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April 30, 2003

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Hamlet Newsom, Esq.
Corporate Counsel - I.P.
CLEAR CHANNEL WORLDWIDE
200 East Basse Road
San Antonio, TX 78209-8328

Re: Zeta-Jones & Douglas / Clear Channel Worldwide, et. al.
Our File No.: 2725-17

Dear Sir and Madam:

As you are aware, we are litigation counsel for Catherine Zeta-Jones and Michael Douglas. Once again, as a result of your company's continued malicious conduct, despite your being placed on notice with a previous demand letters, communications and your company representing that you would cease and desist from any further wrongful conduct and comply with our demands, I am writing regarding my clients' substantial and increasing claims against you as a result of the malicious unauthorized posting, display and distribution of the Photographs of my clients on your websites and/or that of your affiliates websites ("Your Website(s)"), in violation of my clients' right of privacy, among other legal rights.

Your company's representations that you have and will comply with our demands have clearly been made in bad-faith and without any true intention of compliance, as you have and continue to publish/post multiple illegal and unauthorized photographs of Ms. Zeta-Jones on Your Websites which were surreptitiously taken of Ms. Zeta-Jones, which show Ms. Zeta-Jones, heavily pregnant and topless (referred to as the "Photographs").

More specifically, although you have removed various images, captions and links that appeared on the main pages of the Websites listed in our letter dated April 29, 2003, the Photographs remain on Your Websites' servers and are still viewable by anyone with the URL address and/or who previously book-marked the webpages displaying the Photographs. For example, although the images, captions and links have been removed from the specific referring

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locations from <http://www.wnci.com/zoo/index.html> and <http://www.wnci.com/jacor-common/globalphotos.html?eventID=15348&eventsection=zoo>, the Photographs remain and continue to be viewable and downloadable, as of the date of this letter, at the following locations:

- (1) http://www.mjmorningshow.com/jacor-common/cc_photopop20.html?pagenum=0&eventID=15285
- (2) http://www.mjmorningshow.com/jacor-common/cc_photopop20.html?pagenum=1&eventID=15285
- (3) http://www.mjmorningshow.com/jacor-common/cc_photopop20.html?pagenum=2&eventID=15285
- (4) http://www.mjmorningshow.com/jacor-common/cc_photopop20.html?pagenum=3&eventID=15285
- (5) http://www.mjmorningshow.com/jacor-common/cc_photopop20.html?pagenum=4&eventID=15285
- (6) http://www.mjmorningshow.com/jacor-common/cc_photopop20.html?pagenum=5&eventID=15285

Accordingly, again demand that you immediately cease and desist from any further providing of or posting links to the Photographs or directing viewers to the Photographs and/or use of the Photographs and from displaying, posting, disseminating or otherwise exploiting the Photographs. We further demand that you immediately remove all copies of the Photographs from Your Websites (which includes all servers, back-up servers and any other electronic storage devices), remove all links to and/or information on Your Websites directing viewers to copies of the Photographs, and notify each and every Clear Channel station and affiliate of these demands. We further demand that you comply with each and every demand set forth in our previous demand letters.

The fact that you failed to notify any of your radio stations, affiliates, website administrators, other than the ROCK103 station, after being placed on notice, in part, to "notify your ISP, DSP, DNS and/or administrators and agents to cease and desist from any further posting, exploitation and/or distribution of the Photographs, or links thereto," is clear evidence of your malicious conduct. As you would expect, my clients are evaluating their legal options with respect to Clear Channel Worldwide's malicious and cavalier behavior. Your conduct certainly constitutes further evidence of actual malice, thereby subjecting you to punitive damages. See for example, Osmond v. EWAP, Inc., 153 Cal.App.3d 842, 200 Cal.Rptr. 674 (1984); Lewis v. Times Inc., 83 F.R.D. 455 (E.D. Cal. 1979), *aff'd* 710 F.2d 549 (9th Cir. 1983); Bindrim v. Mitchell, 92 Cal.App.3d 61, 155 Cal.Rptr. 29 (1979). If this matter were to proceed to litigation, a jury would undoubtedly punish Clear Channel for its conduct by a substantial award of compensatory and punitive damages in favor of my clients. I hope that will not become necessary.

You would be well advised to comply with these demands immediately and to inform us in a formal writing of your agreement to do so.

This letter does not purport to constitute a complete or exhaustive statement of all of my clients' rights, contentions or legal theories. Nothing contained herein is intended as, nor should it be deemed to constitute, a waiver or relinquishment of any of my clients' rights or remedies, whether legal or equitable, all of which are hereby expressly reserved. This is a confidential legal

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notice and may not be published or disseminated in whole or in part. Any publication or dissemination of this letter shall constitute breach of confidentiality and copyright infringement.

Sincerely,

LYNDA B. GOLDMAN
Of
LAVELY & SINGER
PROFESSIONAL CORPORATION

LBG/ENS

cc: Ms. Catherine Zeta-Jones
Mr. Michael Douglas
Ms. Cece Yorke (via facsimile)
Mr. Allen Burry (via facsimile)
Samuel N. Fischer, Esq. (via facsimile)
John H. Lavelly, Jr., Esq.
Evan N. Spiegel, Esq.

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