

August 12, 2008

Mr. Jack Chen
Reznik, Chen & Co.

Re: Morris Talansky

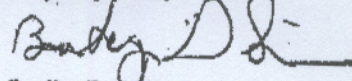
Dear Mr. Chen:

We are the U.S. lawyers for Mr. Morris Talansky. Since Mr. Talansky returned from Israel in connection with the ongoing investigation of Prime Minister Olmert, we have learned that he is the subject of a grand jury investigation in the United States District Court for the Eastern District of New York. It is our understanding that the New York federal investigation mirrors in many respects the matters at issue in the Israeli investigation. In fact, we have learned the FBI accompanied Israeli officials during their investigation in the United States. By cooperating with Israeli authorities, Mr. Talansky has placed himself in legal jeopardy in the United States.

Mr. Talansky remains committed to cooperating with Israeli prosecutors. However, we have advised him not to appear for further examination in Israel until such time as the U.S. grand jury matter is resolved so that he is not once again placed in the position of providing testimony that will then be used against him in the United States in violation of his rights under the Fifth Amendment of the U.S. Constitution. Accordingly, Mr. Talansky does not intend to appear in Court on August 31, 2008.

We are hopeful that this issue can be satisfactorily resolved so that Mr. Talansky can continue to cooperate with your investigation without simultaneously placing himself in jeopardy here in the United States.

Very truly yours,



Bradley D. Simon



Neal M. Sher