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**HOPKINS
&
CARLEY**
A LAW CORPORATION

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August 18, 1994

VIA FACSIMILE

Mary E. O'Byrne, Esq.
Tomlinson, Zisko, Morosoli & Maser
480 California Avenue
Second Floor
Palo Alto, California 94306

Re: RSA Data Security, Inc. Cylink Corporation et al.

Dear Mary:

Enclosed for your review is defendants Cylink Corporation and Caro-Kann Corporation's proposed Order with respect to the August 11, 1994 rulings by Judge Ambler.

With respect to disqualification of Hopkins & Carley, your proposed Order reflects a broader ruling than that requested, presented to, considered by, and issued by Judge Ambler. The only issues before the Court with respect to Hopkins & Carley were the instant case and the underlying arbitration.

Notwithstanding disqualification, it is necessary that Hopkins & Carley be permitted to perform all ministerial acts necessary to permit Cylink and CKC to engage new counsel. Further, since Hopkins & Carley would be permitted, notwithstanding disqualification, to otherwise challenge disqualification through reconsideration, a writ, or appeal, the order should reflect such ability. For these reasons, we added appropriate language to our version of the proposed Order.

With respect to the motion to compel deposition, Judge Ambler made no ruling regarding time within which the deposition must go forward. CKC must now engage new counsel and have sufficient time to prepare for the deposition. For these reasons, we believe an appropriate procedure would be to meet and confer regarding an acceptable date for the deposition.

Mary E. O'Byrne, Esq.
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With respect to the Petition to Compel, as you know, the Petition encompassed not only the motions pending before the Court, but also the entire underlying controversy for which both parties made arbitration claims upon each other. The only matters which the Court excluded from arbitration were the issues as defined in the motion to disqualify Hopkins & Carley, the motion to disqualify Robert B. Fougner, and the motion to compel the deposition. Our proposed language provides that the Petition to Compel Arbitration is granted except as to those matters. We believe such language accurately reflects Judge Ambler's intent in his ruling of August 11, 1994, while your proposed language is misleading.

Please call Jon Michaelson on Friday, August 19, 1994 to discuss these matters.

Very truly yours,

HOPKINS & CARLEY
A Law Corporation

LINDA LARSON USOZ

Linda Larson Usoz

/s/
Enclosure
0008607.01

bc: Robert B. Fougner, Esq. (w/enclosure)
Patrick J. Flinn, Esq. (w/enclosure)
Jana G. Gold, Esq. (w/enclosure)
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