

MOSS & BARNETT

A Professional Association



REPORT TO CLIENTS



LETTER FROM OUR BOARD

Dear Clients and Friends:

Since our last Moss & Barnett Client Report we've been busy — busy serving our clients, busy building our firm, busy fulfilling our professional obligations, and busy serving the community.

We've added 13 new attorneys since 2002, including the addition of lawyers who are experts in intellectual property, real estate, creditors' remedies, business, and litigation. We also launched a major initiative to upgrade our information technology — to ensure that we will continue to serve our clients with maximum efficiency and effectiveness.

To meet our clients' increasingly sophisticated and broader geographic needs for legal services, we recently joined Business Counsel, Inc. This group of 34 leading law firms has offices in over 100 cities in the U.S., Canada, Mexico, and Europe. The size of member firms ranges up to 1,300 lawyers. Our board chair, Dave F. Senger, will represent Moss & Barnett to this important new resource for our clients.

Finally, we were able to secure our beautiful office space in the Wells Fargo Center for another 10 years — ensuring that Moss & Barnett will retain its location at the top of the Upper Midwest's commercial, legal, and financial headquarters!

On behalf of all of us at Moss & Barnett, we realize how lucky we are to have valued clients and friends like each of you who continue to engage us to help you to protect your legal rights and achieve your personal and business goals. In return, we offer this report on the many ways that Moss & Barnett serves you, our profession, and our community.

With warmest regards,

Board of Directors of Moss & Barnett, A Professional Association



BOARD MEMBERS



RICK JOHNSON

CURT SMITH

SUSAN RHODE

TOM SHROYER

RICK KELBER

DAVE SENGER

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& B*



SERVING OUR CLIENTS

For over 100 years, the mission of Moss & Barnett has been to serve our clients' needs. Our clients range from large, publicly-held companies to family-owned businesses to individuals, many of whom are associated with the businesses we represent. Their needs range from assistance in acquiring a multimillion dollar business to closing on the purchase

of a home. Each of our practice groups brings specialized and unique expertise and experience to representing the particular needs of each client and situation. Although many of the projects in which we are involved may not seem extraordinary, they are always important to the individuals involved.

ENFORCING LEGAL RIGHTS

Moss & Barnett lawyers have been successful in

- ...obtaining an award of attorneys' fees from a state agency for bringing an abusive and unwarranted action against a small business,
- ...enforcing a covenant not to compete against both a former employee and the former employee's new boss,
- ...defending and prosecuting intellectual property and trade secret rights,
- ...vindicating a last will and testament against a claim of forgery,
- ...winning an award of punitive damages against a municipality for breach of a construction contract,
- ...litigating "bet the company" disputes, including shareholders' claims,
- ...successfully resolving numerous malpractice claims against professionals.

HELPING BUSINESSES GROW

Our lawyers have contributed to the growth of business clients by

- ...assisting in negotiating bank financing and investments by private investors,
- ...preparing the disclosure documents needed to raise capital in the public markets,
- ...negotiating and preparing legal documents for acquisition or sale of a business,
- ...exchanging operating assets of one business with another to the mutual benefit of both,
- ...representing mortgage companies to close loans, totaling over \$1.6 billion in the past two years,
- ...auditing business practices to determine whether legal issues may arise and suggesting solutions to avoid problems,
- ...negotiating labor contracts that maintain management flexibility.





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CLIENT AND SITUATION.

RESOLVING REAL PROPERTY ISSUES

We have helped clients achieve their goals by

- ...working with local zoning officials to revise the zoning code to allow for development of land,
- ...negotiating reductions in property taxes.

ADDRESSING PERSONAL AND FAMILY ISSUES

Our family law and estate planning attorneys have helped clients with

- ...reducing fees being paid to the executor of an estate and the estate's attorney, stopping self-dealing transactions by these individuals, and concluding the administration of the estate,
- ...working with families to establish family foundations to carry out the charitable goals of loved ones,
- ...working with parents and grandparents to establish educational trusts to encourage and support younger generations in furthering their education or to guarantee support for disabled children,
- ...working with couples in a caring and respectful way to develop a prenuptial agreement prior to their marriage,
- ...obtaining determinations on competency questions involving family members,
- ...assisting and counseling families when death of a loved one is imminent so that health care and financial matters will be handled as easily and tax efficiently as possible.



