

Exhibit No.:	
Issues:	Non-Payment of Bills, May 2001 Agreement, Pay Station
Witness:	Frank P. Lefler
Sponsoring Party:	AmerenUE
Type of Exhibit:	Rebuttal Testimony
Case No.:	EC 2002-112
Date Testimony Filed:	May 31, 2002

REBUTTAL TESTIMONY

OF

FRANKLIN P. LEFLER

ON BEHALF OF

AMERENUE

CASE NO. EC-2002-112

St. Louis, Missouri
May 2002.

1 REBUTTAL TESTIMONY

2 OF

3 FRANKLIN P. LEFLER

4 ON BEHALF OF

5 AMERENUE

6 CASE NO. EC-2002-112

7 Q. Please state your name and business address.

8 A. My name is Franklin P. Lefler. My business address is 1901 Chouteau Avenue,
9 St. Louis, MO 63101.

10 Q. Please state your occupation and by whom you are employed.

11 A. I am employed by AmerenUE as a Supervisor, Revenue Protection.

12 Q. Please summarize your work experience for AmerenUE.

13 A. I have been employed by AmerenUE for 35 years. My entire career has been in
14 the area of customer service, credit and collections. Since January of 2002, I have been
15 supervising field operations for the Revenue Protection Group. Prior to this, I was a Credit
16 Supervisor for 16 years.

17 Q. On whose behalf are you appearing in this proceeding? ,

18 A. AmerenUE.

19 Q. What is the purpose of your Rebuttal Testimony in this proceeding?

20 A. My Rebuttal Testimony will address discussions between Sterling Moody of
21 Sterling's Marketplace, Bert Schonlau of P&B Real Estate in 2001 which led to an agreement to
22 resolve delinquent electric bills owed by Sterling's Marketplace. I will also discuss the failure of

1 Sterling's Marketplace and P&B Real Estate to follow the terms of that agreement. I will also
2 discuss Sterling's Marketplace's actions as an unauthorized pay station_afor: linernUE.

3 Q. Have you read and are you familiar with the Direct Testimony filed in this
4 proceeding by Sterling Moody, Louis Biernbaum and Brian McNamara?

5 A. Yes.

6 Q. Are you familiar with the grocery store which was located in 2001 at 8350
7 North Broadway in the City of St. Louis and known as Sterling's Market?

8 A. Yes.

9 Q. How are you familiar with Sterling's Market?

10 A. Prior to June of 2000, I was responsible for supervision of the credit collection
11 activities for AmerenLTE. The Sterling's Market account was assigned to Leroy Ettling, a senior
12 credit advisor. I supervised Mr. Ettling until June of 2000 so I was familiar with the activities on
13 the Sterling's Market until that time, when Mr. Ettling was transferred to a different supervisor.

14 Q. What is a pay station?

15 A. A pay station is a local merchant, such as Schnuck's, where AmerenLTE's
16 customers can pay their electric bills. The pay stations then forward the payments to AmerenUE,
17 identifying the customers who have paid their bills. Only companies that have been authorized
18 by AmerenUE can act as pay stations and collect payments from AmerenUE customers.

19 Q. Was Sterling's Market ever an authorized pay station for AmerenUE?

20 A. Yes.

21 Q. Was that authorization terminated at some point?

22 A. Yes.

23 Q. When?

1, A. In 1999.

2 Q. After Sterling's Market's authorization to act as a pay station for AmcrenUE
3 was terminated, did Sterling's Market continue to collect payments from customers of
4 AmerenUE?

5 A. Yes.

6 Q. Was the collection of those payments authorized by AmerenUE?

7 A. No.

8 Q. What, if anything, did AmerenUE do in response to Sterling's Market's
9 unauthorized actions?

10 A. In February and March 2000, one of the attorneys in AmerenUE's Legal
11 Department sent letters to Sterling's Marketplace asking them to discontinue collecting bill
12 payments for customers as Sterling's Marketplace was not an authorized pay station. Schedules
13 1 and 2 attached to my testimony are copies of the letters that were sent to Sterling's
14 Marketplace.

15 Q. Did Sterling's Market eventually stop operating as an unauthorized pay
16 station?

17 A. Yes.

18 Q. Please identify Schedule 3 to your testimony.

19 A. Schedule 3 is an e-mail that I had sent to Carole Hunt, our manager in Treasury
20 Operations, concerning a check AmcrenUE had received from Sterling's Market of \$151.22
21 which represented the store's collection of customers' payments. The check had been returned
22 by the bank. A copy of the check is attached to my testimony as Schedule 4.

1 **Q. What, if anything, did AmerenUE do when it received the check back from**
2 **the bank?**

3 A. The amount of the check was charged back to Sterling's Market's account.

4 **Q. Was the check which was returned by the bank later made good by Sterling's**
5 **Market?**

6 A. Yes. Money orders were received in March and April 2000 which totaled the
7 amount of the bad check. Copies of those money orders are attached to my testimony as
8 Schedule 5.

9 **Q. Did there come a time in May 2001 when you became involved in discussions**
10 **between AmerenUE and Sterling's Market concerning Sterling's Market's nonpayment of**
11 **its bills from AmerenUE?**

12 A. Yes.

13 **Q. Please explain your involvement at that time.**

14 A. I was requested to assist Mike Foy in obtaining legal counsel and coordinating
15 negotiations between AmerenUE and Sterling's Marketplace because of my prior experience in
16 credit collections.

