

Specie Law Firm, LLC

P. O. Box 358318
Gainesville, FL 32635-8318
Physical Address: 1330 NW 6th Street, Suite C, Gainesville, FL 32601
Phone: (352) 468-3683
Cell: (352) 317-7600
karen@specielaw.com

March 20, 2011

James E. Foster, Esq.
Akerman Senterfitt LLP
420 South Orange Avenue
Suite 1200
Orlando, FL 32801
james.foster@akerman.co

RE: Louis J. Pearlman, et. al., Chapter 11 Case No. 6:07-00761KSJ (jointly administered)

Dear Jim:

Prof. Jeff Davis and I are honored to have been chosen to act as mediators for the adversary proceedings filed by the Chapter 11 Trustee. I am writing this letter on behalf of Jeff and me at the instruction of Judge Jennemann at last week's hearing. This letter is to set forth the terms of our fee agreement as mediators.

Jeff Davis and I intend to cooperate with each other so as to streamline, as much as possible, the mediations. The Court has approved us to perform mediation services based upon an hourly rate. Each of us will charge \$400.00 per hour for services based on the time we spend. We will bill for law clerk time at \$80.00 per hour and paralegal time at \$50.00 per hour.

We agree to charge ½ of our normal hourly rate, \$200.00 per hour, for travel time. We will also charge mileage to and from any city in which mediations are scheduled. In the event that we travel for more than one mediation at a time, we will divide the hourly rate for travel and the mileage between each of the cases. For example, if we travel to Orlando for three mediations in one day, we will divide our travel time and mileage by three, and charge 1/3 to each case. We will apply the same formula to travel expenses that we may incur for tolls, hotels and meals.

Each of us will keep separate records of our time and charges on a case by case basis. We will render a bill to the Trustee following each mediation, and will bill each case separately. Each bill will detail the services rendered and itemize the charges. We will charge for all out-of-pocket costs and expenses incurred with third-party vendors, at our cost. We will also charge for long-distance telephone charges, out-of-town travel, at cost, and duplicating costs at the rate of \$.15

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per page. The Trustee will remit payment for all bills within thirty (30) days from the date of any bill, and will handle the collection of the money due on our bills from the other parties to each mediation.

The Court is permitting us to discuss with each other the cases assigned to each of us for mediation. We intend to bill for any such time while attempting to keep any duplication of time to a bare minimum. Our intent is to provide clear, fair and transparent billing on each and every matter. We trust that the Trustee will find our billing statements to be self-explanatory. Should the Trustee or other mediation parties have questions or concerns about any of the bills we submit, they are welcome to contact us with those questions. If you or Judge Jennemann have any questions about, or need clarification of, any of the billing information contained in this letter, please do not hesitate to contact us.

We look forward to working with you and the other parties and their attorneys toward amicably resolving, through mediation, the pending adversary proceedings, and appreciate the opportunity to be of service in this case.

Sincerely,

/s/Karen K. Specie

Karen K. Specie, Esq.

/kks

Cc: Hon. Karen S. Jennemann (via email only)

Prof. Jeff Davis (via email only)