LAW FIRM GROWTH

Our growth is always focused on improving client service, either by expanding our resources or by adding expertise. Accordingly, we try to recruit attorneys who will help us achieve that goal. In the past two years, we have added thirteen new attorneys in several practice areas.



Dan Lipschultz



Lori A. Klein



Terese A. West



Julia M. Dayton

REGULATED INDUSTRIES

Dan Lipschultz joined our telecommunications practice group in August 2002. Dan has over 14 years of experience in the areas of telecommunications, utility regulation, and administrative law. Prior to joining Moss & Barnett, he served as associate general counsel for McLeod USA Incorporated, one of the nation's largest competitive local exchange carriers. Mr. Lipschultz graduated from the University of Iowa College of Law.

LITIGATION

Lorie A. Klein and *Terese A. West* joined our litigation group in September 2002.

Prior to joining us, Ms. Klein served as a judicial clerk to two judges on the Minnesota Court of Appeals and for a Minnesota District Court judge. She graduated from the University of Minnesota Law School.

Ms. West interned with a judge of the United States District Court, District of Minnesota, and clerked for an appellate judge at the Minnesota Court of Appeals. Ms. West graduated from William Mitchell College of Law.

Julia M. Dayton joined our litigation department in July 2004. Previously, she had served as a law clerk for a Minnesota District Court judge. Ms. Dayton graduated from the University of Notre Dame Law School.





Jana Aune Deach



Elizabeth H. Kiernat



Marsha Stolt



John K. Rossman

FAMILY LAW

Jana Aune Deach joined our family law group in April 2003. She is a graduate of the University of North Dakota School of Law.

REAL ESTATE

Elizabeth H. Kiernat joined our real estate group in June 2003. She graduated from the University of Minnesota Law School.

Towle Neu, our most recent addition, joined our real estate department in September 2004. He graduated from the University of Iowa College of Law.

INTELLECTUAL PROPERTY

Marsha Stolt joined us in April 2004, relocating her practice from the national intellectual property law firm, Fish & Richardson. She has practiced in the area of trademark prosecution, counseling, and enforcement for over eight years. Ms. Stolt is a graduate of the University of Minnesota Law School.

CREDITORS' REMEDIES

John K. Rossman joined our firm in March 2003, bringing with him a substantial practice in creditors' remedies. He is a graduate of William Mitchell College of Law.

Jeffrey L. Bodensteiner and *Michael S. Poncin* joined the creditors' remedies group in April 2003. Mr. Bodensteiner graduated from the University of Iowa College of Law. Mr. Poncin graduated from the University of Minnesota Law School.

Lisa A. Haster joined the creditors' remedies group in November 2003. She is a graduate of William Mitchell College of Law.

CORPORATE AND TAX

Christopher D. Stall joined us in August 2004. He is a graduate of the University of Minnesota Law School.

We are extremely fortunate that these talented and experienced lawyers have chosen to join us at Moss & Barnett.



Jeffrey L. Bodensteiner



Michael S. Poncin



Lisa A. Haster



Christopher D. Stall



SHARING OUR EXPERTISE

Our lawyers are recognized as experts in their areas of practice and contribute to the development of the Bar by making presentations at continuing legal education programs and other seminars for both lawyers and nonlawyers. Some of these include the following:

ESTATE PLANNING

“The Probate Process for Minnesota Paralegals: From Start to Finish”

— CINDY ACKERMAN

“Estate Planning” — NANCY KISKIS

EMPLOYMENT LAW

Seminar on HIPPA — MARCY FROST AND ARTHUR GLASSMAN

FAMILY LAW

“Family Law Institute — Nonmarital Property Update” — BEN HENSCHER

“Representing Youth in Foster Care – Panel Discussion” — THOMAS SHERAN

“Impact of Divorce on Business Law Practice” — EDWARD WINER

“Creative Use of Antenuptial Agreements and Post-Nuptial Contracts to Protect Business” — EDWARD WINER

