

MEMORANDUM

FROM: SHELL, FLEMING, DAVIS & MENGE
TO: PENSACOLA BEACH LESSEES BEING REPRESENTED BY THE LAW
FIRM
SUBJECT: STATUS REPORT
DATE: MARCH 8, 2005

Attached you will find:

- (1) Plaintiff's Motion for a Stay and Declaratory Order, together with the supporting affidavits, that we have filed with the Court.
- (2) Defendants' Request for Production of Documents and Defendants' First Set of Interrogatories.

We will be filing a Motion for a Protective Order since we believe many of the documents requested by the Defendants and most of the interrogatories seek documents and information that are immaterial and irrelevant to the issues in this case and are not likely to lead to admissible evidence.

The rules of discovery have been construed in a liberal fashion and it is difficult to predict how the Court will react to the arguments on behalf of the Defendants as to why they need the documents to which we will object and answers to the interrogatories we will oppose.

We will be discussing the Request for Production and First Set of Interrogatories at this Saturday's meeting.

MJM:ir