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June 5, 2003

**Re: Tax Bill Enacted Without Deferred Compensation Changes;
Electronic Distribution of Future KHB Updates**

Dear Clients and Other Friends:

The dramatic changes to executive deferred compensation that were proposed in the Senate's version of the Jobs and Growth Tax Relief Reconciliation Act of 2003 were dropped in conference and are not in the Act as signed by the President last week.

While this particular threat to current common practices has passed, it is not certain that significant changes will be avoided. The Treasury Department remains interested in getting Congress to lift the freeze on changes to the deferred compensation rules that was imposed by the Revenue Act of 1978, and the specific provisions that were dropped from the Senate bill or other changes could still be attached to other legislation moving through Congress.

The unusual speed with which the recent legislation was finalized has reminded us of the potential value of being able to pass along information faster than ordinary mail service allows. For this reason, and because we suspect many of you may prefer the convenience of electronic mail, we have decided to send most of our future correspondence about new developments electronically.

If you would like to begin receiving our updates by e-mail, please let us know in an e-mail sent to this address: HNelson@KHBlaw.com. Please include in your e-mail your name and your company. (E-mail addresses are sometimes a little cryptic and we want to make sure we associate the right person with your address.)

If it's more convenient, you can send us a fax at (612) 341-1041 or call us at (612) 341-0881. Either way, please be sure to tell us your name, your company and your full e-mail address. If your e-mail address is case-sensitive, please be sure to let us know which letters must be capitalized.

We will continue to send paper copies to clients and friends who specifically ask to get their updates by regular mail. If you do not specifically request a paper copy, we will continue to send paper copies only until we obtain an e-mail address for you.

October 29, 2004

Page 2

If you have any questions or comments about the switch to electronic distribution, please call Helen Nelson at (612) 341-0881, or, if you are a client, the lawyer here who is principally responsible for your work.

Sincerely,

John W. Haine

JWH/hgn