“Surviving Divorce: A Survival Guide for Clients, Attorneys and Judges” — EDWARD WINER

CREDITORS' REMEDIES

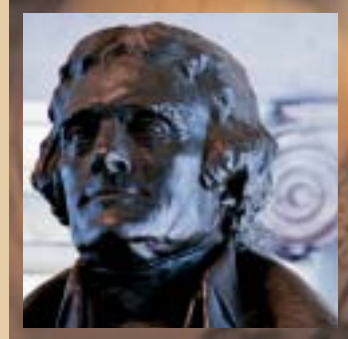
“How to Collect Debts in Minnesota” – JOHN ROSSMAN

“Debt Collection from Start to Finish” – JOHN ROSSMAN

“Ethics and Collections” – JOHN ROSSMAN

“How to Deal with Difficult and Dangerous Debtors” – PANEL PRESENTATION BY LISA HASTER, JEFF BODENSTEINER, AND MIKE PONCIN

KNOWLEDGE
IS BETTER
SHARED



REGULATORY ISSUES

“Roundtable on Administrative Hearings at the MPUC: The Good, the Bad and the Really Ugly” — MICHAEL BRADLEY

“Getting Successful Results in Minnesota Eminent Domain Actions”
— JOSEPH MATERNOWSKI

CORPORATE REFORM

Panel Discussion on the Impact of Sarbanes-Oxley — DEANNE GRECO

“The Impact of Sarbanes-Oxley on CPAs: The Federalization of the Accounting Profession” — THOMAS SHROYER

“Post-Enron Liability — Accountants” — THOMAS SHROYER

LITIGATION

“Expert Witnesses — Use and Abuse of Accountants as Experts”

— THOMAS SHROYER

“Accountants’ Liability: Conflicts of Interest and CPAs” — PETER KOLLER

ENVIRONMENTAL ISSUES

“Environmental Compliance Law in Minnesota” — JOSEPH MATERNOWSKI

“Redevelopment of Contaminated Property in Minnesota”

— JOSEPH MATERNOWSKI

In addition, our lawyers have published several articles on these and other legal topics in bar association publications and other periodicals.



GIVING BACK TO OUR COMMUNITIES

At Moss & Barnett, we work hard, but we also make time to get involved in our communities in various ways. We coach our children's soccer teams, serve on boards of charitable organizations, participate in local government, and sing in the church choir. We also run marathons, race for the cure, and walk for animals.



HISTORICAL REENACTMENT

Records Center Manager Christina Neitz is actively involved in historical reenactment, a method of exploring history by recreating the events and lifestyle of prior time periods. Christina focuses on the 18th century, particularly the era of the French and Indian war and the American Revolution. She plays a role as a woman who follows the British army, earning her way as a laundress. One of Christina's favorite activities is participating in programs for area schools to teach children about history. Christina reports that she has had wonderful discussions with students on why women were not soldiers, what would happen to her if her husband died in battle, and how she would get back home to England if she were no longer with the British army. She also notes that when she has the washing tubs filled with water, she's amazed at how many children want to try washing clothing on a washboard. Recently, Christina's husband, John, was named Town Crier for the City of Minneapolis and participated in a town crier competition in England.



DECORATIVE ARTISTS GUILD

Paralegal Kathie Cole is currently serving as President of the Twin Cities Decorative Artists Guild, a group of about 150 men and women who promote and educate themselves and others in the art of decorative painting. The Guild participates in the international Memory Box Artist Program by painting boxes that are donated to hospitals having an infant bereavement program. Unpainted boxes are provided by the Guild and are painted in appropriate motifs by members. Parents of newborn infants who die in the hospital or are stillborn are encouraged to select a box in which to store the footprints, a lock of hair, cap, bracelet or other mementoes. Several hundred boxes have been donated locally by the Twin Cities Decorative Artists Guild. Paralegal Carol Spohn and legal assistant Petra Hennek are also members of the Guild.

