Law Offices of MICHAEL W. FATTOROSI

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May 21, 2013

AIDS Healthcare Foundation Inc. 6255 W. Sunset Blvd. 21st Fl. Los Angeles, CA 90028 Attn: Michael Weinstein

Sent via US Mail and EMail to ged.kenslea@aidshealth.org

Dear Mr. Weinstein;

As you are aware I represent Immoral Productions LLC and its owner, Mr. Dan Leal. On March 17, 2013, your organization through Mr. Mark McGrath, filed a complaint with the County of Los Angeles Department of Health stating that my clients had violated Measure B, otherwise known as Title 11, Section 39 of the Los Angeles County Health and Safety Code.

After a thorough investigation into my client's business practices and an on-site inspection of my client's studio by the County of Los Angeles Department of Health, Immoral Productions LLC and Dan Leal were found to have NOT violated any health laws or any provisions of Measure B. By way of the Department of Health's letter of April 15, 2013 your organization was informed that your complaint was "not substantiated" and the "investigation was closed" and no further action was to be taken.

We now demand that AIDS Healthcare Foundation publish a retraction to their libelous press release dated March 19, 2013, wherein your organization stated:

"Under Title 11, Section 39 of the Los Angeles County Health and Safety Code ("Section 39"), adult film producers are required, among other things, to obtain a public health permit through your department and use personal protective equipment to prevent exposure to bloodborne pathogens and other infectious diseases. Immoral Productions knowingly produces adult material within the jurisdiction of Los Angeles County that is in violation of Section 39 in the following ways:

- a. Failure to use personal protective equipment (condoms) for vaginal and anal sexual intercourse;
- b. Failure to provide proof of successful completion of bloodborne pathogens training for all production company principals and management level employees;
- c. Failure to submit an Exposure Control Plan and methods of compliance that meets the requirements of the California Code of Regulations
- d. Failure to display a legible sign in conventional typeface no smaller than 36 points notifying production staff that 'The use of condoms is required for all acts of anal or vaginal during production of adult films to protect performers from sexually transmitted infections...'"

It should now be apparent to your organization and Mr. Mark McGrath that my clients are in full compliance with Measure B and have in no way violated the law as your press release clearly stated as fact.

Your retraction should be distributed via Business Wire, the same service that distributed your original press release which libeled my clients. Your organization should bear such costs in order to mitigate the damages that my client has suffered . My client demands that the press release stating your retraction also be posted to your website (<u>http://www.aidshealth.org</u>). It is noted that you have already removed your original press release from your website. For this we thank you, however that is insufficient to make my client whole.

Failure to publicly retract your statements may lead to litigation. I suggest that you govern your actions accordingly. Based on your voluntary removal of the offending press release from your own website we look forward to your anticipated cooperation in this matter. If you should have any questions please do not hesitate to contact my offices directly.

Sincerely yours,

Michael W. Fattorosi LAW OFFICES OF MICHAEL W. FATTOROSI A Professional Corporation