17 **Q. Did a meeting take place in May 2001 between representatives of AmerenUE**
18 **and Sterling's Market?**

19 A. Yes.

20 **Q. What was the purpose of the meeting?**

21 A. To attempt to reach a settlement in payment for the delinquent electric service
22 charges for Sterling's Marketplace and to discuss terms under which service to the store might
23 be reconnected.

1 **Q. When did that meeting occur?**

2 A. On May 16, 2001.

3 **Q. Where did that meeting occur?**

4 A. At AmerenUE's offices.

5 **Q. Who was present at the meeting?**

6 A. I attended along with Mike Foy and Sherry Moschner for AmerenUE.

7 AmerenUE was also represented at that meeting by outside legal counsel, Harvey Pines.

8 Sterling Moody attended the meeting as did Brian McNamara and Mark Kasen from Gateway
9 Bank.

10 **Q. What is P&B Real Estate?**

11 A. P&B Real Estate is a corporation operated by Bert Schonlau which owned the
12 property in which Sterling's Marketplace was in business at that time.

13 **Q. Was Bert Schonlau of P&B Real Estate present at the meeting?**

14 A. No but Sterling Moody tried to reach him by telephone.

15 **Q. Was Mr. Moody able to reach Mr. Schonlau on the telephone?**

16 A. I don't recall.

17 **Q. How long did the meeting last?**

18 A. About three hours altogether. About half of that time we were all together in one
19 room. The other half of the time, we caucused in separate rooms.

20 **Q. Do you recall what Mr. Moody said during the meeting?**

21 A. He told us he had been the owner of the market since September of 1999 but had
22 been manager prior to that date and had been responsible for paying the bills. He also said he
23 had not paid close attention as to the names that were on the bills when he received them.

Q. Was an agreement reached at the meeting with respect to the outstanding bills of Sterling's Market or the reconnection of service to the store?

A. No.

Q. What did you do following the meeting?

A. The day after the meeting I called both Mr. Moody and Mr. Schonlau.

Q. Why did you call Mr. Moody?

A. We wanted to be certain that Mr. Moody was going to continue to be the operator of Sterling's Market and that he was still willing to go forward with the deal that had been proposed in the meeting, by using the \$45,000, part of that being Mr. Schonlau's money.

Q. What did Mr. Moody say to you in this telephone conversation?

A. Mr. Moody was anxious to go forward with the deal and sign an agreement to get the service back. He indicated to me he needed to do inventory by that Friday so that he could have the store open for the weekend. He said he was agreeable to the terms which had been discussed at the meeting.

Q. What day of the week was May 17?

A. It was a Thursday.

Q. Did you also speak to Mr. Schonlau that day?

A. I did. I spoke to Bert Schonlau and I wanted to be sure since his money was involved in this agreement that he was okay with that and that he understood what his position would be as far as electric bills were concerned after this agreement had been reached. In addition, Mr. Schonlau had made a complaint to the Missouri Public Service Commission concerning his right to become our customer and I wanted to inform him and assure him we were working on that issue as well.

1 Q. Please identify Schedule 6 to your testimony.

2 A. Schedule 6 is an e-mail I sent to Harvey Pines, Mike Foy and Sherry Moschner to
3 inform them of my discussions with Mr. Schonlau and Mr. Moody.

4 Q. Did you prepare that e-mail shortly after your telephone conversations with
5 Mr. Schonlau and Mr. Moody?

6 A. Yes, shortly after I hung up with Mr. Schonlau and Mr. Moody.

7 Q. Does Schedule 6 accurately reflect what you discussed with Mr. Moody and
8 Mr. Schonlau on May 17?

9 A. Yes.

10 Q. Was it your practice to keep notes of such conversations for your file?

11 A. Yes, not only to keep a record of what had been said but also to keep other people
12 involved in the file aware of what was going on.

13 Q. Please identify Schedule 7 to your testimony.

14 A. On the morning of Friday, May 18, I called Mr. Moody, Mr. Schonlau and Mr.
15 McNamara to tell them of our progress on the agreements and to make sure everyone was still
16 agreeable to the terms we were discussing. The first page of Schedule 6 are my handwritten
17 notes that I prepared before I called Mr. Schonlau. These notes contained the points I wanted to
18 cover with him during our conversation regarding the agreement between AmerenUE, Sterling's
19 Market and P&B Real Estate to get the service reconnected.

20 Q. What did you tell Mr. Schonlau when you called him on May 18?

21 A. I told him as shown in my handwritten notes how we were going to distribute the
22 money that he had paid, which was \$30,000 to the common area account for back bills in the
23 common area account and that Ameren would not require a deposit from him as long as

1 monthly bills were paid on a timely fashion. I told him the future monthly bills would be his
2 obligation, for the common area account of P&B Real Estate, and that we would execute the
3 agreement with Mr. Moody at the store and we would keep that store account in the name of
4 Sterling's Marketplace. Service, of course, would be subject to disconnection if the agreements
5 were not kept as far as the payments were concerned. All of this would be contingent upon Mr.
6 Moody agreeing to the agreement as well.

7 At the conclusion of our conversation, I informed Mr. Schonlau that I would fax to him a
8 copy of the agreement after it was in final form. I told him he should review it and if he had
9 any questions about it that he should contact me. Otherwise, we would meet him with an
10 AmerenUE representative at the store along with Mr. Moody at about 3:00 that afternoon and if
11 the agreement was executed, then we would order the service restored.