BOOKS FOR AFRICA

Paralegal Adrienne Summerfield and her husband Arthur recently journeyed to Africa on a group trip sponsored by Books for Africa, a non-profit organization that collects used text books from primary and secondary schools in the United States and sends them to schools in Africa. A portion of her cost for the trip was used to fund a shipment of over 100,000 books. Her group toured urban and

rural schools in Botswana and the township of Capetown, South Africa, meeting with children, teachers, principals, and school administrators to discuss current needs and the progress being made as a result of the Books for Africa project. They also delivered school supplies, t-shirts, and other small gifts for children in the schools they visited. Adrienne said that the trip was an “eye opener.”



M & B



AMERICAN BRAIN TUMOR ASSOCIATION

Two years ago, attorney Mark Peterson’s wife, Teresa, was diagnosed with a brain tumor. As they became acquainted with other families faced with similar diagnoses, they decided to join with them to raise awareness and money locally for the American Brain Tumor Association. Mark was one of the principal organizers of a recent fundraiser, which netted \$85,000. He and the others now are focusing on starting a local chapter of ABTA.



GIVING BACK TO OUR COMMUNITIES



In addition, we are active in community, faith-based, and arts organizations such as:

CIVIC, NEIGHBORHOOD AND GOVERNMENTAL ORGANIZATIONS:

Creek Knolls Homeowners Association
Eden Prairie City Council
Kiwanis
Lowry Hill Residents, Inc.
Minneapolis Charter Commission
New Brighton Planning Commission
City of Ramsey Board of Adjustments
and Planning Commission
Ramsey Town Center Task Force
Shoreview Planning Commission

SOCIAL SERVICES:

Alliance Housing Cooperative
Apple Tree Dental Corporation
ARC of Hennepin County
Boy Scouts of America
Camp Heartland
Children's Law Center
Chrysalis
Family Networks, Inc.
Friends of Children
No Place Like Home Communities
Plymouth Community Foundation
Presbyterian Homes and Services

Project for Pride in Living
Saint Louis Park Mentorship Program
Simpson Shelter
The Storefront Group/Pyramid
Counseling
Women Venture

ARTS:

Ordway Center for the Performing Arts
Ordway Circle of Stars
Plymouth Community Theatre
Plymouth Fine Arts Council
Twin Cities Decorative Artists Guild

MEDICAL RESEARCH AND CARE:

American Brain Tumor Association
American Cancer Society
American Heart Association
Camp Odayin
Children's HeartLink
Courage Center Foundation
Gillette Children's Hospital
Minneapolis Heart Institute Foundation
National Jewish Medical and
Research Center





WE GIVE
TO ADVANCE
ACHIEVEMENT

FAITH GROUPS:

Basilica of Saint Mary
Benedictine Center Advisory Board
Beth El Synagogue
Central Presbyterian Church
Excelsior United Methodist Church
Hermit Sisters of Carmel
Mayflower Congregational Church
Saint Albert the Great Catholic Church
Temple Israel

AMATEUR SPORTS:

Eden Prairie Youth Baseball
Plymouth Youth Soccer Association
Shoreview Area Youth Baseball
Southdale YMCA

ENVIRONMENTAL:

Bald Eagle Area Association

ACADEMIC:

Dartmouth Alumni Association
Scholarship Committee
Destination ImagiNation
Loras College
Saint Paul University of China
Southwest High School Foundation
University of Minnesota
University of St. Thomas
Win Wallin Scholarship Program



PAUL VAN VALKENBURG COMMUNITY SERVICE AWARD

In 2001, we initiated the Paul Van Valkenburg Community Service Award. This award, which honors one of our long-time, now retired lawyers, is intended to recognize service by a member of the Moss & Barnett team to the community at large.

