

Sent by E-Mail Only

TO : JE
CC : Darren Indyke and Rich Kahn
FROM : RDC and MJP
DATE : August 16, 2010

Sorry for delay in responding, preparing for mediation.

As we discussed earlier, my firm is owed slightly over \$523,000.00. There are third party bills, which include the Halls, Rock Legal, US Legal and Prose (both court reporting agencies) and Guastaferro of just under \$90,000.00. As I advised you, Rock Legal discounted its bill by 5% and the Halls discounted their bill to \$60,000.00, a 10% reduction, so the amount paid to them by BCLC was \$81,356.52.

You have offered to pay \$500,000.00 toward our outstanding fees and costs, which is acceptable with the understanding that you will also pay us an additional \$71,356.52 toward the outstanding third party costs. That will resolve all outstanding bills associated with fees and costs relating to our representation of you.

I therefore have discounted the outstanding bills for June, July and August slightly greater than \$23,000.00, and in addition to the approximately \$7,000 to \$8,000 already negotiated off the third party bills, BCLC will eat an additional \$10,000 of those costs. Therefore, by negotiation or reduction (with in my mind no justification for same) BCLC has reduced the overall payments due us by you by approximately \$40,000.00

Therefore, instead of owing approximately \$612,000.00, BCLC will accept the sum of \$571,356.52 for all outstanding fees and costs (which include the most recent costs which BCLC paid). \$150,000.00 of the Evergreen money has been applied. If you give me the authority to apply the other \$157,526.00 in trust, the remaining sum due from you would be \$263,830.52.

If this is agreeable, I will apply the \$157,526.00 against the outstanding bill, the additional funds, \$263,830.52, must be wired to my account by Tuesday, August 17, 2010 at 2:00 p.m. and no lawsuit will be filed tomorrow. If this is not acceptable, please advise me and I will proceed to file the lawsuit, and we can deal with all of the issues at the same time.

If Kahn has paid any bills, one of us will be entitled to a refund, which we can work out.

Bob