12 Q. Did you also speak to Mr. Moody on **the telephone after talking to Mr.**
13 **Schonlau?**

14 A. After speaking to Mr. Schonlau, I called Mr. Moody and I informed him of my
15 conversation with Mr. Schonlau and that Mr. Schonlau agreed to the arrangement that we had
16 discussed, with his money to be used on the accounts. Mr. Moody confirmed to me that he was
17 going to continue to be the operator of the store and that he agreed to our proposal as well. I
18 told Mr. Moody I would fax him a copy of the agreement and that Mr. Schonlau and an
19 AmerenUE representative would meet them at the store at about 3:00 o'clock to execute the
20 agreement.

21 Q. **Did you speak to anyone else that day about the Sterling's Market situation?**

22 A. I also phoned Brian McNamara at the bank. I explained to him that I had just
23 spoken to Mr. Schonlau and Mr. Moody and that we had reached an agreement with them

1 concerning reconnecting the service. Mr. McNamara indicated to me that that was fine with
2 him and that he wanted to be out of the loop on this as long as we had it reconnected because
3 that satisfied his interest.

4 Q. What is the second page of Schedule 7?

5 A. The second page contains my handwritten notes about what was said during my
6 conversations with Mr. Schonlau, Mr. Moody and Mr. McNamara on May 18, and what they
7 said to me.

8 Q. When did you prepare the second page of Schedule 7?

9 A. After my telephone calls to the three men.

10 Q. Was it then your practice to make a record of such conversations to be kept
11 in your file?

12 A. Yes.

13 Q. Does the second page of Schedule 7 accurately state what you discussed on
14 the telephone on May 18 with Mr. Moody, Mr. Schonlau and Mr. McNamara?

15 A. Yes.

16 Q. What did you do after your telephone conversations with Mr. Moody, Mr.
17 Schonlau and Mr. McNamara on the morning of May 18?

18 A. I faxed a copy of the written agreement to Mr. Schonlau and Mr. Moody as I told
19 them I would.

20 Q. Please identify Schedule 8 to your testimony.

21 A. Schedule 8 is the agreement I faxed separately to Mr. Schonlau and Mr. Moody
22 on May 18. This agreement contained the terms which had been discussed during the meeting

1 on May 16 and also discussed by me on the telephone with Mr. Moody and Mr. Schonlau.

2 When I faxed it, it was still unsigned

3 **Q. Who prepared Schedule 8?**

4 A. Harvey Pines.

5 **Q. Did you do anything to obtain the signatures of Sterling's Market and P&B**
6 **Real Estate on Schedule 8?**

7 A. After I did not receive any calls from either Mr. Moody or Mr. Schonlau
8 regarding the agreement I had faxed them, I dispatched John McKenna from our office to
9 deliver the agreement around 3:00 p.m. and have it signed in his presence by both parties. Mr.
10 McKenna delivered copies of the agreement to Mr. Schonlau and Mr. Moody, who in turn
11 signed one copy of the agreement in Mr. McKenna's presence. Mr. McKenna then phoned me
12 to confirm the agreement had been signed.

13 **Q. Was the agreement you gave Mr. McKenna to have executed by Sterling's**
14 **Market and P&B Real Estate the same as the draft you faxed earlier in the day to Mr.**
15 **Moody and Mr. Schonlau?**

16 A. Yes.

17 **Q. At the time Schedule 8 was executed on the afternoon of May 18, had electric**
18 **service been reconnected at the store?**

19 A. No.

20 **Q. What was done to reconnect service to the store after the agreement was**
21 **signed?**

22 A. In anticipation that the agreement would be signed, I had made arrangements with
23 our dispatcher, Mr. John Lake, to have someone on notice so that when it was executed I could

1 call him and he would dispatch somebody. So when the agreement was executed, I called our
2 dispatcher and he dispatched someone to reconnect service immediately.

3 Q. When was service to the store restored?

4 A. Around 4:00 p.m. on May 18.

5 Q. Other than making sure service was reconnected after the agreement was
6 signed, did you do anything else to follow through on AmerenUE's part of the agreement?

7 A. Yes, there were some accounting issues that needed to be taken care of in order to
8 process the money and balances on the accounts and those were taken care of.

9 Q. What is Schedule 9 to your testimony?

10 A. Schedule 9 is an e-mail that I had sent to Mike Foy to fill him in on what had been
11 done up to this point. It told him what accounting things had been taken care of and what
12 needed to be done in the future.

13 Q. Were the actions described in Schedule 9 eventually done?

14 A. Yes.

15 Q. Did P&B Real Estate comply with its part of the agreement?

16 A. No.

17 Q. What happened?

18 A. We received a letter from Bert Schonlau dated June 1 which is attached to my
19 testimony as Schedule 10. This letter was received even before any of our post-agreement bills
20 went out to P&B Real Estate and Sterling's Market. In his letter, Mr. Schonlau said that Mr.
21 Moody should be responsible for all three meters that were referenced in the agreement,
22 including the one that he had said he would be responsible for.

1 **Q. When did the first bills go out to P&B Real Estate and Sterling's Market**
2 **after the agreement was signed?**

3 A. Around June 8.

4 **Q. Following the execution of the May 18 agreement, were the accounts**
5 **established by that agreement handled as any other commercial account'would have been**
6 **handled at that time?**

7 A. Yes, except we followed them more closely.

8 **Q. Did P&B Real Estate ever pay the first bill that was sent to it after the**
9 **agreement was signed?**

10 A. No.

11 **Q. What happened?**

12 A. We received a fax from Mr. Schonlau on August 1 again saying all three meters
13 which were referenced in the agreement were Mr. Moody's responsibility, even the meter P&B
14 Real Estate had earlier agreed to pay. A copy of that fax is attached to my testimony as
15 Schedule 11.

