

February 17, 2005



Mr. Walker Parkes  
Amblin Entertainment  
Dreamworks SKG  
100 Universal City Plaza, Ste. 477  
Universal City, CA 91608

Dear Walter:

I am writing to request a meeting with you and Jeff Katzenberg regarding Dreamworks' production of the animated film, "Kung Fu Panda." At this meeting I would like you to consider either abandoning this project or licensing the media rights to my Zen-Bear® franchise (from which Lance Young pilfered the concept of a panda bear doing martial arts) and acquiring my screenplay and portfolio of superior character designs perfected over ten years, and also engaging my services as a writer-animator-producer. My hope is that you and Mr. Katzenberg will have the wisdom and business acumen to create a win-win situation with a superior property, rectify an atrocious and unscrupulous act by a miscreant, and thus avoid litigation in federal court, which will otherwise be inevitable.

You will recall that in April of 2003, I spoke to you at a Yale Club panel at the Skirball Center regarding Lance Young's theft and exploitation of my concept. In January of 2002, your employee had the overarching arrogance (and cowardice) to say these words to me over the phone: "You know, I'm not going to take your pitch, because we have the best artists in the world, and by the time they get through with your idea, you won't recognize it anyway." Aside from blindly making a formidable enemy out of me, this move was supremely stupid business, which deprived Dreamworks of the most valuable talent and already-made assets to produce this animated panda project. For **I have used the best artists in the world** and created a superior animation character icon with a billion-dollar trademark, **Zen-Bear®**, and a portfolio of equally superb supporting characters--long before Young got wind of my concept. Furthermore, with my life-long expertise in Chinese culture, literature and martial arts, I have written brilliant stories for both film and television that will play well here and in Asia--works that Lance Young's hirelings will never match in their lifetimes.

Since our conversation at the Skirball Center, I have monitored the developmental flailings of the Dreamworks panda project from within the animation community. I hope that enough time has passed in futility so that you and Mr. Katzenberg will take this opportunity to explore righting a wrong, avoiding costly litigation, and upgrading your panda project one hundred-fold with me. It is no wonder that quality directors like Eric Armstrong walked off this project early on. Your panda project was conceived in theft, and that spirit will continue to plague it until it fails or until someone pays the piper. In addition to Yale, Harvard Business School and 25 years in business, I also have the "nuts"--to use poker jargon--to make such a prophecy. I am two-for-two in business litigation, but would rather make my money by collaborating with Dreamworks than by suing it.

Sincerely,

Terry Dunn  
(310) 826-2099

P.S. I will not be in the same room with Lance Young under any circumstances.

cc: Jay Shanker  
Michael Lindsey