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Mr. Jacob Stein, Esq.
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1800 M Street, NW
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Dear Mr. Stein:

I am writing this letter directly to you in the hope of clarifying several matters of great importance to me and to the HSUS itself. As to the forthcoming meeting scheduled in Kansas City, I would expect to have received by now the answers in writing to the questions that I specifically raised in my letter to you of May 9, 1988 (enclosed) in addition to the still unanswered questions raised by the Harmon and Weiss report as a prerequisite to any effective meeting that might take place on July 8th.

A few words about the "Select" committee: Joe Ramsey is fully in charge of this pro-management committee. Bill Wiseman, who incidentally selected the committee by himself so that it in no way represented an impartial committee of the Board of Directors, is an "ex-officio" member. Apparently John Hoyt is also now considered a member as a result of the reasoning that the President can attend meetings, even though many of the questions being raised directly concern his past conduct. What is most inconsistent is the inclusion of Mr. Hoyt and Mr. Wiseman, who are two of the primary people at whom the Harmon report points a finger for past activities.

I gather that what really is being "staged" is to have you, the well-known and reputable Jake Stein, pour oil on these troubled waters and put these matters to rest without really having to answer the allegations contained in the Harmon report.

All of the above, Mr. Stein, makes it necessary for me to review a few facts that may not be clear to you because you were not personally present at the Board meeting of April 20, 1988, and I will take a moment to set forth how your proposed role was described and sold to the Board members in attendance. William Wiseman, using the power of the chair, after soundly criticizing the "Harmon" report as unbalanced and unfair, announced that he had a plan. He then proceeded to state that "Jake Stein (his personal attorney) has an idea that will get everyone off the hook by starting a procedure that will resolve all of these matters." You were described as the "new Independent Counsel" and Mr. Wiseman repeated that this would get the Board "off the hook" and said, "we need outside independent counsel of unchallengeable prestige." I might point out that Ms. Harmon was also an "independent counsel" but since Mr. Wiseman and others were incriminated in her report, Mr. Wiseman preferred to ignore both the Audit Committee (appointed by the Board) and the Harmon report because there were too many questions raised in the Harmon report that made him, the Deferred Compensation Committee, and some of the executive staff all look bad. So using the chair to his advantage, Chairman Wiseman appointed a "select" committee, stacked heavily with his own sympathetic directors, to try and bury the Harmon report once and for all.

The script went somewhat like this: Mr. Sonde, who was apparently present as the personal counsel for John Hoyt and Paul Irwin, said that "both Stein's advice and mine is that the Board needs some advice from someone who has credentials." (Apparently Gail Harmon has none!) Mr. Irwin, in supporting the idea, repeated the thought that this would get the Board off the hook and, following another reference to you as "distinguished independent counsel," Mr. Sonde spoke in support of the plan of hiring Jake Stein as independent attorney for the organization (the HSUS) and "turning this all over to him." Joe Ramsey then said that he was "advised by counsel (I don't know what counsel) to proceed this way"—to create a new Committee to supersede the Audit Committee and "turn it all over to Jake Stein."

The above reflects the atmosphere at the meeting where your retention was voted upon and this letter is simply to verify that your role will be as described, and that in essence this whole matter will be "turned over" to you and that you will exercise your "independent judgment" on all of these questions.

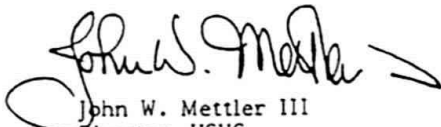
If, on the other hand, your role is that merely of counsel to this new "select" committee, that is an entirely different matter, and you could hardly be expected to, nor be in a position to exercise any "independent" judgment for the corporate charity itself.

As you should be well aware, the "Select" Committee was carefully designed by Chairman Wiseman to supersede, and in effect ignore the work done and report issued by the earlier Audit Committee and its attorney, Gail Harmon. (This committee incidentally was unanimously authorized by the Board of Directors in December, 1987). Is Chairman Wiseman, who is under such criticism for having aided and abetted the Hoyt-Irwin activities, really to be part of this "select" committee? Is John Hoyt to be part of it? Or are they simply included to be sure the Harmon report is effectively obliterated?

Joe Ramsey's May 28, 1988 letter to my attorney, Bardyl Tirana (copy enclosed) only acted to exacerbate these fears when he made it clear that he would decide what was "necessary" for you to see and be concerned with. This "screening" of information shows clearly that the Chairman and Vice-chairman are anxious to avoid disseminating any incriminating facts supporting the Harmon report. It is quite evident that this arrogance and insensitivity to obvious conflicts of interest and heavy handedness which contributed so much to the creation of these problems in the first place, continues on, unabated in any way.

Has this whole matter been put into your hands as independent counsel to the organization, or is your good name simply being used as "window dressing" in order to cover up the questions raised by the Harmon report?

I will appreciate hearing from you and most particularly would like to see these unanswered questions answered in writing before we are all called upon to attend any meeting of this new "committee." I am afraid that these questions must eventually be dealt with openly and above board. They will not simply disappear. Nor will the Harmon report.


John W. Mettler III
Director, HSUS

cc: Members of The Select Committee
Murdaugh Stuart Madden, Esq.
Enclosures