16 **Q. Did Sterling's Market perform its part of the agreement?**

17 A. Yes, at the beginning.

18 **Q. Please explain what you mean.**

19 A. The initial bill that was sent in June was paid but it was paid late and only after
20 we sent a notice of disconnection.

21 **Q. Did you ever advise Mr. Moody of P&B Real Estate's position on the three**
22 **meters that were the subject of the agreement?**

23 A. Yes.

1 Q. What did you do?

2 A. I sent a letter to Mr. Moody on September 13, 2001 telling him of Mr. Schonlau's
3 position. I wanted to get Mr. Moody's written consent before we switched the meter, which
4 was in P&B Real Estate's name pursuant to the agreement, and to Sterling's Market.

5 Q. Please identify Schedule 12 to your testimony?

6 A. That is a copy of my letter to Mr. Moody. In that letter, I also sent him a copy of
7 a check which he had sent us which had been returned by the bank.

8 Q. Did Mr. Moody respond to your letter?

9 A. I received a telephone call from a woman who said she worked for Mr. Moody.
10 She told me he had received my letter and that he would be faxing me a response.

11 Q. Did you ever get that response?

12 A. No.

13 Q. Please identify Schedule 13 to your testimony.

14 A. This is a copy of a letter I sent to Sterling's Market on October 17 as a result of
15 not receiving payments as per the agreement that we had reached. The account was again
16 delinquent and the amount of the delinquency is stated in the letter. Therefore, this was a notice
17 to notify Mr. Moody that we needed payment in order to keep him in service. This letter was
18 only for the account which Mr. Moody had agreed to accept responsibility for in the agreement.

19 Q. Did you receive a response to this letter from Sterling Moody?

20 A. No, I did not.

21 Q. Did AmerenUE subsequently disconnect service to the store due to non-
22 payment?

1 A. No. Although Sterling's Market failed to make any more payments even after my
2 letter, we only disconnected service after we received a letter from Sterling Moody's attorney
3 requesting us to do so on all three meters that are referenced in the May 18 agreement. A copy
4 of that letter is attached to my testimony as Schedule 14.

5 Q. Does this conclude your rebuttal testimony?

6 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

STERLING MOODY, STERLING'S MARKET)
PLACE AND STERLING'S PLACE, 1,)

Complainants,)

Case No. EC-2002-112

v.)

AMERENUE, UNION ELECTRIC CO. d/b/a)
AMERENUE, and MIKE FOY, LEROY ETTLING,)
and SHERRY MOSCHNER, as employees of)
AmerenUE,)

Respondents.)

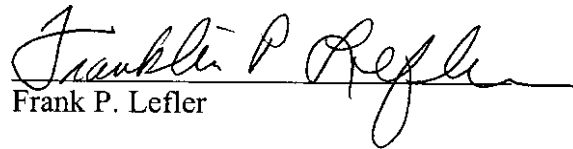
AFFIDAVIT OF FRANK P. LEFLER

STATE OF MISSOURI)
SS.
CITY OF ST. LOUIS)

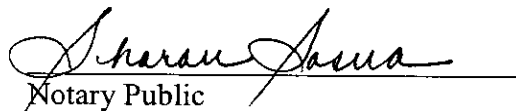
Frank P. Lefler, being first duly sworn on his oath, states:

1. My name is Frank P. Lefler. I am employed by AmerenUE as Supervisor,
Revenue Protection Department.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony
on behalf of AmercnUE consisting of pages 1 through 14, including Schedules 1 through 14, all
of which testimony has been prepared in written form for introduction into evidence in Missouri
Public Service Commission Case No. EC-2002-112 on behalf of AmerenUE.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.


Frank P. Lefler

Subscribed and sworn to before me this 23 day of May 2002.


Notary Public

My commission expires:



Ameren Services

(314) 554-2276
FAX 5544014
bnlotchan [c@ameren.co.m](mailto:bnlotchan@ameren.com)

One Ameren Plaza
1901 Chouteau Avenue
PO Box 66149
St. Louis, MO 63166149
314.6113172

February 10, 2000

Stedings Marketplace I
Broadway Supermarket, Inc.
Attn: Mr. Sterling Moody
8350 N. Broadway
St. Louis, MO 63147



RE: Collection of AmerenUE Utility Payments

Dear Mr. Moody:

As I told you during our telephone conversation this morning, Stedings Marketplace I and/or Broadway Supermarket, Inc. may be collecting utility payments from customers of AmerenUE. Please be advised that neither Sterlings Marketplace I or Broadway Supermarkets, Inc. have the right or authority to act in any manner on behalf of AmerenUE. This letter will serve as written notice to you and the above entities to cease such activity.

If you have any questions concerning this letter, please feel free to contact me.

Sincerely,

Brent L. Motchan
Associate General Counsel

BLM/dhb

Anmen Sawices

(314) 554-2276
FAX 5544014
bmotchan@ameren.com

One Ameren Plate
1901 Chouteau Avenue
PO Box 66149
St. Louis, MO 63168.6149
314.611.1==

*We need file
on this*

March 20, 2000

Mr. Sterling Moody
Sterlings Marketplace I
Broadway Supermarket, Inc.
8350 N. Broadway
St. Louis, MO 63147



RE: Collection of AmerenUE Utility Payments

Dear Mr. Moody:

I had previously written to you advising that Stedings Markets had no authority to collect utility payments from customers of AmerenUE. A copy of my February 10, 2000 letter is enclosed. Since that letter, Sterlings Markets has again accepted payments from customers of AmerenUE without authority to do so. AmerenUE has also received a check from Sterlings Marketplace I that has been dishonored.

