

# **EXHIBIT “B”**



**Peter T. Parashes**

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February 25, 2015

Via Email (btupi@tuckerlaw.com)

Bradley S. Tupi, Esquire  
Tucker Arensberg, P.C.  
1500 One PPG Place  
Pittsburgh, PA 15222

RE: Alderwoods (Pennsylvania), Inc. v. Duquesne Light Company  
Supreme Court of Pennsylvania, Filing No. WSUPWD00019290

Dear Brad:

This follows up on our conversation of last Friday. Lexington Insurance Company has authorized me to settle this matter with Duquesne Light for \$325,000.00 if settlement can be achieved without further significant costs being incurred. Lexington is willing to include a confidentiality provision in the settlement. This offer represents roughly 50% of what we believe are the recoverable damages factoring in depreciation and market value and roughly 50% of the Rule 238 interest which would apply if the matter were tried in October 2015 and a judgment entered for that sum. Suit was filed 8/25/2009, served 8/31/2009 and one year after that was 8/31/2010 with a period of 104 non-chargeable days thereafter being the days during which the case was in "limbo" from the date of the summary judgment (12/13/2010) until the trial court was reversed (7/27/12).

**The relevant numbers in this matter are as follows:**

\$1,330,017.15	Total amount of damages before reductions to ACV on contents and fair market value on the building
\$650,049.88	Total amount we believe is fully recoverable, factoring reduction from RC to market value on the building and approximately 25% depreciation on contents other than the new caskets; plus 50% of recoverable 238 damages

**The \$650,049.88 consists of the following:**

**Building Related Losses**

426,500.00	Building at fair market value (reduced from \$1,190.961.27 pad at RC)
1,159.59	Board up
9,738.00	Asbestos removal charges
1,259.15	Temporary guard service
12,156.59	Interior demolition to recover electrical panels and related components
25,000.00	Building demolition
476,613.29	

**Depreciable Contents**

44,967.00	Furniture
15,710.00	Office equipment, computers, etc.
1,622.31	Property of employees and customers
62,307.31	Before 25% depreciation

40,000.00	Caskets
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**Other**

1,450.00	Relocation of walk-in “cooler”
4,177.28	Cost to remove and deodorize and restore files
6,627.20	

The above amounts to 585,549.60 . When 80,000 for 238 is added it is 665,546.00. When 15,000 is deducted as the approximate 25% depreciation on contents, it is 650,000. Our offer to settle is 50% of that sum.

You know this case well and we are both aware of the long, difficult, expensive litigation journey that it has involved thus far. If the case goes forward, it will generate additional substantial costs, especially for Duquesne Light because of the attorney fee factor that is not facing my client. We should assume that whoever loses the case will take an appeal, which would generate further costs and further delays.

What this case boils down to, in my opinion, is whether a jury believes that Duquesne Light took reasonable measures to avert harm in a scenario in which it had at least constructive knowledge of a dangerous condition impacting Hirsch’s electrical system (to paraphrase the Pennsylvania Supreme Court). The collapse of the nearby pole, severing of high voltage wires that caused a circuit breaker to trip at the nearby substation, the high voltage wires dangling near the secondary wires and the condition of the mast heads and service points – some of which were

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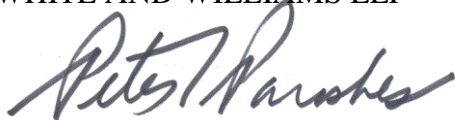
dislodged out of building-all-support the conclusion. Other surrounding factors will add persuasion as well. Putting counter arguments aside, I assume you will at least agree that the case will get to a jury unless you manage to transfer it to the PUC, which Al Charkey tells me is a long shot. Once it gets to a jury the results are very difficult to predict but I believe that it is a reasonable statement that we, as the plaintiff, have at least a 50/50 chance of prevailing. In any event, I do not see how any rational analysis can lead to the conclusion that Duquesne Light does not face a real risk of an adverse verdict.

My client has decided to come to you with a number that they believe is fair and avoids a lot of the usual posturing that occurs in these matters. This offer is made for the purposes of settlement discussions only and if we cannot resolve the matter, they will not be bound by this number going forward.

I look forward to hearing from you and I want to mention again that while this has been a long and arduous matter, there has been a high level of civility and professionalism which is not always encountered in difficult litigation.

Very truly yours,

WHITE AND WILLIAMS LLP

A handwritten signature in black ink, appearing to read "Peter T. Parashes". The signature is written in a cursive, flowing style.

Peter T. Parashes

PTP/kmt