

3 November 2009

To Whom It May Concern

**DREAM DOORS (NZ) LIMITED (Our Ref: 361211-15)**

We act for Dream Doors (NZ) Limited (New Zealand) and Mr Derek Lilly.

It has come to our attention that Dream Doors Limited (United Kingdom, "UK") have posted a notice on their website headed "An Important Legal Notice" in relation to Dream Doors (NZ) Ltd.

We and Dream Doors (NZ) Ltd believe the content of the statement is misleading. We have been asked to clarify the Dream Doors (NZ) Ltd relationship with Dream Doors Ltd (UK). Accordingly we advise as follows:

Mr Lilly and his company Dream Doors (NZ) Ltd have a full Licence Agreement to operate under the Dream Doors brand and use all associated intellectual property throughout New Zealand, Australia and North America. (We attach a copy of the full Licence Agreement).

We confirm that neither Mr Lilly (nor Dream Doors (NZ) Ltd) have a financial interest in Dream Doors Limited (UK), nor do they purport to act on behalf of Dream Doors Ltd (UK) in any way, shape or form.

We note that the UK Company's website states that;

*"Neither Mr Lilly, nor Dream Doors (NZ) Ltd, nor their business website has any ongoing connection with the Dream Doors Ltd business in the United Kingdom."*

We believe this statement is misleading. While it is true that Dream Doors (NZ) Ltd and Mr Lilly no longer have any ongoing operational or financial relationship, Mr Lilly has a full Licence Agreement granted by the UK Company, so there is clearly an ongoing connection between the parties.

Further we believe Dream Doors (NZ) Ltd and Mr Lilly are acting within their contractual and legal rights in relation to the use of the brand and associated intellectual property. This misinformation has the potential to damage the reputation of Mr Lilly and the brand in New Zealand and beyond.

We are aware that Dream Doors (NZ) Ltd has made a formal complaint to the British Franchising Association in relation to the UK website statements. We note that Dream Doors (NZ) Ltd is a full member of the Franchise Association of New Zealand and we are advised that the NZ Association fully supports this complaint.

We also been asked to point out that Mr Lilly was not merely an employee of Dream Doors Ltd (UK), he was in fact, Mr Tappenden's equal business partner and was involved in managing the business at the

highest level. (We attach a testimonial from Mr Tappenden regarding Mr Lilly's involvement in the Dream Doors Ltd (UK) business).

Should you have any queries regarding any of the matters raised herein please do not hesitate to contact the writer for further clarification.

Yours faithfully  
**MACALISTER TODD PHILLIPS**

A handwritten signature in black ink, appearing to read 'PK', with a long horizontal line extending to the right.

**Paul Kerridge**  
Solicitor

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