

Peter S. Kovacs
Attorney at Law
Fax: 317-632-1319
E-mail: pkovacs@silegal.com

May 21, 2010

**Re: Veolia Water Class Action Lawsuit
Marion County Superior Court No. 7
Cause No. 49D07-0804-CC-018081**

To All Concerned Veolia Water Customers:

You are receiving this correspondence because you have indicated an interest in knowing more about the class action lawsuit filed against Veolia Water Indianapolis, LLC (“Veolia”) and the Department of Waterworks, City of Indianapolis (“Department”) in April, 2008. This is my seventh update on the status of the lawsuit and related matters. The last update was sent on March 30, 2010.

Status of the Lawsuit

In my last update, I wrote that the parties to this case had agreed to explore the possibility of settlement through mediation of this dispute. A mediation was held on April 6, 2010, in which all three of the named Plaintiffs participated. Unfortunately, despite over nine hours of mediation, no settlement was reached.

As a result of the failed mediation, Veolia’s pending Motion for Summary Judgment and the Department’s Motion to Dismiss the Complaint was ripe for consideration by the Court. Accordingly, on May 14, 2010, the Court held a hearing regarding both motions. At the hearing, all the parties made their arguments and the Court took the matter under advisement. On May 17, 2010, the Court made a number of rulings with respect to these motions. First, with respect to the City’s Motion to Dismiss, the Court granted its Motion to Dismiss as to Count II (Violation of the Deceptive Sales Practices Act), and Count III (Unjust Enrichment). The Court denied the Department’s Motion to Dismiss as to Count I of our Complaint (Breach of Contract). The Court also ruled on Veolia’s Motion for Summary Judgment. The Court granted summary judgment as to Count III of the Complaint (Unjust Enrichment). However, the Court denied summary judgment as to Count I (Breach of Contract) and Count II (Deceptive Sales Practices Act). In summary, the Court’s rulings mean that the Complaint against both the Department and Veolia can move forward. I consider this a very positive result because it vindicates the viability of the claims against both of the Defendants.

May 21, 2010
Page 2

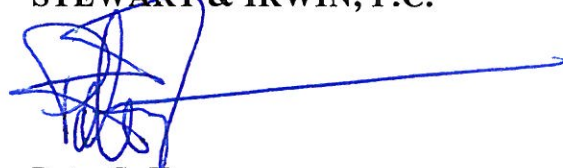
I have posted the Court's rulings on our website at www.silegal.com. Look for the "Veolia Class Action Update" link and then the link to "Complaint and Court Filings." With respect to our reply to Veolia's Motion for Summary Judgment, much of the material was protected by a Confidentiality Agreement. I filed a motion to make this information public, which the Court granted. Therefore, you will be able to see for yourself the evidence we relied on from Veolia that includes internal communications, e-mails, and other documents which, in my opinion, support the claims of the Complaint. I specifically refer you to the Brief in Response to Veolia's Motion for Summary Judgment and the Designated Exhibits which are posted on our website.

Again, I am quite pleased with the positive developments in this case. We will redouble our efforts to move this case forward over the next several months. Of course, if any of you have any questions or concerns, I invite you to send me an e-mail or call. As I have stated in other updates, if you have documents which you feel support the allegations of the Complaint, please keep them handy.

I hope this update has been informative. If you do not wish to receive further updates, please send me an e-mail or call.

Very truly yours,

STEWART & IRWIN, P.C.



Peter S. Kovacs
251 East Ohio Street, Suite 1100
Indianapolis, Indiana 46204
pkovacs@silegal.com
317-396-9522

SI272857_1.DOC