

THE HAMILTON
SECURITIES
GROUP, INC.

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HAMILTON

January 29, 1998

William C. Gambel, Esq.
Milling, Benson, Woodward, Hillyer, Pierson & Miller, L.L.P.
909 Poydras Street
New Orleans, Louisiana 70112-1010

Re: U.S. v. Streaby Drumm, Jr., et al.

Dear Mr. Gambel:

I am in receipt of the subpoena duces tecum issued to The Hamilton Securities Group, Inc. on behalf of your client in the above case.

Please be advised that Hamilton is insolvent. Hamilton has no ongoing business, no employees, and no funds with which to hire counsel. Consequently, Hamilton does not have the wherewithal to review and produce documents in response to your subpoena. In order to provide you with access to the documents you seek, therefore, I would suggest the procedures outlined below.

With respect to paper documents, Hamilton has collected 102 boxes of documents, which represent all of the paper documents in Hamilton's possession or control relating to its work for HUD. Those boxes are stored at the law offices of Jenner & Block, 601 13th Street, N.W., Washington, D.C. You are welcome to review the contents of those boxes, subject to two caveats. First, you must pay for any copies of the documents that you care to make. Second, because these documents are subject to subpoenas issued by the HUD Office of Inspector General, you will need to obtain the permission of the IG's counsel, Ms. Judy Hetherton, before the documents are made available to you. Ms. Hetherton can be reached at 202-708-1613.

Also stored at the offices of Jenner & Block are computer "back-up" tapes which copy all of the e-mail and electronically-stored documents on Hamilton's computer systems at various points in time. Hamilton is willing to make those computer tapes available to you, again subject to two caveats. First, you will need to have some neutral and mutually agreeable third party screen the tapes at your expense to remove attorney-client privileged materials and all documents and communications unrelated to Hamilton's work for HUD. Second, again, these computer tapes are subject to the HUD Inspector General's subpoenas, and your access to the computer tapes therefore would have to be approved in advance by Ms. Hetherton.

Please contact me if you wish to discuss this matter further.

Very truly yours,

