



Lake Success Commercial Claims
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Lake Success, NY 11042
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VIA OVERNIGHT MAIL

May 30, 2008

Richard A. Galbo, Esq.
Galbo & Associates
1830 Liberty Building
Buffalo, NY 14202

RE: Pearson Education, et al. v. The Textbook Guy LLC
Our Insured: The Textbook Guy, LLC
Our Claim No. YRV L 32276
Policy No.: 01 SBA RD6021

Dear Mr. Galbo:

Enclosed herein please find two checks made payable to Galbo & Associates, as attorneys, and The Textbook Guy, LLC in full settlement of the coverage dispute regarding defense and indemnity in connection with the above captioned litigation. The first check made payable in the amount of \$35,000 is to reimburse the insured for its post-tender defense costs incurred in connection with the underlying lawsuit. The second check made payable in the amount of \$38,000 reflects The Hartford's agreement to pay one half of the amount of the judgment entered against our insured. It is our understanding of the settlement agreement between Hartford and its insured that amounts paid in excess of the underlying defense costs must be used by the insured to satisfy its obligations pursuant to the judgment entered against it in the United States District Court, Southern District of New York. It is our expectation that the insured will use the funds accordingly. If this is not your understanding, then you are not authorized to negotiate our check in the sum of \$38,000 and must return that check to my attention immediately.

If you would like to discuss this matter, please do not hesitate to contact me at (516) 734-2720.

Very truly yours,

Diane DiFranco

Diane DiFranco

The Hartford
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Encls.



**The Hartford
FAX COVER PAGE**

To: William Dunnegan
Fax Number: 2123328301
Company:

From: Diane DiFranco

Date: 06/03/08 04:19:03 PM
Subject: Text Book Guy Letter to Galbo
Total Pages: 3 including cover page

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Memo: Further to our discussion, attached please find cover letter addressed to Richard Galbo, Esq., that enclosed the settlement checks.

<<Text Book Guy Transmittal of Settlement Checks.DOC>>