I am again advising you and Sterlings Markets that you do not have the right and should not collect utility payments from AmerenUE customers. Please be advised that we are forwarding Sterlings Marketplace I check #15509 to the Prosecuting Attorney's office.

If you have any questions concerning this matter, feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent Motchan".

Brent L. Motchan
Associate General Counsel

BLMldhb

Attachment

Lefler, Franklin P

From: Hunt, Carole M
Sent: Monday, March 20, 2000 1:01 PM
To: Lefler, Franklin P
Subject: RE: Discuss Sterling Markets

Frank,

You may want to talk with Marie Komlose-Brown if we don't want this payment charged back to Sterling. We sent her the information. The check was for \$151.22. This is the third NG check on behalf of customer payments that we've gotten from Sterling.

-----Original Appointment-----

From: Lefler, Franklin P
Sent: Monday, March 20, 2000 12:39 PM
To: Hunt, Carole M
Subject: Accepted: Discuss Sterling Markets
When: Tuesday, March 21, 2000 10:00 AM-10:30 AM (GMT-06:00) Central Time (US & Canada).
Where: W233

How much was the check and when? We have a large collection problem on these markets and might terminate service shortly. There was a previous check for bill collections that bounced and we charged it back to his account. That was redeemed. We may not want to charge another one back. I think we are going to lose money on this guy but we certainly have to stop him from collecting payments. I understand there are some political forces at play here trying to keep him open.

STERLINGS MARKETPLACE

OPERATING ACCOUNT
835 N. BROADWAY
ST. LOUIS, MO 63147
(314) 381-6171



MERCANTILE BANK, N.A.
ST. LOUIS, MISSOURI 63166

1550

PREVIOUSLY DISHONORED
DO NOT DEPOSIT
4-21/810

15509 AMOUNT \$151.22

INSUFFICIENT FUNDS

MEMO:

TO THE ORDER OF

One Hundred Fifty-One and 22/100 Dollars

AMEREN UE-PMT

11/00W12

[Handwritten signature]
AUTHORIZED SIGNATURE

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

015509 081000210 1931013930 0000015122

ENDORSEMENT
CANCELLED
AMEREN UE

01 0094 253 02/22/80
2128100528701000000
01 001000000000000000
051000000000000000
11 1234 400000000000000000
000000000000000000
010000000000000000

03 138 00 851 1 80
2238 010 010 010 010 010
0330240267

MR 09
0000000000



E & M

CASH ADVANCE, INC.

P.O. BOX 60 HOUSTON, MO 65463

PAY THIS
AMOUNT:

MONEY ORDER

381312

04/03/2000

**ONE AND 22/100 DOLLARS **

1014

\$1 DOLS **22** CTS

PAY TO THE
ORDER OF

Ameren UE

Replacing Ch # 15509

PAYABLE THROUGH
BANK OF PLATO

Sterling's Market place

PURCHASER BY SIGNING YOU AGREE TO THE TERMS ON THE REVERSE SIDE

8350 N. Broadway

PURCHASER'S SIGNATURE IN INK FOR CASHIER

PURCHASER'S ADDRESS

NOT VALID OVER FIVE HUNDRED U.S. DOLLARS

NOT VALID UNLESS MONEY ORDER IS MACHINE PRINTED

038131 2

80-1163
615

⑈038131⑈ ⑆081511631⑆ ⑈10 336 5⑈



E & M

CASH ADVANCE, INC.

P.O. BOX 60 HOUSTON, MO 65463

PAY THIS
AMOUNT:

MONEY ORDER

378702

03/22/2000

**ONE HUNDRED FIFTY AND 00/100 DOLLARS **

1014

\$150 DOLS **00** CTS

PAY TO THE
ORDER OF

Ameren UE

Replacing Ch # 15509

PAYABLE THROUGH
BANK OF PLATO

Sterling's Market place

PURCHASER BY SIGNING YOU AGREE TO THE TERMS ON THE REVERSE SIDE

8350 N. Broadway

PURCHASER'S SIGNATURE IN INK FOR CASHIER

PURCHASER'S ADDRESS

NOT VALID OVER FIVE HUNDRED U.S. DOLLARS

NOT VALID UNLESS MONEY ORDER IS MACHINE PRINTED

037870 2

80-1163
615

⑈037870⑈ ⑆081511631⑆ ⑈10 336 5⑈

Rec'd in Legal 4/5/00
Funds sent to Frank Leffer per Carol Hunt
DNB

Moschner, Sherry P

From: Lefler, Franklin P

Sent: Thursday, May 17, 2001 5:15 PM

To: 'MHarveyPines@NFK-Law.com'; Moschner, Sherry P; Foy, Mike; Karman,

Subject: Sterling Mkt.

I was able to reach Moody. He indicated that it is his full intention to continue as the owner/operator of Sterling Market if we reconnect power. He pleaded with me to let him know by 2pm Friday if we will have the service on for the weekend so he can inventory. I assured him we would do our best to reach an agreement by that time.

