages. See *Blank v. Kirwan*, 39 Cal. 3d 311, 330 (1985).

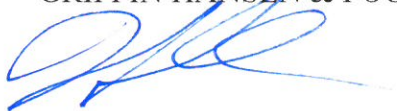
The charges contained herein have been investigated and verified. Failure to cease and desist the above-outlined unlawful activity by March 20, 2015, will result in the immediate filing of legal action. You should govern yourself accordingly, as this letter will be Exhibit A in the TRO motion that will accompany the filing of the suit.

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If you have any questions regarding the matters contained herein, please
contact our office.

Very truly yours,

COX WOOTTON LERNER
GRIFFIN HANSEN & POULOS, LLP



Neil S. Lerner
NSL/da