



RECORDING STUDIOS

February 7, 2001

James Harper
Goodman-Gable-Gould/Adjusters International
133 Rollins Avenue, Suite One
Rockville, MD 20852

Dear Jim:

On Monday morning August 18, 1997, I arrived work to find that during a rainstorm the day before, the roof above Omega Recording Studios failed. Water poured into our rented space, flooding the business's lobby, stairs, and most importantly, the Studio A control room and studio.

The damage done by this was devastating. In addition to soaking the carpets, floors and furniture, the water poured directly onto the studio's most valuable electronic equipment and destroyed it. Expensive audio cabling installed under raised floors was submerged, rendering it unusable. Leasehold improvements, including expensive acoustical treatments, were ruined. Even the Steinway piano was extensively damaged. The damage approached a million dollars, and even worse, it caused complete closure of Omega's Studio A, which provided about 75% of the business's recording income.

"Thank God we're insured" I thought, "because without it, we're ruined." Little did I know that beginning at that point, our insurance company ceased being our friend and became our adversary. Instead of taking action to protect us from loss and to restore our business, the company's sole objective seemed to be to minimize its own cost. Initially, it rejected the claim, asserting that the loss was not covered. Later, after it was forced to acknowledge coverage, it fought payments for lost income, attempted to devalue the equipment, argued insufficient coinsurance value, threatened us, accused us of fraud, and tried every other possible ruse to reduce amounts they would pay on our claims.

My full time occupation became battling our insurance company, and I was not qualified to do that. I knew little about insurance, and I was up against experts who had no qualms about pressing that advantage. As soon as you entered the scene the situation changed dramatically. You were knowledgeable and effective. No longer was my company bullied into accepting less coverage than we had paid for. The intimidation stopped. Our insurance company was forced to deal with us in good faith, and you negotiated a fair settlement of our claims. You saved our business.

I commend you for the job you did for us. At all times you acted in our best interest, and your fees were very modest for the great value we received. I hope this never happens to us again, but if it does, I will not hesitate one moment before I call you. Thanks for everything.

Sincerely,

Edward S. Petersen
President

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