

August 30, 2010

Mark and Carol DeCoursey
8209 172nd Avenue NE
Redmond, WA 98052-3902

Mark and Carol:

We are in receipt of your August 5, 2010 letter regarding the interest rate on the \$1,030,427 judgment we obtained for you following the jury trial in October, 2008. The interest rate of 3.49% was set pursuant to RCW 4.56.110(3)(b). You will recall that you were awarded damages for both breach of fiduciary duties and violation of the Consumer Protection Act; however, the money awarded for breach of fiduciary duties (\$515,900) was far greater than the amount awarded for violation of the Consumer Protection Act (\$6,300).

In granting an award for attorneys' fees, the Court recognized that you were entitled to recover attorneys' fees based on both the attorneys' fees provision in the Residential Purchase and Sale Agreement (which did not specify an interest rate) and the Consumer Protection Act, RCW Ch. 19.86. The Court went on to state that it would be impracticable to segregate attorney time and fees between proof of the two claims.

Appropriately, only one judgment was entered, not separate awards for damages and attorneys' fees respectively. In cases where multiple bases for an attorneys' fee award exists, the case law requires that the interest rate be based upon the predominant basis for the damage award. In this case, it was the breach of fiduciary duties cause of action, a tort, that was the predominant claim. Thus, the correct interest rate was utilized for the award.

In contrast to the Residential Purchase and Sale Agreement you entered into, your agreement with Lane Powell does specify an interest rate. We continue to expect you to abide by the contract that you signed. We do not consider the debt you owe to the firm satisfied. Our team worked very hard to achieve the victory that was secured at the trial court and to preserve the victory on appeal. On numerous occasions you have expressed great appreciation for our work. Given your prior statements and the many courtesies that we have extended to you, we found some of the statements in your letter disappointing.

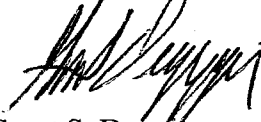
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We trust that the foregoing clearly states our expectations.

Very truly yours,

LANE POWELL PC



Grant S. Degginger

GSD:ka

cc: Ryan McBride
Andrew Gabel
Chuck Riley
Lewis Horowitz

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