

ROGER A. BROWN

Lawyer

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Sonoma, California 95370

Phone (209) 533-7755

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November 15, 2004

Mark Riggins  
CNA Global Specialty Lines  
40 Wall Street  
New York, NY 10005

Re: Odd Fellows v. Boy Scouts, et al.  
Your Insured: Odd Fellows Sierra Recreation  
Your Claim No.: NP 001507

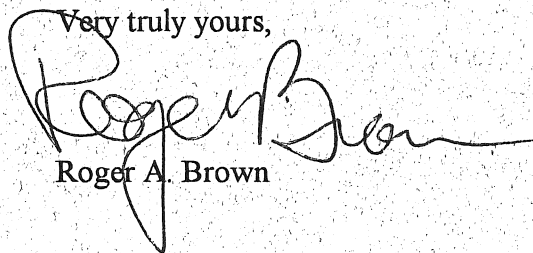
Dear Mr. Riggins:

Pursuant to our discussion last week, please find enclosed herewith a copy of my September 30, 2004 letter and enclosures to you. Since the submission of the billing summary to CNA on or about August 5, 2004, three billing cycles have passed. Therefore, the amount owing to Odd Fellows by CNA has changed.

As shown on the attached Revised Summary, CNA now owes Odd Fellows \$26,893.73 as reimbursement for monies they have paid already out-of-pocket for legal fees and costs and my office in the amount of \$2,375.53, as of November 1, 2004.

Once you have had an opportunity to review the enclosed, please feel free to contact me if you have any questions.

Very truly yours,



Roger A. Brown

RAB:nab  
Enclosures  
cc: Client

REVISED SUMMARY OF BILLING WORKSHEET

August Balance Due By CNA To Odd Fellows: \$47,607.91

September 1, 2004 billing invoice:

Fees: \$5,725.00

Costs: \$1,010.39

Interest: \$ 169.39

Total Fees 5,725.00 + Costs 1,010.39 + Interest \$169.39 = \$6,904.78

October 1, 2004 billing invoice:

Fees: \$122.50

Costs: \$795.78

Interest: \$248.76

Total Fees \$122.50 + Costs \$795.78 + Interest \$248.76 = \$1,167.04

November 1, 2004 billing invoice:

Fees: \$2,170.00

Costs: \$ 91.00

Interest: \$ 209.53

Total Fees \$2,170.00 + Costs \$91.00 + Interest \$209.53 = \$2,470.53

Sub-total owing: \$58,150.26

Credits:

Damrell sanctions \$ 200.00

CNA payment \$28,681.00

Sub-total credits: (28,881.00)

Sub-total \$29,269.26

Balance due:

To Odd Fellows: \$26,893.73

To Roger A. Brown \$ 2,375.53

( $\$26,893.73 + \$2,375.53 = \$29,269.26$ )

ROGER A. BROWN

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September 30, 2004

Mark Ragans  
CNA Global Specialty Lines  
40 Wall Street  
New York, NY 10005

Re: Odd Fellows v. Boy Scouts, et al.  
Your Insured: Odd Fellows Sierra Recreation  
Your Claim No.: NP 001507

Dear Mr. Ragans:

On September 15, 2004, my secretary spoke with you regarding the above-referenced matter. On that date, you told her that you had taken over the handling of this matter since Amy Marshall-Sciortino is no longer with CNA.

As my secretary informed you, we have not had a response to our letter of August 5, 2004, a copy of which is enclosed for your reference. Nor have we had a payment from CNA since April 28, 2004. As of the date of our last billing there was an outstanding balance of \$27,513.96.

On September 15, 2004, you informed my secretary you would review the file and call us on Monday, September 20<sup>th</sup>. To date, we have not had a return call, despite our frequent follow-up messages on your phone-mail system.

I am a sole practitioner. The financial drain on my practice by this unpaid balance is significant. CNA hired me with a promise to pay at least quarterly, yet they have not honored that promise. It has been over 4 months since I have received a payment from CNA. While I understand the confusion that sometimes comes with staff turnover, we expect you and CNA to follow-up and be responsive to our inquiries and our needs as well.

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Mark Ragans  
CNA Global Specialty  
September 30, 2004

With regard to the reimbursement to Odd Fellows as set forth in my August 5<sup>th</sup> letter, Odd Fellows is clearly entitled to reimbursement for the monies they have paid out-of-pocket in defense of this litigation. In fact, delayed payments from CNA contributed to the need for Odd Fellows to pay us directly from time to time. If further clarification is required, please contact me directly so the matter of reimbursement to Odd Fellows can be discussed and, hopefully, resolved along with these long outstanding payments due to me.

I await your immediate your reply.

Very truly yours,

ROGER A. BROWN

Roger A. Brown

RAB:nab  
cc: Client

ROGER A. BROWN

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August 5, 2004

Amy Marshall-Sciortino  
CNA Global Specialty Lines  
40 Wall Street  
New York, NY 10005

Re: Odd Fellows v. Boy Scouts, et al.

Dear Ms. Sciortino:

This is to provide you with the narrative and back-up materials you requested to explain the amounts due for of our work on the Boy Scouts trial matter. As I explained, the treasurer writes the checks for the Odd Fellows and he/she is a volunteer whose identity may change from year to year following elections. We have been the Odd Fellows' regular attorney for some time and while we were paid by them to monitor the progress of this case prior to the time when you retained us, we have not billed you for any of that work prior to the date of retention, January 26, 2004. The Treasurer sent us checks to cover some of our invoices without distinguishing between the Boy Scouts litigation and other matters we were handling for them. As a result, while the balance due on the latest bills accurately reflects what is owed to us, it does not recognize the payments made by Odd Fellows on the Boy Scouts matter after January 26, 2004.

