

Dear Gerard,

This is a tough thing to figure out, and I don't think either of us ends up being totally happy with any plan, but here's my best attempt at being fair to each of us.

Sometimes I hire people to help develop mechanical parts of tricks. If I had hired you for that purpose, and you'd developed a way to allow the rose stem to be visible and mobile, I would think a reasonable price for that improvement would be about \$7500.

But at this point, I have no idea whether I can build on what you've developed to make the movement smooth enough to have the look I want on stage. So for me, that \$7500 would be a total gamble.

On the other hand, I understand that you have put a lot of experimentation and ingenuity into what you've done, and were hoping to have good sales. Unfortunately those sales would have forced me to defend my rights by unpleasant and protracted lawsuits in both the U.S. and Europe. We would both lose large amounts of money and would end up poorer and bitterly angry at each other.

That is not the way I want to live.

So here's what I suggest:

I would like to offer you \$15,000. For this, you send me everything you've built. You cease manufacture of your prop. You share your idea with nobody and assist nobody else in copying my trick. I assume full ethical and legal possession of your method. I would pay \$7500 upon signing the agreement, and the remaining \$7500 upon receipt of the props.

Now, understand, this is a total gamble for me. I do not know whether what I'm buying will actually be usable in any way for me. But the reason I'm offering such a generous settlement is to reflect three things:

1. The thought and work you have put into developing the alternate method.
2. Your respectful and ethical willingness to step completely away from this project.
3. The wish not be compelled to solve this problem through strife and lawsuits.

I would also expect that you would agree to keep our arrangement absolutely confidential. If this were to get out in the magic community, I believe it would make both of us look very, very bad and cause future problems. And I'd expect your sworn promise never to emulate or endeavor to manufacture any of the material Penn and I have developed on stage or television (unless you contact Penn and me and develop the material exclusively for us -- we do appreciate clever thinking.)

As I said above, there is no perfect solution to this situation. I suspect you were hoping for greater profits in sales than I am offering. And I'm not very pleased to be offering a large amount of money for something that should not have been done without my consent in the first place, and which may turn out to be of no use to me.

But if we follow this plan, and back it up with proper paperwork, you make a respectable amount for your work and ingenuity, avoid legal headaches, and have a new friend in Vegas. I end up without the aggravation of lawsuits, get a potential step towards improving my signature trick, and gain an ingenious new colleague in Spain.

So we turn bad to good and move on with clear hearts and warm feelings.

Please let me know your thoughts on this proposal.

Cordially,

TELLER