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November 14, 2005

James W. Marsh
Shephard S. Johnson, Jr.
& Associates, P.C.
628 Pleasant Street
New Bedford, Massachusetts 02740

Re: Decoulos & Company / Eagle Gas, Inc. – DEP RTN No. 4-0017582

FOR SETTLEMENT PURPOSES ONLY

Dear Mr. Marsh:

Introduction

I am writing on behalf of Decoulos & Company and Wright Industries, Inc. (collectively “Decoulos”) regarding several unpaid invoices submitted to Eagle Gas, Inc. and its owner Najib Badaoui (collectively “Eagle”) for petroleum spill remediation services. In short, Eagle owes Decoulos \$79,110.38, plus applicable interest (see attached summaries).¹

This letter is to alert you that Decoulos is prepared to file a civil complaint to recover payment for its outstanding invoices and those of its subcontractor, Wright. In addition, Decoulos will seek recovery of its legal fees and expenses as permitted under the contract. Decoulos will file its complaint within 30 days of your receipt of this letter unless your client either agrees to pay the outstanding invoices in full or agrees to engage in meaningful settlement discussions or mediation.

¹ Eagle owes Decoulos \$29,013.47 and Wright \$50,096.91, respectively. The sums due Decoulos include \$4,406.25 for its time in preparing and submitting reimbursement documentation to the UST Cleanup Fund, M.G.L. c. 21J. This work is clearly compensable under “Task 1” of Decoulos’ contract with Eagle.

Eagle Has Not Only Breached Its Contract with Decoulos, it has Betrayed Decoulos' Trust and Good Will.

While Eagle certainly had the right to retain a new Licensed Site Professional to continue remediation efforts at the site, there is absolutely no excuse for its failure to pay Decoulos' outstanding invoices.

As you know, Decoulos withheld several invoices during the early part of 2005 because Eagle was having financial difficulties. Eagle, understandably thankful for Decoulos' gesture of trust and good will, promised Decoulos that he would be paid.

Regrettably, Eagle has chosen to renege on its promise and has breached the parties' contract. What makes Eagle's conduct particularly outrageous is the fact that throughout Decoulos' term as LSP for the site, James Decoulos made numerous personal and professional sacrifices to make sure that DEP did not assume control of the property.

For example, in early December of 2004, Mr. Decoulos responded to a DEP demand on Eagle which required the construction and installation of an interceptor trench within the Main Street right-of-way. As you may know, DEP was threatening to assume control of the remedial work during this period under the authority of G.L. c. 21E, § 4. Had Decoulos and Wright failed to perform, Eagle could have incurred costs from DEP that would have easily been double that charged by Decoulos and Wright - with no likely chance of reimbursement under c. 21J.

As a result of responding to the situation, Mr. Decoulos missed a required DEP continuing education course for LSPs on December 15, 2004, which has now resulted in a temporary suspension of his LSP license. In order to reinstate his license, Mr. Decoulos has had to petition the LSP Board and seek a waiver of DEP continuing education course credit. This process is not only time consuming, it jeopardizes Mr. Decoulos ability to conduct his business.

In another instance, during a family vacation to Panama during Christmas week 2004, Mr. Decoulos devoted many hours preparing and editing follow-up environmental reports for Eagle in Panama City while his family traveled ahead to a remote section of the country on their pre-planned trip. Mr. Decoulos joined his family in Boquete, Panama, continued his work for Eagle, and went so far as to find an internet café in the village so he could email his reports back to the southeast regional office of DEP.

And how does Eagle thank Decoulos and Wright for their extraordinary efforts and generosity? It decides to cheat them. There is no other way to characterize Eagle's conduct.

Payment to Decoulos Cannot Be Held Hostage to the UST Cleanup Fund Reimbursement Process

There is no contractual or statutory basis for Eagle to hold payment of these outstanding invoices hostage to the UST Cleanup Fund reimbursement process, M.G.L. c. 21J. While Eagle has not yet obtained reimbursement for much of its costs through the fund, that is not a legally sufficient reason or excuse for withholding payment to Decoulos. As an initial matter, there is nothing in the parties' February 2003 contract that makes payment contingent on obtaining reimbursement. Indeed, the contract states that "under c. 21J, all fees *should* be reimbursable from the state" (emphasis added), a clear indication that 21J reimbursement is not automatic and certainly not tied to Eagle's obligation to pay Decoulos.

On October 21, 2005, Decoulos submitted all of the documentation requested by Sedgwick CMS pursuant to Sedgwick's audit of Decoulos' 21J submittals. To date, Decoulos has not received any indication from Sedgwick that additional information is needed. Of course, Decoulos will continue to provide all necessary and relevant information to Sedgwick if more is requested and will make all other necessary submittal's to the Board.

Decoulos' obligations under the 21J process, however, are completely separate from Eagle's obligation to pay Decoulos. Decoulos has no control over the UST Board's decision making process and no control over when Eagle will obtain reimbursement. It is undisputed that the vast majority of Decoulos' 21J submittals have been accepted by the Board. Why the Board has not issued all eligible reimbursements to date is much more likely a function of the Board's bureaucratic inertia than it is due to any alleged deficiencies in Decoulos' 21J submittals.

Payment Cannot Be Withheld on the Theory that the Contract Budget Exceeded \$20,000 Without Eagle's Written Authorization

Nor can Eagle refuse to pay based upon the parties' February 2003 contract clause that required written authorization if the contract budget estimate exceeded \$20,000. As you know, Eagle continued to accept, without complaint or protest, Decoulos' services for over a year after the \$20,000 threshold was exceeded. This continued acceptance of services is effectively a waiver of the contract's requirement for written authorization. Even if recovery cannot be achieved via the contract, the payments certainly can be recovered under an implied contract theory such as quantum meruit or unjust enrichment. See Salamon v. Terra, 394 Mass. 857 (1985) (*rvsd on other grounds*).

There is no doubt that Eagle accepted the benefit of Decoulos' and Wrights' services with the understanding that payment was required. Moreover, there is no doubt that Eagle benefited from those services. Eagle cannot rely on a contract defense to avoid payment.

Eagle is Responsible for Decoulos' Legal Fees and Expenses Incurred in Collecting Payment

The contract Terms & Conditions expressly state that Eagle "shall reimburse [Decoulos] for all costs and expenses of collection [of payments owed], including reasonable attorney's fees." See Terms and Conditions at Section 2, Billing and Payment. Decoulos will vigorously pursue recovery of all of its attorney's fees incurred as a result of these collection efforts.

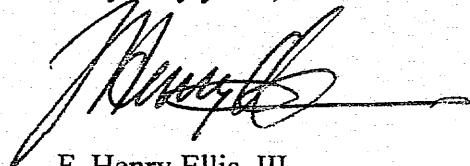
Conclusion

Decoulos fully understands the costs and aggravation that accompany litigation. However, it is determined to recover what it is rightfully owed under the law. It has authorized me to pursue any and all legal means to obtain recovery. Given that your client may be held responsible for any legal fees and expenses resulting from any litigation, it would appear advisable to resolve this matter quickly.

Decoulos is prepared to engage in meaningful settlement discussions that are not tied to the Board's reimbursement proceedings or time table. It is also amenable to having this dispute resolved through mediation.

I look forward to your response to the issues raised in this letter. If I do not hear from you or if meaningful settlement discussions are not underway by December 19, 2005, I will file a complaint in Plymouth Superior Court.

Very truly yours,

A handwritten signature in dark ink, appearing to read "F. Henry Ellis, III", with a long horizontal flourish extending to the right.

F. Henry Ellis, III