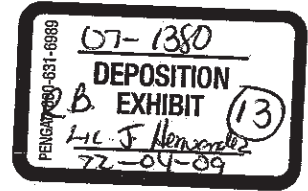


TO: W.A.C.
FROM: R.B.
DATE: MAY 14th, 2,003
RE: THE PROBLEM, GENERAL



Dear Willie:

Tried calling you today, again, at 917-554-2353, and couldn't reach you. Yesterday's call, the same, so I'm faxing you with the latest developments.

1. Arturo called me yesterday afternoon but just left his name on my machine. I was out. Nothing new there yet.
2. I told Juan Toro to tell Arturo he must come clean in this mess ASAP, AND THAT THIS SITUATION IS NOT GOING TO "go away". Specifically, I'm interested in what happened with the alleged payment of \$62,500.00 made last year, for a different show, and applied to the May 3rd engagement. I also want Arturo to clarify the extent of Roberto Morgalo's involvement in this situation. So far, Arturo is the one we all have focused on. But it seems to me it's obvious Morgalo had a hand as well in the embezzlement and it's in Arturo's personal interest to explain what role the latter played in this.

3. Your fax of yesterday, re: P.Rico 's "Nuevo Dia" report:

Contrary to your perception, it is important for everyone, especially the Hacienda people in P.Rico, to be constantly reminded we didn't get paid. The amount of the reported purse, \$350,000.- made a huge impact on their perception of what is owed to the Commonwealth. We were victims here, of third parties. Note that I assume the responsibility for the loan from Gilberto's office, not you. Reports continue on this matter because it's what the press does. I strongly suggest you put together a report on the events so that you can present it to Hacienda, in due time. They gave me until June 15th to do so. They were not pleased by the promoters decision not to retain the percentage they were supposed to ~~withhold~~ withhold for the local Treasury, nor with the fact that you were not present at the meeting I had with them. You have a valid reason: you had a show next day in Florida. Make sure to state that in your report to them. As for the percentage question related to the promoters, that's their problem to explain. The performance we gave on the May 3rd show in no way is affected by the fact we got ripped off. On the contrary, it makes it even bigger, since we played for the people and to defend our reputations, as musicians and professionals, not just for the money, (it was gone mostly).

4. I'm concerned about your statement in the May 8th fax you sent me, when you wrote, " I estimate our expenses to be approximately \$51,000.00 but I'm willing to accept UP TO \$65,000.00 without back-up documentation. According to my figures, I have \$80,000.00 coming". This suggest that anything else would be unacceptable to you. I don't appreciate this, if it is what it sounds like. I got robbed too. The expenses will be what they

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are, not what we expect them to be. I've spent all of these days going through all of the numbers, receipts and figures, on my own account, to make everything cristal-clear to all parties involved. There were expenses, like those of Walter Flores and Guillermo Gomez, that were not reported before. They were in New York from April 26th until the day they left for Puerto Rico, and I had to track them down in Costa Rica first, and then ask Juan Toro to provide me with the hotel receipt from New York. The point is, I will provide all back-up documentation available, as it is provided to me, and you will have a total of expenses. Once that is established, your fee will be determined, as well as mine. With Puerto Rico's Hacienda, or with the I.R.S. HERE, I don't want any unclear scenarios. I trust you know I'm not now going to try to rip you off. I don't have to do this legally, but morally, and that's my intent.

5. Talk to your attorney, Das, and see what he thinks of the missing \$62,500.00 the promoters claim was applied, from another show, to the May 3rd event. He mentioned something about it, when we spoke and he advised the wisdom of doing the gig. It was sound advise. Maybe he has more to say on this other issue?

I have my in-laws here, visiting, and it is tough to do all of the things I need to do and take care of them, (they're elderly folks) As soon as possible, I'll send you all the numbers. For the time being, I instructed Juan Toro to pay the \$2,700.00 owed to the New York-based musicians for the rehearsals, and the \$2,000.00 owed to Ennio Gatti. I'll send Juan a personal check for the total, \$4,700.00, this week. Juan spoke to Irizarry about it, or so he told me. Each musician will be paid separately, as Irizarry suggested.

I regret this whole situation and I'm trying to clarify it and to resolve it asap. Please, be patient. As for Arturo and Morgalo: the only reason I have waited before going through with a criminal action against them is that we need to understand what was the final amount stolen. This can only be determined AFTER all expenses are clearly established. The amount missing will be the amount misappropriated by their office. On this basis then a claim can be presented against them. Also, the only way this amount can ever be repayed, as far as I can see, is if they agree to do so, and the only way for them to do this is by working to pay their debt. Don't know how, but the other option is sending them to jail and that doesn't really help anyone, in my opinion. I need a mailing address to send you my report on expenses, etc, as faxes can be unclear. Give my best to Julie and kids. Un abrazo, Ruben