



**Statement of President Lee King on AFTERDISASTER's May 2006 settlement with the Attorney General of Florida**

AFTERDISASTER went to Florida to provide remediation services for victims of the 2004 hurricanes and received many letters of commendation from satisfied customers.

Knowing that unscrupulous companies had overcharged victims with inflated prices, we decided, before starting the first job in Florida, that the fairest thing to do would be to charge Floridians the same prices that we have used for the past several years in our home state of North Carolina. Then no one could accuse us of manipulating prices, especially since our prices are consistent with our industry.

In spite of our best efforts to be fair, two customers declined to pay for the services we provided at great cost to us and complained to the Florida Attorney General's Office about our invoices. The Florida Attorney General's Office disagreed with our prices and contended that AFTERDISASTER should have charged what others were charging in the locations where we helped customers.

We were confident we had acted in good faith and had done nothing wrong. We cooperated fully with the Attorney General's inquiry, opened our books and records, and produced remediation industry experts who – after inspecting the work in question – sided with AFTERDISASTER and validated both our pricing and the work performed for the jobs in question.

In spite of the above, it would have cost us a great deal of money to take the case before a jury. AFTERDISASTER chose to resolve the Attorney General's inquiry through settlement.

The matter is now fully resolved and AFTERDISASTER continues to perform remediation services that exceed the expectations of our customers.

AFTERDISASTER is a licensed general contractor in NC, SC, FL, TN, LA, VA, and WV. We perform emergency services in most of the Southeastern states. We have three offices in NC, located in Greensboro, Raleigh, and Charlotte, with approximately 80 full time employees. We have a network of smaller restoration companies located throughout our areas of service. These network members call us in the event that they encounter a job which is too large for them to handle, or one which requires additional resources.

Lee King, President  
AFTERDISASTER

# MAYHEM MISHAPS

*The Certified Emergency Clean-up & Decontamination Specialist*

July 6, 2006

AFTERDISASTER  
P.O. Box 10393  
Greensboro, NC 27404

Attn.: Mr. Lee King  
President

RE: Florida

Dear Lee,

During our recent phone conversation, I learned about the final outcome of several restoration jobs AFTERDISASTER performed in the fall of 2004 in Florida. I have to admit that I was shocked to learn of the decisions reached by the Florida Attorney General's office, concerning these losses.

As you remember, I was asked to come to Florida in the spring of 2005, to inspect the water damage restoration work that was performed by AFTERDISASTER. I spent two days inspecting the condos that were affected and in my opinion the work that was performed was done within the generally accepted guidelines of our industry, specifically the IICRC S-500 Water Damage Standard. The square footage of affected areas, the work performed, and the pricing charged (per a computer based pricing schedule) were all correct with industry standards.

This loss was huge. A couple hundred condo units that were on the beach took a direct hurricane hit. Many of the ground units had three to five feet of sand in the entire unit. These units were totally gutted and the sand taken out with skidder loaders. There was no power, no accommodations, nothing. AFTERDISASTER showed up with everything: trained manpower, generators, power distribution systems, inspection meters, extraction equipment, and drying equipment.

During my inspection, I was amazed at the virtual lack of mold growth. Normally when a major storm of this magnitude hits, even with quick response, one would expect some of the units to have had active mold growth. The lack of active mold growth is proof of the high level of clean up and restorative drying work that was successfully completed by AFTERDISASTER.

The issues raised by the Florida AG's office are simply not what was done. As I was part of the Florida AG's investigation, there were issues raised and concerns expressed by supposed experts that were not experts:

1. The issue of pricing – AFTERDISASTER DID use the industry standard computer based pricing and did NOT price gouge.
2. AFTERDISASTER – DID follow the industry standard – the IICRC S-500 water damage restoration standard. Which the Florida AG's office would not accept as the industry standard for water damage restoration work.
3. The “other side's” expert had never even performed a water damage loss. And when specifically asked about a Category 3 water loss this expert was unable to explain or describe what was meant by this terminology, much less the correct handling of this type of loss.

Lee, I think AFTERDISASTER is being unfairly used to make an example of incidents that may have occurred in other places in Florida. The job done by AFTERDISASTER would have been 100% acceptable to me, had I owned the condo complex that was affected.

It is my understanding that the current Florida Attorney General is running for Governor and as part of his “pitch” to be elected is touting “how much” money he has saved the residents of Florida. Unfortunately, what is going to happen is quality water damage restoration companies like AFTERDISASTER will not be going to Florida after the next major hurricane. Thousands of condos and homes will be left to rot, as the local water damage restoration companies simply cannot do the amount of work that will be required. Too bad for the Florida residents.

