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125 WEST 55TH STREET
NEW YORK, NY 10019-5389

(212) 424-8000

FACSIMILE: (212) 424-8500

WRITER'S DIRECT DIAL:

(212) 424-8130

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July 28, 1994

Ms. Irene Dick
Individual Members Unit
Lloyd's

Re: Richard A. Tropp
Member No. 50626V

Dear Irene:

For the past several months, the above Name has been contacting us over various problems which he has encountered in dealing with Lloyd's and with his Members' Agent, Christie, Brockbank, Shipton. After several phone calls and being copied on rather lengthy letters, we acquiesced in his request to meet with him. Sheila and I met with him for approximately 50 minutes yesterday morning. I do not need to burden you with all of the background, which includes his correspondence with the Ombudsman about improper interest charges, delays on drawing down on his letters of credit, etc. His four main problems are at the moment:

1. When he joined through John Hayter, he relied on his background as an Administrator of the U.S. Environmental Protection Agency to ask John to be sure not to put him on any syndicates involved in asbestos or pollution in the United States. He finds, however, that he is now being asked to pay claims arising from both these areas.

2. He was advised in 1990 that he could purchase personal stop loss coverage for 1990, but when he sent in his check on March 30, 1990, he was told that it was no longer available, yet he understands that such coverage was available. When he was advised that it could not be purchased, he said that he wanted to resign, but was told that it was too late for him to resign.

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3. He definitely wanted to resign for the 1991 year of account, but says that he, as a U.S. Army Reserve Officer, was called up for duty in connection with the preparations for the Gulf War and was not allowed to send or receive mail from his station. However, in the spring of 1990, he did advise his Agent orally, by phone, that he wanted to resign at the end of 1990. He was unable to get to his Agent written advice to this effect until August 1990, when he was advised that it was then too late for him to resign. Incidentally, his current losses for the 1991 year of account appear to be approximately £34,500, whereas his current losses for 1990 and 1989 are approximately £104,000.

4. He received a financial statement that indicated one of his managing agents had a deal with his Members' Agent whereby the managing agent paid a higher commission to the Members' Agent than the published rate. He has asked for the exact details of this arrangement and has been refused.

Mr. Tropp feels quite strongly that he should not authorize draw downs from his remaining letter of credit or pay the additional amounts now due of some \$100,000 until he has explanations of or answers to the above problems.

We understand that the Ombudsman cannot investigate into alleged agency malfeasance. I am not sure that you are the correct person in Lloyd's to be receiving this letter, but I will ask you to do what you can to find answers to the above problems and to see that there is not an involuntary draw down of his letter of credit or the issuance of a writ until we have made some effort to satisfy him with regard to the above.

Throughout our discussions, Mr. Tropp made it clear that he has no objection to paying his "just" debts (although he admitted he will have to borrow to pay the outstanding cash call), but he felt that he needed assurances on the above before proceeding.

We look forward to hearing from you.

Sincerely yours,


Donald J. Greene

DJG/mpc

cc: Mr. Michael Holland
Mr. Charles Harbord-Hamond