I also contacted Bert Schonlau. I informed him that we were addressing his concerns registered with the MPSC and would attempt to inform him tomorrow of our position. He indicated his only concern was that we get the service back on to his property as his other tenants are a threat to vacate. I asked if Sterling Moody was going to continue to operate the store under the same arrangement as in the past and he indicated that may or may not happen. I got the impression he was indicating that Moody's financial performance would be the determining factor. I believe Mr. Schonlau's concern is that power remain on and if Moody fails, he will have to get someone else to run a store. He indicated that the store is the heart of his center.

I think we might be in a position now to keep Moody as a customer, apply the \$45,000 toward either back bills or Moody deposit and work on a payment plan to recover a portion of our back exposure. We should discuss our next action Friday morning.

Tell Bert Schonlau

1. Apply his \$30,000 of Moody's \$15,000 to the common area account arrears.
2. Will put common area account in P.B. Real Estate name. (future monthly bills will be obligation of P.B. Real Estate).
3. Ameren will not require a deposit as long as monthly bills are paid timely.
5. Will execute agreement with Moody on payoff of account balance on the store account.
4. Will keep store account in Moody's name.
6. Service would be subject to disconnection if agreement and current bills are not paid timely.

* All contingent upon Moody agreeing to above. No additional payment required to reconnect.

(over)

Phone call to Schonlau, 5/18/01

Mr Schonlau confirmed that Moody will operate the store if reconnected. Says his only interest is to get the lights on. He is afraid his other tenants will vacate. He was unaware that Moody had been negotiating with us. He agrees to my proposal as defined on reverse side of this paper
FPL

I phoned Moody & he confirms he will continue to operate the store. He agrees to my proposal as well. FPL

I phoned Brian McNamara and he wants out of the negotiations. He says whatever Moody & Schonlau agree to is fine with him. FPL

May 18, 2001

Sterling Marketplace I, Inc.
c/o Sterling's Market
8350 North Broadway
St. Louis, Missouri 63147
Attention: Mr. Sterling Moody

P. & B. Real Estate, L.L.C.
8540 North Broadway
St. Louis, Missouri 63147
Attention: Mr. Engelbert Schonlau



Re: Dispute with respect to Meter Numbers 01859500,
50688215 and 70593313

Gentlemen:

This letter agreement (this "Agreement") sets forth the terms of the agreements reached between AmerenUE ("UE"), Sterling Marketplace I, Inc. ("Sterling") and P. & B. Real Estate, L. L. C. ("P. & B.") in connection with any and all disputes among such parties regarding amounts past due and owing to UE for utilities provided by UE to Sterling and P. & B., as evidenced by the readings shown on the electricity meters identified in the caption above.

With respect to meter numbers 01859500 and 50688215 and the corresponding account numbers 52300-02426 and 52300-02417 (hereinafter collectively referred to as the "Sterling Account"), Sterling hereby acknowledges and agrees that it is delinquent in the payment to UE of the sum of \$89,000.00 (the "Sterling Settlement Amount"). Sterling further agrees that commencing one month after the date of this Agreement, Sterling shall make consecutive monthly payments of \$2,000.00 per month (in addition to the regular monthly bill for services from UE), payable to UE by cashier's or certified check, such payments to be made on or before the due date of each regular monthly bill for services from UE, until such outstanding balance of \$89,000.00 is paid in full. Sterling further agrees that from the date of this Agreement, Sterling shall be solely responsible for the timely payment to UE of any charges incurred in connection with meter numbers 01859500 and 50688215. In the event Sterling is delinquent in its payments of any sums owed in connection with the payment to UE of the Sterling Settlement Amount or any and all future payments for charges incurred on the Sterling Account, UE reserves the right to discontinue all service under the Sterling Account without incurring any liability whatsoever to Sterling.

UE expressly reserves the right to collect any and all amounts outstanding and past due in excess of the Sterling Settlement Amount, and owed according to meter numbers 01859500 and/or 50688215, from any third parties that UE determines are responsible for such amounts outstanding and past due.

With respect to meter number 70593313 (the "Common Area Meter") and the corresponding account number 57300-01916 (the "Common Area Account"), it is agreed by the parties to this Agreement that commencing on the date hereof, payment of the charges incurred as shown on the Common Area Meter shall be the sole responsibility of P. & B. and that the name now shown on the Common Area Account shall be changed to be in the name of "P. & B. Real Estate, L.L.C."

Sterling and P & B hereby agree and acknowledge that \$124,526.06 is past due and owing to UE in connection with charges incurred to date as recorded on the Common Area Meter, and that Sterling and P. & B. shall be responsible only for the payment to UE of \$45,000.00 of such amount past due and owing (the "Common Area Settlement Amount"). It is acknowledged by the parties to this Agreement that Sterling and P& B have heretofore delivered to UE checks totaling \$45,000, however, notwithstanding the use of the words "successor accounts for P. & B. Real Estate" as appearing on that certain handwritten receipt, dated May 14, 2001, and signed by a representative of UE, Sterling and P.&B. hereby agree that the following checks delivered to UE on May 14, 2001, shall be applied only to the payment of the Common Area Settlement Amount:

Cashier's check #4406406972, dated May 10, 2001, in the amount of \$12,500.00;

Cashier's check #4406406993, dated May 14, 2001, in the amount of \$2,500.00; and

Check # LD 009275, dated May 14, 2001, in the amount of \$30,000.00.

(A copy of the above checks are attached to this Agreement as Exhibit "A".)

In the event Gateway National Bank does not honor any of the above listed checks, UE reserves the right to discontinue all service under the Common Area Account without incurring any liability whatsoever to Sterling and/or P. & B.

