



January 10, 2008

BY FACSIMILE AND FEDERAL EXPRESS

Shawn Farrell, Esq.
The Commonwealth of Massachusetts
Department of State Police
485 Maple Street
Danvers, MA 01923

RE: Cease and Desist Order regarding Mass. Gen. Laws ch. 147, § 22 -23 dated
January 2, 2008 to Safenet, Inc.

Dear Mr. Farrell:

On January 2, 2008, our client Safenet, Inc. was sent an official Cease and Desist Order (the "Order") from the Department of State Police of the Commonwealth of Massachusetts. The Order referred to a violation of Mass.Gen. Laws ch. 147 (the "MGL"). It further instructed our client to restrict its operations on the grounds that Safenet, Inc.'s operations constitute unlicensed private investigations in violation of MGL § 22 -23.

As discussed last night, Safenet, Inc. does not advertise or hold itself out as being a private detective. To the extent that our website gives a different impression, we are modifying it so that it more accurately reflects our business. Moreover, any Safenet, Inc. operations that could arguably be characterized as investigations are excepted from MGL as a matter of law. Safenet, Inc. has compiled data pertaining to the recording industry as an agent of a non-profit organization, the Recording Industry Association of America ("RIAA"). This excepts us from licensure pursuant to MGL § 23(7). Through a telephone conversation on January 4, 2008 with the Internal Revenue Service, we have confirmed that RIAA is a non-profit, tax-exempt business association under Sec. 501(c)(6) of the Internal Revenue Code.¹ Also, work that could arguably be characterized as investigations performed for other customers has been performed under the direction of, and as an agent of, an attorney of such customers, which would except Safenet, Inc. under MGL § 23(6).

It should be noted that there are no Safenet, Inc. personnel, facilities, or supplies in the Commonwealth that are used to conduct the operations referenced in the Order. Our client's only contact with the Commonwealth in regard to these matters is that it has

¹ We received confirmation from John Riley of the Internal Revenue Service, Identification No. 298386, at 1-877-829-5500.

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sent letters to persons residing in the Commonwealth on behalf of the RIAA or working as an agent for attorneys of other clients. These facts, and other circumstances, suggest no violation has occurred.

We appreciate you reviewing this situation. If you need any additional information or have any questions, please contact us directly.

Sincerely yours,



Barry Gross

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