Our bills to Odd Fellows are divided into the different matters we may be handling for them. However, the amounts we billed to you did not include our general corporate work for the client. When our client paid funds to us, we would put the money in trust and use it to pay whatever outstanding invoices there were for all matters.

My secretary has prepared a Billing Summary which highlights the fees, costs we billed and copies of the checks we received in payment from CNA and from Odd Fellows. We have also enclosed the bills for each period so you can see what the amounts and activity were for each period. The amounts shown on the worksheet are highlighted in yellow on the actual bills. The checks in payment of the invoices are in sequence with the invoices.

In summary, we have billed a total of \$63,388.16 to date for the Boy Scouts litigation matter only. Of that sum, CNA has paid a total of \$15,780.25 (\$7513.92 + \$8,266.33). The difference is the amount which CNA currently owes us for this litigation, \$47,607.91.

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Amy Marshall-Sciortino  
August 5, 2004

The confusion arose because the Odd Fellows made some payments during the same time and CNA may have paid the net amount owing on each bill without regard to the Odd Fellows payments. During the period of our retention, Odd Fellows has paid us \$759.20 on 2/21/04; \$754.00 on 3/20/04; \$7,513.92 on 4/17/04; \$10,801.44 on 5/16/04; and \$8,266.33 on 6/12/04; for a total paid by Odd Fellows of \$28,094.89. My secretary's Billing Summary details what portions of the Odd Fellows payments and the corresponding invoices were for the Boy Scouts matter.

The easiest way to reconcile this billing history is simply to look at the total amounts billed on the Boy Scouts matter (\$63,388.16) and reduce that amount by the sum that CNA has paid (\$15,780.25), leaving an unpaid current balance of \$47,607.91. If you will pay us this sum, it will go in trust and be credited first to any remaining amounts owed to us and the balance will be refunded to Odd Fellows to reimburse them for the amounts they paid earlier for which CNA was responsible under their defense of the lawsuit.

In addition to the Billing Summary, checks and invoices enclosed, we also enclose the briefs we spoke about on the phone. Our Trial Brief was filed before the trial began. The Boy Scouts Post Trial Brief was only filed last week and we have until August 27, 2004 to file our Post Trial Brief. We are working on that brief and will certainly have it on file by the deadline. We do not expect the court to issue its decision until at least sometime in October and it could be later.

If you have any questions about the Billing Summary or the net amount owed, please feel free to contact me or my Secretary, Nancy, for whatever information or further explanation you may require.

Very truly yours,

Roger A. Brown

RAB:nab  
Enclosures  
cc: Client (w/enc.)

Billing Summary Worksheet  
Boy Scouts v. Odd Fellows

January 26, 2004 retained as attorney for Odd Fellows

February 2, 2004 billing invoice: Charges attributable to Boy Scouts matter:

Fees  $\$87.50 + 7.50 + 35.00 + 157.50 = 287.50$   
Costs  $\$287.50 \times 4\% = \$11.50$   
Total Fees:  $287.50 + \text{Costs: } 11.50 =$   $\$299.00$

Paid by Odd Fellows as part of \$759.20 payment on 2/21/04

March 1, 2004 billing invoice: Entire invoice Boy Scouts matter:

Fees:  $\$725.00$   
Costs:  $\$29.00$   
Total Fees:  $725.00 + \text{Costs: } 29.00 =$   $\$754.00$

Paid by Odd Fellows in full on 3/20/04

March 31, 2004 billing invoice: Entire invoice Boy Scouts matter:

Fees:  $\$7,217.50$   
Costs:  $\$296.42$   
Total Fees:  $7217.50 + \text{Costs } 296.42 =$   $\$7,513.92$

Paid by Odd Fellows in full on 4/17/04

April 29, 2004 billing invoice: Charges attributable to Boy Scouts matter:

Fees:  $\$9,376.25$   
Costs:  $\$540.54 + 375.05^* = \$915.59$   
\*4% figured on 9376.25 fee amount  
Total Fees:  $\$9,376.25 + \text{Costs } 915.59 =$   $\$10,291.84$

Paid by Odd Fellows as part of \$10,801.44 payment on 5/16/04

June 1, 2004 billing invoice: Entire invoice Boy Scouts matter:

Fees:  $\$12,370.00$   
Costs:  $\$3,410.25$   
Total Fees:  $12,370.00 + \text{Costs: } 3,410.25 =$   $\$15,780.25$

CNA paid  $\$7,513.92$  on 4/28/04  
leaving balance of  $\$8,266.33$

July 1, 2004 billing invoice: Entire invoice Boy Scouts matter:

Fees: \$13,230.00

Costs: \$ 4,246.13

Total Fees: 13,230.00 + Costs: 4,246.13 = \$17,476.13

Payment by Odd Fellows on 6/12/04

Of \$8,266.33

Payment by CNA on 6/14/04

Of \$8,266.33

Leaving balance of \$9,154.06

August 2, 2004 billing invoice: Attributable to Boy Scouts matter:

Fees: \$8,665.00

Costs: \$2,754.87 + 346.60\* = \$3,101.47

\*4% x Fees of 8665.00

Total Fees: \$8,665.00 + Costs: \$3,101.47 = \$11,766.47

Interest reflected of \$80.25 not added in.



Total Amounts Billed On Boy Scouts Matter:

\$ 299.00  
\$ 754.00  
\$ 7,513.92  
\$10,291.84  
\$15,780.25  
\$17,476.13  
\$11,766.47

Total: \$63,388.16

\$63,388.16

Payments from CNA:

\$7,513.92  
\$8,266.33

Total: \$15,780.25

\$15,780.25

Balance due by CNA to Odd Fellows:

\$47,607.91