UE expressly reserves the right to collect any and all amounts outstanding and past due in excess of the Common Area Settlement Amount, and owed according to meter number 70593313, from any third parties that UE determines are responsible for such amounts outstanding and past due.

The parties hereto acknowledge and agree that there is an existing deposit in the amount of \$9,493.00 in the Common Area Account and that UE shall transfer such deposit to the Sterling Account.

The parties hereto agree to withdraw any complaints currently pending before the Missouri Public Service Commission (MPSC).

If you are in agreement with the terms and conditions contained in this Agreement, please indicate so by signing this Agreement and returning it to the undersigned. Once Sterling and P. & B. have signed this Agreement, UE shall restore the service it has heretofore discontinued.

Sincerely,
AmerenUE

By: Frank Reple

Agreed to this 18th day of May, 2001.

STERLINGS MARKETPLACE I, INC.

By: [Signature]

P. & B. REAL ESTATE, L.L.C.

By: Burt S. Schenker



4-144/810

No.LD 009275

GATEWAY NATIONAL BANK

ST. LOUIS, MISSOURI

DATE May 14 19 2001

PAY TO THIRTY THOUSAND AND NO/100 ***** AMOUNT \$30,000.00
 THE ORDER OF AMEREN UE

AMEREN UE

GATEWAY NATIONAL BANK

LOAN DISBURSEMENT
 FOR P & B REAL ESTATE LLC

REQUIRES TWO SIGNATURES

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

⑈081001442⑈ 13⑈144⑈9⑈

THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK PRINTED ON THE BACK. THE FRONT OF THE DOCUMENT HAS A MICRO-PRINT SIGNATURE LINE. ABSENCE OF THESE FEATURES WILL INDICATE A COPY.

**GATEWAY NATIONAL BANK**

0810

4406406993

CASHIER'S CHECK

22-1676
960DATE May 14, 2001

PAY EXACTLY **\$2,500** DOL 00CTS

2,500.00

TO THE ORDER OF
AMEREN UE

STERLING MARKET PLACE

Lisa Gates
 AUTHORIZED SIGNATURE

REMITTER:
 PAYABLE THRU
 FIRSTAR BANK OF MINNESOTA, N.A.
 ST. PAUL, MN

⑈096016765⑈00440 64069930⑈

THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK PRINTED ON THE BACK. THE FRONT OF THE DOCUMENT HAS A MICRO-PRINT SIGNATURE LINE. ABSENCE OF THESE FEATURES WILL INDICATE A COPY.

**GATEWAY NATIONAL BANK**

0810

4406406972

CASHIER'S CHECK

22-1676
960DATE May 10, 2001

PAY EXACTLY **\$12,500** DOL 00CTS

12,500.00

TO THE ORDER OF
AMEREN UE

STERLING MARKETPLACE

Lisa Gates
 AUTHORIZED SIGNATURE

REMITTER:
 PAYABLE THRU
 FIRSTAR BANK OF MINNESOTA, N.A.
 ST. PAUL, MN

⑈096016765⑈00440 64069723⑈

LEFLER
 SCHEDULE 8 - PAGE 4

Ettling, Leroy W

From: Foy, Mike
Sent: Monday, May 21, 2001 12:28 PM
To: Ettling, Leroy W
Subject: FW: Sterlings

-----Original Message-----

From: Lefler, Franklin P
Sent: Monday, May 21, 2001 11:24 AM
To: Foy, Mike
Subject: Sterlings

To fill you in, we reconnected service on Friday evening. Sue Ledgerwood processed the \$45,000 in checks today and applied them to the common account and changed the name on that account to P&B Real Estate LLC. 57300-01916. That leaves a balance of \$79,526.26 on that account. We have to transfer that balance somewhere as Schonlau is not responsible for any back debt. On 52300-02417, the FB in error account, we have a balance of \$57,369.82. That covers service up to 4/26/00. On 52300-2426, the store account that was under disc status, we have a balance of \$87,017.16.

There are a couple things we must do. First, we agreed to transfer the deposit of \$9,493 from 57300-01916 to 52300-02444, the new established account for Moody. The old account was finaled due to the being cut for over 10 days. How can we accomplish this?

Second, we agreed that Moody will only be responsible for \$89,000 of the old bills. Somehow we must transfer that value to his new account, 57300-02444 so his first bill will reflect that. Based on dates that Moody states he purchased the business from his partner and the fact that we are using McNamara's figures, how can we decide where the \$89,000 is going to be transferred from? It is my intent to forward the remaining charges on to our attorney to pursue Moody's partner, if possible, so we need to be able to show on the accounts where and when the debts came from. If we end up filing suit we must provide a statement of the outstanding charges to file with the suit. Since this will become the major issue for our recovery we must be sure the charges are itemized properly.

We will end up with two final CSS accounts. Both will be for the meters that Moody is going to be responsible for. One covering service up to 4/30/00 and the 2nd starting there and running up to our disconnection date. When you get a minute let's talk about how to accomplish this and anything else we might think of.

05/21/2001

LEFLER
SCHEDULE 9

P & B REAL ESTATE L.L.C.

5933 Jackson Avenue • Saint Louis, Missouri 63134 • 314-521-4848 • Fax 314-521-2244

June 1, 2001

Mr. Leroy Etting
AmerenUE
PO Box 66301
St. Louis, MO 63166

RE: Broadway Plaza Center
8350 N. Broadway

Dear Mr. Etting,

In an effort to clean up, once again, the billing of electric usage at the above location listed below are the meter numbers at the above location and who is responsible for payment:

P & B Real Estate is responsible for two meters - #97801372 and #97643340. We are being billed for, and paying for, electric usage on these two meters.