During his 40 year career, Paul was extremely active in the Hennepin County, Minnesota State, and American Bar Associations and served on many committees and in many leadership positions. For many years, Paul served as co-editor of the Business Law Section Newsletter. In addition, he was actively involved in and served as President of Lawyers Concerned for Lawyers. Paul was and still is an active participant in numerous civic and community service organizations and has served in many leadership positions with Westminster Presbyterian Church. He was also a leader within the firm, serving as a director and chair of the Business Law Department and on several operating committees.



Winners of the Paul Van Valkenburg Community Service Award have been:

2001 Connie Scholfield, a paralegal who has been with the firm since 1979, was recognized for her volunteer work with Ready Program for Youth, Hennepin County Park Patrol, and other community groups.



2002 Charles A. Parsons, an attorney who has been with the firm since 1972, was honored for his service to the Legal Aid Society of Minneapolis and volunteer work at his church in a program focused on victims of AIDS.

PAUL VAN VALKENBURG

CONNIE SCHOLFIELD

2003 Thomas A. Keller III, an attorney who has been practicing law since 1960, was recognized for his many years of service to such community organizations as the Minneapolis Heart Institute Foundation and Children's HeartLink.

CHARLES A. PARSONS

THOMAS A. KELLER III



The community service award includes a cash donation by the firm to the recipient's chosen charity, a special recognition ceremony, a commemorative gift, and a cash award. In addition, the firm has acquired a piece of pottery created by Richard Bresnahan, artist-in-residence at St. John's Pottery, Collegeville, Minnesota. The selection of this particular piece reflects the firm's practice of supporting local artists. The pottery piece is displayed in the firm's lobby, placed on a wooden stand with a metal plaque on which are engraved the names of award recipients.



COMMUNITY SUPPORT



Moss & Barnett supports the community with these financial contributions:

Arc Hennepin-Carver, including sponsorship of the 2004 annual Golf Scramble and 5-year pledge to the Victories Capital Campaign

Children's HeartLink 2004 DIVAS Event

Children's Law Center of Minnesota

CornerHouse Fundraiser

Courage Center

Cystic Fibrosis Foundation

Family Networks, Inc.

Great River Energy Bicycle Festival, benefiting Children's Hospitals and Clinics

Greater Twin Cities United Way

Hamline University School of Law, 2004 Alumni Golf Tournament

2004 Hennepin County Bar Foundation, Bar Benefit Event for Volunteer Lawyer's Network

Lawyers Concerned for Lawyers

Lupus Foundation of Minnesota

Minnesota Public Radio, sponsorship of Broadcast Journalist Series

Minnesota Women Lawyers, Sponsorship of the Midwest Regional Conference for Women in the Law, 2004

Ordway Circle of Stars, sponsor of 2004 Backstage Ball

The Attractive Nuisance Tour, a benefit for the Hennepin County Bar Foundation and the Minnesota Justice Foundation

The Fund for the Legal Aid Society, 2004 Law Day Dinner

Twin Cities Public Television, underwriting of Friday Primetime Broadcast

University of Minnesota Law School, Campaign Building Fund

YMCA



CONTRIBUTING TO THE LEGAL PROFESSION



As attorneys, we are admonished by our professional code of ethics to contribute to the welfare of our community. At Moss & Barnett we take this obligation seriously. Many of our lawyers are involved as officers and in other leadership roles with state and county bar associations and with organizations whose mission it is to provide legal services to those who cannot afford them or to promote professionalism and public service with members of the bar. Following are a few examples of how we use our legal and other talents to contribute to our profession and improve the delivery of legal services.

CHILDREN'S LAW CENTER

Attorney Tom Sheran serves as a volunteer for Children's Law Center of Minnesota, representing children over the age of ten who are wards of the state (usually after termination of parental rights). During this past year, he represented six children, from five different families, in juvenile court in Ramsey, Hennepin, and Isanti counties in connection with placement, treatment, and adoption decisions. Tom's goal is to ensure that the system is responsive to the needs of these children. He also explains to them how the process works so that they can understand what is happening to them. As long as these children remain wards of the state, Tom will continue to represent them until they reach age 18 or are adopted.

