

LLP

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June 5, 2002

**PERSONAL AND CONFIDENTIAL**

**VIA FEDERAL EXPRESS**

Mr. Bill McCauley  
Mrs. Sandy McCauley  
Yoga Loka, Inc.  
1295 2<sup>nd</sup> Street  
San Rafael, CA 94901

Re: Copyright and Trademark Infringement

Dear Mr. and Mrs. McCauley:

This firm represents Bikram Choudhary and Bikram's Yoga College of India.

Bikram owns the copyright in all of the works he has created, including Bikram's Yoga College of India Beginning Yoga Dialogue, Bikram's Teacher Training Materials, Bikram's Beginning Yoga Class Audio Tape, Bikram's Yoga College of India Yoga Teacher Training Course Curriculum Outline and Materials, Bikram's Beginning Yoga Class books, and the drawing of the 26 posture asana sequence, among others (collectively the "Copyrighted Works"). Bikram owns Certificates of Registration from the United States Copyright Office for the Copyrighted Works.

In addition, Bikram owns the "Bikram Yoga™," "Bikram's Yoga College of India™," "Bikram's Beginning Yoga Class™," the image of Bikram in the spinal twist™, and "Bikram's Asana Sequence of 26 Yoga Postures™," trademarks and service marks, among others (the "Trademarks").

We have been advised that you are distributing, selling, and otherwise exploiting unauthorized copies of the Copyrighted Works, and are infringing the Trademarks, by virtue of, among other things, mixing Bikram Yoga with other yoga styles to create your own blend, by teaching others to become Bikram Yoga teachers, by teaching classes without the complete Dialogue, by teaching advanced classes, and by using teachers who have not been certified by Bikram.

LAW OFFICES OF

PROCOPIO, CORY, HARGREAVES &amp; SAVITCH LLP

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As a result of your willful continuing infringement of the Copyrighted Works and of the Trademarks you have breached the terms of your limited license to use those items. Your distribution, selling, and any other exploitation of the Copyrighted Works, and your use of the Trademarks, beyond the limited license granted to you by virtue of your authority to teach Bikram's Beginning Yoga Class pursuant to very precise limitations, constitute willful and intentional violations of, among other regulations: (1) the federal Copyright Act of 1976, 17 U.S.C. §501 et seq.; (2) state and federal trademark restrictions; (3) unfair competition restrictions set forth in the Lanham Trademark Act of 1946, 15 U.S.C. §1125; (4) state trademark and anti-dilution laws; and (5) violation of Bikram's Privacy Rights.

In light of the foregoing, we hereby demand that you immediately cease and desist distributing, selling, or otherwise exploiting the Copyrighted Works and any versions thereof, and cease and desist using the Trademarks. In addition, your limited license to use those items is hereby terminated in its entirety, and you are therefore directed to cease identifying yourselves and Yoga Loka with Bikram in any manner whatsoever.

We also further demand that you forward all existing copies of: (i) materials used to teach others how to teach teachers Bikram's Beginning Yoga Class and any other altered form of such Class; and (ii) materials used to teach students Bikram's Beginning Yoga Class in a manner different than that strictly prescribed by Bikram (such as, for example, without all of the Dialogue, with music, or with other forms of yoga), that are in your possession or in the possession of your employees, agents, or distributors, to me at the following address:

Jacob C. Reinbolt  
Procopio, Cory, Hargreaves & Savitch LLP  
530 B Street, Suite 2100  
San Diego, CA 92101

In addition, we hereby demand that you notify me of the identities, addresses, and telephone numbers of any and all entities or individuals, including but not limited to yourself, that have participated in developing, manufacturing, copying, distributing, selling, or otherwise exploiting the Copyrighted Works, works utilizing the Trademarks, or any related materials or versions thereof, at anytime.

Further, we hereby demand that you also inform me in writing of: (1) the total sales, in U.S. dollars, that you have received from teaching others how to teach the Bikram Method, any versions thereof, and any related materials; (2) the total number of persons who were taught "Teacher Training" and the amount they paid for such training; (3) the total number of copies of Teacher Training materials that you have distributed; (4) descriptions of the classes that are taught that do not use the exact Dialogue, and only the Dialogue, in those classes, and the

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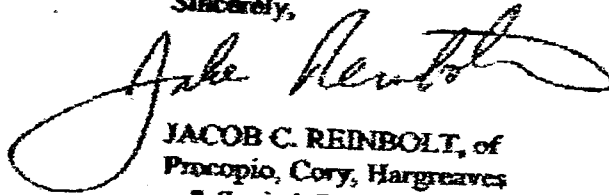
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amount of revenue that has been generated from those classes; and (5) the identities, telephone numbers and addresses of individuals and/or entities to which copies of Teacher Training materials, or any versions thereof, have been distributed. We require these materials to calculate Bikram's damages as a result of your activities referenced herein. Bikram has every intention of seeking compensation for any revenue lost by him, or gained by you, as a result of your sales, distribution, and any other exploitation of classes that do not strictly use the Dialogue, of variations of Bikram Yoga, and of "Teacher Training."

We hereby demand that you comply with all of the above demands and that you notify me of such compliance in writing within ten (10) days from the date of this letter.

Please contact me with any questions you may have concerning this letter.

Sincerely,



JACOB C. REINBOLT, of  
Procopio, Cory, Hargreaves  
& Savitch LLP

JCR/pdn

cc: Mr. Bikram Choudhury  
Ms. Sara Powers