

LAW OFFICES OF
KENNETH P. JACOBUS
A PROFESSIONAL CORPORATION
310 K Street, Suite 200
ANCHORAGE AK 99501-2064
TELEPHONE (907) 277-3333
FAX (907) 264-6666

Hand Delivery

June 8, 2007

Robert K Stewart, Jr.
Davis Wright Tremaine
701 West 8th Avenue, Suite 800
Anchorage AK 99501

Re: CEA v. Kreig
Stay of Proceedings

Dear Bob,

On May 31st I received your proposed Stipulation for Stay. My clients indicated they were agreeable but asked for return of their documents during this period. The seized files after all are 99% of no interest in this case to CEA as they are not in any way CEA confidential information. Mr. Kreig has need for access to those files and so does Chugach Consumers. In particular this situation is severely interfering with their ability to participate in the RCA filings.

The last message from you informed me that you were checking with your client on our request for Mr Kreig to have his files returned. But I have heard nothing further from you. My clients merely want their files back and they were just asking a reasonable question. They would have been and remain glad to sign the stay and were awaiting your response.

The next thing that occurred is that on June 5th you filed the "SECOND REVISED FORM OF PRELIMINARY INJUNCTION" with the Superior Court. There was no necessity for you to make this filing. This will simply run up legal expenses for all concerned and has put all parties to unnecessary work.

In addition, the filing contains proposed "findings of fact" and "conclusions of law." On a preliminary injunction, there is only a very limited hearing and no testimony is taken. This being the case, the only findings and conclusions which should properly be made are those which specifically deal with the injunction. Additional findings should not be made until such time as a full hearing on the matter has been conducted. In addition, this type of filing is likely to cause confusion in the future, since third parties may erroneously conclude that such findings have really been made after a full evidentiary hearing, misunderstand what took place, or use the information improperly. This is a point which will have to be addressed later, after the

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termination of the stay, depending on how this case will proceed.

Finally, Judge Stowers ordered that a plan be devised by May 21st to go through the documents so that they might be returned to my clients. I emailed you about this, but received no response to a request to have a meeting to discuss this.

In order to protect my clients, notwithstanding the fact that there has been no response from you, I have executed and returned your proposed stipulation for stay, along with an appropriate order. My clients still have no access to their records, however, which, among other things, specifically interferes with their ability to prepare presentations for the RCA.

Please sign, file and send me a copy. Thank you. If you have any particular questions, please let me know.

Very truly yours,

KENNETH P. JACOBUS, P.C.

By


Kenneth P. Jacobus

KPJ:me

Encl.