Yours truly,

Richard Driscoll  
Mayhem & Mishaps, Inc.  
Approved IICRC Water Damage Instructor



June 28, 2006

AFTERDISASTER  
P.O. Box 10393  
Greensboro, NC 27404

Attn: Lee King, President

Dear Lee,

Although I was very disappointed to learn that you had recently been forced to settle with the Attorney General's office, I wanted to recap some thoughts about the Aegean project in Florida.

You will recall that I visited this site in January of 2005. We went through each unit in the entire project.

In my opinion this project was completely thoroughly, professionally, and in accordance with industry standards. Moreover, in review of AFTERDISASTER's invoice for the services provided, I believe that your charges were actually lower than many other contractors would have charged.

The more I think about it, the more I am questioning the wisdom of doing business in Florida. It appears that street smart clients can call the State's Attorney and complain about price gouging. They can do this even if there is no merit to their claim.

Even after being cleared (such as through a settlement), there is still no incentive for them to pay. Since they can also refuse to let the contractor complete any additional punchlist items, they can then "justify" the non payment of services. I am familiar with one contractor that was cleared and then made to pay \$10,000 to the State's Attorneys office for their investigation. Why not make the false accusers pay?

I have worked with you for years and have found you to be one the most honest and reasonable contractors to work with. That is why all of this seems so made up.

I believe that those in our industry will need to strongly consider the benefits and potential costs of doing business in Florida.

My best wishes for you in the future.

Sincerely,

Steve Franks, President  
DryTech, Inc.

1136 Gregory Dr.      Gallatin, TN. 37066      800-597-0002



*Luxury Beach Front Condominiums on the Gulf of Mexico*

October 22, 2004

SUBJECT: Letter of Reference  
FROM: Lori Green, Licensed Community Association Manager  
Aegean Condominium Association  
520 Gulfshore Drive  
Destin, FL. 32541

To Whom It May Concern:

My name is Lori Green and I am the Property Manager for the Aegean Condominiums, a luxury resort located directly on the Gulf of Mexico. In the early morning hours of September 16<sup>th</sup>, 2004; our property was devastated by Hurricane Ivan. We sustained major damages, with all of our Gulf front units completely blown out. Most of the damage we sustained, however; was caused by wind driven water to every unit on the property.

Because of the dangerous condition of the Isle that our property is located, we were not allowed on the Isle for three (3) days following the Hurricane. By the time we were able to enter the units, it was clear we were dealing with mold remediation.

At this time, I was referred to AFTERDISASTER. Mr. Lee King, President of AFTERDISASTER; met with me the same day I phoned him about the possibility of his company handling our clean up and restoration. After some indecision from my Board of Directors, I was finally given the approval to hire AFTERDISASTER. It is important to note this, because I was not given this approval until late in the evening of September 19<sup>th</sup>. In spite of receiving my phone call at almost 10:00 p.m., Lee still had his entire crew on our property by 7:00 a.m. the next morning to start the removal of wet carpet and drywall.

All of his employees were in uniform and in vehicles that were clearly marked with the AFTERDISASTER logo. This was extremely important during a time that we were trying to secure our property and monitor who was coming and going for security and safety reasons.

We were introduced to the Superintendent of the crew and at any time I needed to speak with him, he was available. The employees were very courteous and conscientious at all times, often helping our owners and employees with many tasks far beyond what they were hired to do. They worked quickly and communicated with my self and my staff to ensure every thing was completed to our satisfaction.

In less than three weeks, they had removed water damaged drywall, insulation and carpeting in all of our eighty units. Forty of our units are three story town homes. In addition to the removal of water damaged items, they also dried the units with blowers and cleaned the air handling system of each unit.

It is the opinion of our association that had we not dealt with a company as knowledgeable and efficient as AFTERDISASTER, our damages would have been much worse due to the exponential growth of mold. We would not hesitate to call this company back again in the event we would need to. I would definitely recommend AFTERDISASTER to any property manager faced with a similar situation.

Sincerely,

Lori Green  
Community Association Manager  
Aegean Condominium Association  
520 Gulfshore Drive, Holiday Isle  
Destin, FL. 32541  
[theaegean@earthlink.net](mailto:theaegean@earthlink.net)  
Phone: 850-837-9114  
Fax: 850-837-2156

ExEM4-FROM Lori Green to Lee King-102504-Ref Ltr.txt

EXHIBIT 10b

X-Mi ndSpring-Loop: lee.king@afterdisaster.com  
From: "Lori Green" <theaegean@earthlink.com>  
To: <Lee.King@AFTERDISASTER.com>  
Subject: letter of reference for afterdiaster  
Date: Mon, 25 Oct 2004 11:01:44 -0500  
X-Mailer: Microsoft Outlook Express 6.00.2900.2180  
X-ELNK-AV: 0

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Sincerely,

Lori Green

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