

EXHIBIT D

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January 14, 2004

BY E-MAIL

Martin D. Polevoy, Esq.
Swidler Berlin Shereff Friedman, LLP
405 Lexington Avenue
New York, New York 10174

Re: 59 Maiden Lane, New York, New York ("Property") – The Home's Proposed Settlement

Dear Mr. Polevoy:

This is further to your letter of December 19, 2003 and our telephone conversation of last week respecting the above captioned matter. As you know, we represent Roger A. Sevigny, the New Hampshire Insurance Commissioner, in his capacity as Liquidator of The Home Insurance Company ("Home"). The Home is the assignee of tax certiorari petitions for tax years 1991/92 through 1995/96 respecting the Property. It accordingly actively prosecuted those petitions which ultimately led to the proposed settlement. By letter dated December 5, 2003, we sought the owner's consent to this very favorable settlement. The owner objected and we responded on December 15, 2003, leading to your December 19 letter.

The owner is presently prosecuting tax certiorari petitions for the years immediately following those assigned to The Home and you have asserted that the proposed settlement prejudices the owner's position. You have also asserted that additional taxes will be assessed against the owner due to the proposed settlement.

Subsequent to our recent conversation I have consulted with experienced New York real estate tax counsel and reviewed the controlling New York law identified by counsel. That exercise has further convinced me of the unreasonableness of the owner's position. A compromise settlement valuation, such as that reflected by the proposed settlement, would not even be admitted as evidence with respect to a valuation dispute for a subsequent year, let alone act as *res judicata*. The assessment of New York real property is to be determined each year

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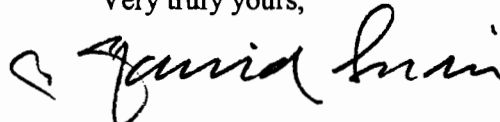
according to the subject property's state and condition and the valuation of such property as of the applicable tax status valuation date (January 5th each year). See New York Real Property Law § 302. The concept of annual *de novo* assessments is also supported by New York case law. See In the Matter of Phelps Dodge Industries, Inc. v. Kondzielaski, 131 A.D.2d 675, 516 N.Y.S.2d 754, 755-756 (notwithstanding the decision of a court on valuation for prior years, such a prior determination "could not conclusively bind [the court] in a review of the assessments for subsequent tax years, even those immediately following the years reviewed in the prior proceeding.") (emphasis added); People ex rel. Hilton v. Fahrenkopf, 279 N.Y. 49, 17 N.E.2d 765, 766 (1938) ("the doctrine of *res judicata* can have no true application to the issues of value in recurring assessment proceedings").

In addition to the clear teaching of New York statute and case law, I am also informed that allocations, such as those reflected in the proposed settlement, are common and that all experienced counsel involved in this practice area, including those representing the City, recognize that values used to effect a prior year settlement have no affect on subsequent year assessments, which must stand on their own two feet.

We acknowledge that the owner will incur an approximately \$16,000 of additional tax due to the proposed settlement. The Liquidator will consequently of course cause the full reimbursement of the owner for any such additional tax.

For the foregoing reasons, we respectfully ask the owner to reconsider its position and request a response by no later than 5 PM, Friday, January 16, 2004.

Very truly yours,



J. David Leslie

Cc: Angela Anglum
Joel Marcus