



November 21, 2006

## An Open Letter to Customers, Colleagues and Friends

For nearly 15 years, AFTERDISASTER has provided quality emergency restoration services to customers across the Southeast United States. We have always taken tremendous pride in the quality of our work and the professionalism of our people.

It is a reputation that we have worked hard to build — and one that we will fight to protect.

Our company recently reached a settlement with the Florida Attorney General's Office regarding work done in 2004. The Florida Attorney General's Office has touted this as a case of "hurricane price gouging."

Nothing could be farther from the truth.

### **Here are the facts:**

When we arrived in Florida in August 2004, following a string of devastating hurricanes, we took deliberate steps to ensure our prices were fair and reasonable. While local prices in Florida for the services we offer were rapidly escalating, we decided to use our longstanding North Carolina prices for all services. We believed this was a fair and honest way to price our work.

We provided detailed price estimates to our customers in Florida and our total costs fell well within those budgets. In fact, one customer wrote a personal letter to praise our work, stating:

"... had we not dealt with a company as knowledgeable and efficient as AFTERDISASTER, our damages would have been much worse... We would not hesitate to call this company back again... I would definitely recommend AFTERDISASTER to any property manager..."

We received this letter shortly before the same customer decided — after we had finished the work - they didn't want to pay our bill - a bill that was well within the price estimate we provided before beginning the project.

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That same customer later filed a complaint with the Florida Attorney General's Office alleging price gouging. We cooperated fully with the Florida Attorney General's Office's investigation. We not only provided them with everything they requested, but also met with them on several occasions, opening our files and pricing information to them. The information we provided revealed that we were in fact using pricing consistent with our prices in 1997. It is interesting to note that we had not increased our prices since 1997. We provided more than 9,000 pages of documentation supporting our prices and our work - including invoices dating back to 1997 that reflected the same prices that we charged in Florida in 2004.

We offered to participate in mediation or binding arbitration with the Florida Attorney General's Office to resolve the dispute surrounding our pricing – they refused. We were faced with a losing proposition — fight an expensive legal battle in the Florida court system, or walk away from a bad situation by reaching a distasteful settlement agreement. We chose to sign the agreement and bring the matter to a close.

This was an expensive experience for AFTERDISASTER, but one that our company learned from. We won't be paid for our time and efforts and the fine work we did in Florida, but we will move on with pride, knowing that we did our best work there after a string of devastating hurricanes.

Those who have worked with AFTERDISASTER know the truth — we are an honest and ethical company that provides excellent emergency restoration services. We appreciate your support and look forward to working with you in the future.

Ultimately, in the settlement agreement, we agreed to waive the cost of \$550,000 worth of services for one customer and refund an additional \$19,500 to another customer.

If you have any questions about this, or would like to discuss it with me personally, please feel free to contact me at 800-948-0242 anytime. I will be glad to meet with you and provide you with additional information or documentation.

Sincerely,



Lee King, President  
AFTERDISASTER