

3 St. Mary's Square
Bury St. Edmunds
IP33 2AJ

email: Thinkplc@gmail.com

www.thinkentertainmentplc.blogspot.com

The Chief Executive Officers:

Begbies Traynor - Ric Traynor Esq.
KPMG LLP - Colin Cook
Eversheds - David Gray

cc: John Twizell, Geoffrey Martin & Co.
Paul Kreling, Treasury Solicitor acting for Her Majesty's Revenue & Customs

December 31st 2007

Gentlemen,

Letter before Legal Action

**Complaints of professional misconduct, Gross Professional Negligence,
Breach of Contract, Breach of Trust, Fraud, Theft, False Accounting, Perjury,**

Perversion of (and conspiracy to pervert) the Course of Justice,

Obtaining monies knowing it to be the proceeds of crime,

AND

Claims for (a) Ordinary Damages (£322,000 plus Interest and Costs)

and (b) Exemplary Damages (£50,000,000).

I refer you to the misconduct of your firms, relevant partners and staff in the matter of the Creditors Voluntary Arrangement (“CVA”) of JUST GROUP plc (renamed Newscreen Media Plc) (“JUST”) and the related documents soliciting investment from existing shareholders of JUST to procure that the CVA be funded on specific terms of trust set out in that investment offer made by KPMG and the other 3 directors of JUST in July 2002.

Most of you are well aware of my position as holder of a Power of Attorney for THINK ENTERTAINMENT PLC (“THINK”), the successor in title to all the assets of JUST by virtue of an arrangement under s110 of the Insolvency Act, and the matters that I now formally raise. For those who need a refresher on the documents, many may be retrieved/downloaded at the following URL: www.thinkentertainmentplc.blogspot.com

For the last 30 months there has been somewhat of a hiatus whilst resolution was sought over

the contentious and increasingly bizarre nature of claims asserted by KPMG in the matter of EDI Realisations Ltd (“EDI”) a subsidiary of a subsidiary of JUST, but not a party to the CVA where you have all been grossly professionally negligent and in some cases your conduct has been criminal, but that remains in another cause.

The inevitable requirement to “wait and see if resolution in the EDI case is possible”, and the judgment of the High Court that the matters I now raise must be prosecuted separately, has led to inevitable delay to see if funds would be available to Think for the retention of solicitors on a basis other than a Conditional Fee Agreement in these separate matters. That period of enforced delay has now ended.

I write at this time following (i) service and review of the contents of the fourth KPMG Witness Statement in the EDI matter that was served on me on December 24th 2007, and (i) the expiry of the final deadline of 5.00pm on December 31st 2007 for acceptance of the compromise proposed by Her Majesty's Revenue & Customs (“HMRC”) to settle the amount to be paid under the order of the High Court in the EDI matter.

Please take note that whilst the claims and assertions in this letter relate to matters that have been “aired” in correspondence between the parties to the EDI matter, these claims are separate from and are additional and unrelated to the quantum of funds to be distributed by order of the High Court in the EDI matter.

In clear and flagrant breach of the specific Duty of Trust and other actual and implied duties imposed by the terms of the CVA and Statute Law, such acts also constituting Gross Professional Misconduct:

1. the Supervisors of the CVA (“BEGBIES”) failed to procure the holding in Escrow of the sum of £322,000 that was a condition of the CVA.
2. the Administrators (“KPMG”) unlawfully transferred those monies to EDI contrary to the mandatory requirements and obligations imposed on them by the CVA.
3. BEGBIES failed to properly supervise the obligations of the CVA relating to the release from Escrow of those monies and payment to JUST as there was at no relevant time any deficiency due to the bank.

4. KPMG falsified the accounting of those monies on accounts rendered to the Registrar of Companies contrary to the provisions of the Perjury Act 1911.

5. KPMG deliberately misrepresented the nature of the monies unlawfully transferred to EDI to JUST and its directors, solicitors and professional advisors for the purpose of inducing the shareholders of JUST to bring THINK into existence based upon a Declaration of Solvency and other documents that KPMG, their solicitors (“EVERSHEDS”) and BEGBIES knew relied, in part, upon the proper and lawful accounting of those and other monies.

6. KPMG and EVERSHEDS deliberately misrepresented the nature of the funds held in EDI to THINK and its solicitors and other representatives knowing that THINK and extant creditors of THINK (including HMR&C and other clients of KPMG and EVERSHEDS) intended to, and did, rely upon those representations and as a consequence have suffered monetary and other losses.

7. KPMG, EVERSHEDS unlawfully and improperly procured the payment of fees to themselves and retained Counsel from those monies knowing them to be from the proceeds of crime and without the approval of BEGBIES as required by the CVA.

8. BEGBIES failed to carry out their duty as supervisors of the CVA in relation to approval and/or payment of fees to KPMG and EVERSHEDS as set out in the CVA.

9. KPMG and EVERSHEDS have filed affidavits with the High Court relating to those monies knowing the contents to be false, misleading and intended to mislead and as part of a conspiracy to Pervert the Course of Justice and actual acts of Perverting the Course of Justice.

Further, KPMG, EVERSHEDS, BEGBIES and the then other directors of JUST, failed to properly notify the shareholders of JUST that the solicitation of investment in new shares of JUST to fund the CVA was based on information they deliberately withheld for the purpose of (i) defrauding the shareholders of JUST and (ii) procuring unjust and improper enrichment to themselves by charging fees from the funds raised. That information is of course the May 2001 report by EVERSHEDS to the then directors of JUST, by whom EVERSHEDS were retained, which was wholly contradictory to the information sent to shareholders of JUST to solicit that

conditional monies be sent to Mishcon de Reya before KPMG would even consider putting the CVA proposal to the creditors of JUST.

You are aware that in my opinion no right thinking investor would have invested even a single penny in buying new shares to support the CVA if they had been made aware of the existence of that report to which all of you, and at least 2 of the 3 individual directors of JUST were privy, prior to solicitation of both the “£1,850,000 show money” - which relied almost entirely on the existence of assets whose value was promulgated on supposition wholly rebutted by the withheld report – and the final share offer.

Given the horrendous conflicts of interest that exist in all your dealings with JUST and its successor in title, THINK, as well as between yourselves, I have taken great care to ensure that the firm of solicitors with whom I have been negotiating a Conditional Fee Agreement to act for THINK in this matter, are not only well-known, wholly reputable and widely respected, but have no conflict with any of you or your professional indemnity insurers.

These matters are extremely serious, have been known to you for years, and are so self evident and clear cut that both Prosecution and Disciplinary Proceedings are clearly in the Public Interest, as is the clear view of HMRC in the entirely separate matter of KPMG and EVERSHEDES remuneration in the EDI affair.

The matters are so serious a breach of the Trusts imposed upon Administrators, Supervisors and their legal advisers that I believe the High Court will make an order for a substantial payment of Exemplary Damages not only in the light of the very large value lost by the investors as a consequence of those breaches, but also in order to send a message to all others involved in Insolvency proceedings that such gross professional misconduct, theft and breach of trust will be severely punished.

However, if you wish to resolve this matter by compromise and without THINK having to formally retain solicitors and thereby incur further legal fees, please contact me by email no later than 5.00pm on Wednesday January 8th 2008 with your proposals for a round table discussion, mediation and/or binding arbitration.

Regards

Mark G. Hardy