

ADVANCED MANUFACTURING SYSTEMS, INC.
WORLD HEADQUARTERS - HOUSTON, TEXAS



CMW Division
U.S. Highway 64 East
P.O. Box 160
Clarksville, AR 72830
501/754-2022

Mr. Allen Gross
Adjusters International
26877 Northwestern Highway, Suite 120
Southfield, Michigan 48054

December 27, 1989

Dear Allen:

It has been a long and hard pull but it is finally over -- we have reached agreement with our insurance carrier The Hartford on all claims associated with the April 28, 1988 fire at CMW, Inc.

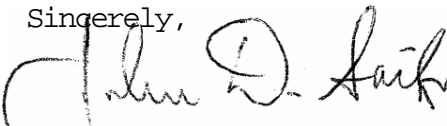
The final issue to be resolved was associated with the valuable papers coverage. We had a major loss of engineering information and drawings for which you helped us prepare and submit a claim for more than \$2,000,000. We all expected that The Hartford's adjuster would be happy to write us a check for the policy limits as this loss was far in excess of that amount. However, the adjuster would not recognize any loss.

So over the last several months we have been working to try to get this issue resolved with The Hartford. Several claim presentation options have been explored including verification of loss through sworn depositions of CMW employees, the use of different and creative methods of the calculation of loss amount, arbitration under the policy rules, attorneys, and court suit, all of which have cost both parties a bunch of time and money. But in the end The Hartford had to admit there was a significant loss. As you know we recently received a check from Hartford for the majority of the valuable papers coverage amount. And this was agreed to without arbitration or suit. It sure would have been easier, though, if Hartford had listened to you in the beginning.

So, Allen, again we couldn't have done it without you. Your contribution to our timely and fair settlement of all our claims was major. We are certain we received several hundred thousand dollars more than we would have going it alone without your help. And it was not creative, just what we were due under the policy.

Thanks again for your help.

Sincerely,



John D. Saik
President
CMW Division, AMS, Inc.