

XXX Enterprises
Attention: Russell XXX
_____ Road
_____, Texas

Re: YYY Products

Dear Mr. XXX:

This firm has been retained by YYY Products to prosecute legal action against you for damages.

On or about June 1, 2004 YYY Products entered into a contract with you to purchase a used Trane 200 ton Air Cooled Package Screw Chiller, for \$35,000.00 YYY Products paid you the full amount of \$35,000.00 but you have failed and refused to perform your end of the bargain.

After months of phone calls and attempts to contact you it has become apparent that you do not intend to honor the contract you entered into with Independent Pipe Products.

In its dealings with you, YYY Products contracted with you for goods and services. Accordingly, in this transaction YYY Products was clearly a “consumer” as such term is defined in Section 17.45, TEXAS BUSINESS & COMMERCE CODE.

YYY Products asserts that you committed a number of false, misleading or deceptive acts and practices prohibited by Section 17.46 of the TEXAS BUSINESS & COMMERCE CODE (the Texas Consumer Protection – Deceptive Trade Practices Act) including, but not limited to, the following:

1. Representing that goods or services have characteristics, uses, or benefits which they do not have, in violation of TEXAS BUSINESS & COMMERCE CODE § 17.46(b)(5);
2. Representing that goods or services are of a particular standard, quality, or grade, if they are of another, in violation of TEXAS BUSINESS & COMMERCE CODE § 17.46(b)(7);
3. Advertising goods or services with intent not to sell them as advertised, in violation of TEXAS BUSINESS & COMMERCE CODE § 17.46(b)(9);
4. Representing that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law, in violation of TEXAS BUSINESS & COMMERCE CODE § 17.46(b)(12);
5. Knowingly making false or misleading statements of fact concerning the need for replacement or repair service, in violation of TEXAS BUSINESS & COMMERCE CODE § 17.46(b)(13); and
6. Failing to disclose information concerning goods or services which was known at the time of the transaction thereby intending to induce YYY Products into entering into the referenced agreement, knowing that they would not have entered into such agreement had such information been disclosed, in violation of TEXAS BUSINESS & COMMERCE CODE § 17.46(b)(24).

The foregoing violations were committed knowingly and intentionally, and YYY Products relied on your representations, acts, and omissions to its damage and detriment.

Further, the representations, acts, and omissions made by you in your dealings with YYY Products constituted an “unconscionable action or course of action” as such term is defined in Section 17.45(5), TEXAS BUSINESS & COMMERCE CODE.

In addition to constituting numerous violations of the Texas Consumer Protection – Deceptive Trade Practices Act, the above-described acts and omissions made by you constituted, among other things: misrepresentation; negligence; negligent misrepresentation; constructive fraud; breach of contract; breach of express warranty; breach of implied warranty; fraud; and breach of duty of good faith and fair dealing.

As a direct result of your wrongful acts and omissions, YYY Products has been compelled to retain the services of this firm to seek redress for the damages it has suffered. As of the date of this writing, the fee for the legal services and related costs incurred in this matter is \$5,000.00.

Therefore, the total damages thus far suffered by YYY Products as a direct consequence of your acts and omissions is \$40,000.00, itemized as follows:

1. Total amount paid \$35,000.00
2. Attorney fees incurred to date in the amount of \$5,000.00 in connection with investigating and pursuing this claim.

Demand is hereby made upon you to immediately pay the total amount of damages sustained, \$40,000.00, to YYY Products through this office immediately.

This letter constitutes notice that unless we receive a certified check, cashier’s check, or money order for such full amount, \$40,000.00 on or before October 25, 2004, this firm has been instructed to take whatever steps are necessary to protect our client’s interests.

In such event, YYY Products has authorized and instructed us to file and prosecute a lawsuit against you to collect all damages caused by the above-described wrongful representations, acts, and omissions.

In connection with such litigation, we have been directed to pursue all proper legal remedies and to seek all available relief including, but not limited to, direct and consequential damages, penalties as provided by the Texas Consumer Protection – Deceptive Trade Practices Act, attorney fees, interest, court costs, and such additional punitive damages as may be legally appropriate.

Pursuant to Section 17.505, TEXAS BUSINESS & COMMERCE CODE, please be advised that if this claim has not been resolved within sixty (60) days from the date you receive this

notice, the petition in the above-referenced lawsuit against you will be amended to request additional relief under the provisions of Section 17.50, TEXAS BUSINESS & COMMERCE CODE, including treble damages as authorized therein.

Please pay this claim now to avoid litigation and further expense. Your immediate response to this serious matter will be appreciated.

Sincerely,

Chris McHam