

ARNOLD, MATHEWS, WOJKOWSKI & ZIRBEL, LLP

ATTORNEYS AT LAW

2901 NORTH VENTURA ROAD

SUITE 240

OAKLAND, CALIFORNIA 94612

TELEPHONE (415) 888-9888

TELECOPIER (415) 888-1837

WESTLAKE OFFICE

100 N. WESTLAKE BLVD

SUITE 201

WESTLAKE VILLAGE, CA 91361

TELEPHONE (805) 371-8800

FAX (805) 498-8812

GARY C. ARNOLD
JOHN M. MATHEWS
JAMES WOJKOWSKI
MARK A. ZIRBEL
DAVID R. WORLEY
DENISE L. ROTHWELL
DENNIS P. MCNULTY

OF COUNSEL
KATHLEEN J. BACK

August 5, 1998



RECYCLED PAPER

VIA FAX & U.S. MAIL

Leslie Dattel, President
Simi Valley Le Parc Homeowners Association
628 Languid Lane
Simi Valley, California 93065-5409

Re: ZM v. Simi Valley Le Parc Homeowners Association;
American Arbitration Association Case No.: 72-Y-110-
00430-95

Dear Ms. Dattel

This is a brief status report concerning the above-referenced action.

The Le Parc Condominium complex sustained significant damage from the 1994 Northridge Earthquake. ZM Corporation (dba Qwikresponse) was retained to perform the repairs. That work began in late 1994. In 1995, disputes arose between the homeowners association and ZM concerning the work. Pursuant to contract, the dispute was submitted to binding arbitration before the American Arbitration Association (AAA).

The arbitration is now completed. Final arguments occurred on June 18 and 19, 1998. The arbitrator's award was served on July 13, 1998 (attached). It awards in excess of 6.6 million dollars to ZM for various contract and tort claims. The award does not become a collectable judgment until the superior court confirms the award and enters judgment. ZM has filed a petition for confirmation of the award in Ventura County Superior Court. The petition will be heard on August 11, 1998. We, of course, will oppose it. Counsel for ZM has indicated that they will seek to enforce any judgment against individual Le Parc homeowners, by compelling a special assessment or any other legal means at their disposal.

Very truly yours,

ARNOLD, MATHEWS, WOJKOWSKI & ZIRBEL


David R. Worley

Encls.
DRW:jv

American Arbitration Association

In the Matter of the
Arbitration Between:

ZM CORPORATION dba
QWIKRESPONSE

CASE NO. 72Y 110 430 95

ARBITRATION AWARD

Claimant and
Cross-Respondent

-and-

SIMI VALLEY LE PARC
HOMEOWNERS ASSOCIATION

Respondent and
Cross-Claimant

I, THE UNDERSIGNED ARBITRATOR, having been designated in accordance with the Arbitration Agreement entered into by the above-named Parties, and Dated June 15, 1994, and having been duly sworn and having duly heard the proofs and allegations of the Parties, FIND, as follows:

CLAIMANT is entitled to \$6,517,942.24 from RESPONDENT, which sum is computed as follows:

1.	Moneys due under the Contract and Quantum Meruit	\$ 1,558,983.00
2.	Attorneys' fees, costs and expenses as prevailing party	\$ 473,899.87
3.	Interest at 10% per annum from 12/18/1995-7/10/1998	\$ 363,620.24
4.	Negligent and intentional torts of disparagement, trade libel and slander, interference with prospective business advantage resulting in the demise of Claimant's business enterprise	\$ 4,121,459.54
		<u>\$ 6,517,942.45</u>

The administrative fees and expenses of the American Arbitration Association totaling \$ 54,741.98 shall be borne entirely by RESPONDENT. Accordingly, RESPONDENT shall pay claimant \$26,763.89 previously advanced by CLAIMANT to the American Arbitration Association. The Arbitrator's Compensation totaling \$ 182,961.50 shall be borne entirely by RESPONDENT. Therefore, RESPONDENT shall pay to CLAIMANT the sum of \$ 91,480.75 for those fees and expenses previously advance by CLAIMANT to the American Arbitration Association.

According, I AWARD, as follows:

RESPONDENT, shall pay CLAIMANT the sum of SIX MILLION SIX HUNDRED THIRTY SIX THOUSAND ONE HUNDRED EIGHTY SEVEN DOLLARS and nine cents (\$ 6,636,187.09).

This award is in full settlement of all claims and counterclaims submitted to this arbitration.

Date: July 10, 1998

Signed: _____

Arbitrator