TORT REFORM

Since 1986, Moss & Barnett's President and Chief Executive Officer, Tom Shroyer, has worked with the Legislative Affairs Committee of the Minnesota Society of Certified Public Accountants to reform Minnesota's anti-business tort laws by assisting with lobbying, fundraising, and appearances at the Minnesota Legislature, as well as helping to draft legislation. These efforts contributed to the breakthrough reform of Minnesota's joint and several liability laws (i.e., the "deep pockets" rule) in 2003. Tom continues

to work with Minnesota CPAs to ensure that our state's legal environment remains competitive for retaining, attracting, and growing businesses.

FRIENDS OF CHILDREN

Susan Rhode, a member of our Board of Directors, currently serves as vice president of Friends of Children, an organization focused on providing for the unmet but important needs of children in foster care or who are wards of the state. The group raises funds for making grants to children so they can purchase services or products not covered by government funds, such as music lessons, instruments, orthodontia, summer camp, prom dresses, and ceremonial regalia for tribal ceremonies.

PUBLIC HOUSING ADVOCACY

Over the past few years attorney Joseph Maternowski has been working on behalf of a handicapped resident of public housing in Minneapolis. When this individual was threatened with eviction, Joe challenged the eviction notices. In one instance, he convinced a Hennepin County District Court judge that there was no basis for the eviction. This individual continues to reside in his apartment, and Joe continues to work with him on several continuing issues.



BUSINESS COUNSEL, INC.



Moss & Barnett is a member of Business Counsel, Inc., an organization of 34 law firms in the United States and abroad, focused on providing high quality legal services to individuals and the business community. Affiliation with Business Counsel, Inc. provides Moss & Barnett with access to lawyers in most major cities in the United States and Canada as well as other foreign markets. For further information, please refer to the following website: <http://www.businesscounsel.org>

Armstrong Teasdale LLP, St. Louis, MO
Burns White & Hickton, Pittsburgh, PA
Edwards & Angell, LLP, Short Hills, NJ
Fenwick & West LLP, San Francisco, CA
Fiddler González & Rodríguez, P.S.C.,
Hato Rey, PR
Gable & Gotwals, Tulsa, OK
Godfrey & Kahn, S.C., Milwaukee, WI
Greenberg Traurig, Miami, FL
Hill, Ward & Henderson, P.A., Tampa, FL
Huff, Poole & Mahoney, PC,
Virginia Beach, VA
Ice Miller, Indianapolis, IN
Lind, Jensen, Sullivan & Peterson, P.A.,
Minneapolis, MN
Lionel Sawyer & Collins, Las Vegas, NV
Locke Liddell & Sapp LLP, Dallas, TX
MacKenzie Fujisawa, Vancouver, BC
McDermott, Will & Emery, Boston, MA
Moss & Barnett, Minneapolis, MN
Osler, Hoskin & Harcourt, Toronto, ON
Powell, Goldstein, Frazer & Murphy LLP,
Atlanta, GA

Scott, Sullivan, Streetman & Fox, P.C
Jackson, MS
Snow, Christensen & Martineau,
Salt Lake City, UT
Solomon Ward Seidenwurm & Smith,
San Diego, CA
Stephan, Oringer, Richman & Theodora,
P.C., Los Angeles, CA
Stites & Harbison, Louisville, KY
Treece, Alfrey, Musat & Bosworth, P.C.,
Denver, CO
Turner, Padget, Graham & Laney, PA,
Florence, SC
Ulmer & Berne LLP, Cleveland, OH
Varnum, Riddering, Schmidt & Howlett
LLP, Grand Rapids, MI
Wildman Harrold Allen & Dixon,
Chicago, IL
Williams Mullen, Richmond, VA
Williams, Kastner & Gibbs PLLC,
Seattle, WA
Womble Carlyle Sandridge & Rice, PLLC,
Charlotte, NC
Wragge & Co, London, England
Zeldes, Needle & Cooper, Bridgeport, CT