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January 17, 2007

Mr. [REDACTED]

**Re: Java Jo'z Coffee & More, LLC and Emerald Coast Manufacturing
Beggs & Lane File No.: [REDACTED]**

Dear ,

I am writing with regard to the settlement agreement you reached in connection with purchases made from Java Jo'z Coffee & More, LLC and Emerald Coast Manufacturing, Inc. There have been developments of which you need to be apprised and decisions you will need to make. I do not represent the companies who you paid. I represent the company which purchased many of the assets of those companies and which for reasons explained below, facilitated your settlement. So you will fully understand my client's situation, allow me to give you some background.

Your purchases were made from companies owned and managed by Roy and Kim Snowden. My client, Medina Enterprises, is a company owned and managed by Robert Morgan. Mr. Morgan very much liked the Java Jo'z concept but not necessarily the structure or direction of the companies. Mr. Morgan believed that if the concept was operated as a franchise, the core ideas behind Java Jo'z would succeed. He therefore purchased from the Snowden's, not the companies, but some of the assets owned by those companies. He then set out to build a viable well-managed business, under his direction and control. After acquiring the assets, he found that there were a number of people, like you, who had issues with what they had purchased from the Snowden's companies. Although Mr. Morgan had no legal liability for those purchases, he, for reasons both moral and practical, pressured the Snowden's companies into settling the claims of disenchanted purchasers like yourself. He did so both because it was the right thing to do and because he feared that problems with the previous company's reputation would bleed over into his business. These concerns led him to successfully pressure the Snowden's companies to settle with you. A problem has now developed with those settlements which I want to bring to your attention. That problem has to do with the funding of the settlement.

The funds with which you have been paid were taken from the sum due monthly to the Snowden's under Mr. Morgan's asset purchase contract with them. That source of funding has now been interrupted by an IRS lien on all sums payable to the Snowdens. A copy of that lien is attached. We have managed, after extensive negotiations, to convince the IRS to permit us to exempt from its lien \$15,000 a month for the purpose of paying people like you who had issues with their purchases from the

January 17, 2007

Snowden's companies. Those same negotiations give us reason to believe that the amount available to us for payments will increase in the near future. We cannot be certain but we do believe it likely that we will be permitted to take significantly greater amounts from the payments due to the Snowdens. The problem we have is that the \$15,000 monthly allotment presently permitted by the IRS is not sufficient to pay everyone at the present rate. There should be enough cash flow to pay everyone over time but at the presently permitted \$15,000 a month it will take longer than we originally planned. Our proposed solution to this dilemma is to create a common pool for the repayment of all those who like yourself have real issues with their purchases. That pool will be funded with the \$15,000 a month which the IRS presently permits us to use and with whatever increases we are able to obtain in that amount. Each participant in the pool will on a quarterly basis receive his or her pro rata share of the funds available until the debt is fully paid. Our purpose is to assure that you are paid every penny of your settlement as soon as circumstances permit. We believe that can be done. The accommodations we seek are designed to accomplish that end. To further demonstrate the sincerity of our effort we will be happy to share the pool accounting with any participant in the pool. A rejection of the pool creates its own dangers. I believe that the only reliable source of funding for your settlement is the funds payable under the purchase contract. Those that reject participation in the pool run the real risk of losing all further payments. You should also be aware that your payments depend upon the continued viability of Cuppy's. In that vein, you should know that some people apparently have confused Cuppy's with the Snowden's companies, have attacked Cuppy's on the internet for acts done by those companies. To the extent that they do this they cause real harm and threaten the source of the refund program described above. You should know that the people who are funding your settlement are trying to fix the problems created by their predecessors. Attacking them only makes that task more difficult. We would be glad to provide any prior purchaser with documentation that these companies are separate and distinct.

I send this letter to alert you to issues important to you. You will hear shortly from the company's representatives to discuss these matters and to seek your consent. I hope this offer is received in the same good faith with which it was sent. If so, I am confident we can resolve these issues to everyone's satisfaction.

Sincerely,

David L. McGee
For the Firm

/kp
Enclosure