Since you restored power to Sterling Moody, his three meter numbers are 01859500, 50688215 and 70593313. Please send all charges for these meters to Mr. Moody at Sterling's Marketplace. P & B Real Estate has nothing to do with these three meters.

Sincerely,


Bert B. Schonlau

BBS/ps

P & B REAL ESTATE, L.L.C.

5933 JACKSON AVENUE
ST. LOUIS, MO 63134
314-521-4848 / 800-826-0071
FAX# 314-521-2244
www.slrcompany.com / info@slrcompany.com

OUTGOING FAX COVER SHEET

DATE: B-1-01

TO: MRS BRYANT Ameren U.E.

FAX#: 314-992-6755

FROM: Bert Scholau

REGARDING: BROADWAY PLAZA

NUMBER OF PAGES (INCLUDING COVER): (2)

SPECIAL NOTES: Please Find attached a copy of our letter to Mr. Firling regarding our Shopping Center located at 8350 North Broadway, Ameren U.E. elected to restore Power to Mr. Moody at Stirling's Market Place. P+B is the landlord of this Property. Mr. Moody is a Tenant and is responsible for his electric meter (3)

Bert B. Scholau
C.E.O

LEFLER
SCHEDULE 11

copy
AmerenUE

One Ameren Plaza
1901 Chouteau Avenue
PO Box 66149
St. Louis, MO 63166-6149
314.621.3222

September 13, 2001

Mr. Sterling Moody
Sterling's Marketplace 1, Inc.
8350 North Broadway
St. Louis, MO 63147

Re: P&B Real Estate, LLC
8350 N. Broadway
Acct. No. 57300-01916
Meter ID #70593313



Dear Mr. Moody:

We are in receipt of the attached letter from Bert B. Schonlau, dated June 1, 2001, in which he requests we send all charges for meter 70593313 to you. Mr. Schonlau states that P&B Real Estate has nothing to do with this meter and that Sterling's Market is responsible for all electric service registered through this meter.

We are presently billing you for service registering through meters 01859500 and 50688215 on account 52300-02444. We cannot place your name on this account without your permission. If you do not want the account in your name, and Mr. Schonlau insists that it be taken out of his name, we will have no choice but to disconnect the service.

Please inform us immediately, in writing, if you wish service to continue under your name through meter 70593313, or if service to this meter should be disconnected.

In addition, Mr. Moody, attached is a copy of your August 2, 2001 check number 14730 in the amount of \$8,202.53 which has been returned by your bank. Please redeem this check in full immediately with a cashier's check or cash at one of our authorized pay stations.

Sincerely,

F. P. Lefler
Credit Supervisor

NAME _____
ACCOUNT NO. _____

CHARGE BACK

Ret. By 4-144

☐ Insf. ☐ Uncol. Fds. 14730
☐ End. ☐ Other. _____

DATE Aug 2, 01 4-144/810

BY THE ORDER OF

Amesbury, VT AUG 08 2001

\$ 8,202.53

Eight Thousand, Two Hundred, Two

53
DOLLARS



GATEWAY NATIONAL BANK
3412 North Union Boulevard, St. Louis, Missouri 63115

OR

57300-01916

⑈014730⑈ ⑈081001442⑈ 152493⑈

⑈0000820253⑈

October 17, 2001

HAND DELIVERED

Sterlings Marketplace I, Inc.
 Attn: Sterling Moody
 8350 N. Broadway
 St. Louis, MO 63147

Re: Current Bill: \$ 4409.30
 Prior Balance: \$22612.11
 Total Amount: \$27021.41
 Due Effective 10/8/01



FINAL NOTICE

Dear Mr. Moody:

This letter will serve as a final reminder to save you the inconvenience of being without service.

In review, your account has an agreement to pay your current bill, plus an additional \$2000 payment per month to apply to the arrears balance on your billing. Listed below is a summary of your billing and payments:

<u>Current Bills</u>	<u>Arrangement</u>	<u>Misc./Late Pay Charge</u>	<u>Total Due</u>
5/18/01 – 5/31/01 \$2389.86	\$2000.00	Reconn Chg. 30.00	\$4419.86
5/31/01 – 7/1/01 8333.25	\$2000.00	76.30	10409.55
7/1/01 – 7/31/01 8735.00	2,000.00	161.03	10896.03
7/31/01 – 8/27/01 7401.47	2000.00	304.61	9706.08
8/7/01 – 9/26/01 4409.30	2,000.00	0	6409.30
Totals <u>\$31268.88</u>	<u>\$10,000.00</u>	<u>\$571.94</u>	<u>\$41840.82</u>
Less payment 6/28/01			\$4486.16
Less payment 8/11/01			<u>\$10333.25</u>
Total Amount Past Due			<u>\$27021.41</u>

Please pay \$27021.41 amount shown above within 48 hours after receipt of this notice. Otherwise, your service will be subject to disconnection without further notice.

Sincerely,

F. Lefler
 Supervisor
 Credit Department

Acct. No. 52300-02444

Caldwell & Singleton, LLC

Attorneys and Counselors at Law
1601 Olive, First Floor
St. Louis, Missouri 63103-2344
314-421-0077
Fax: 314-421-5377
E-Mail: chslaw@mindspring.com

Worsham N. Caldwell**
Richard N. Singleton, Jr.*
Tara L. Morris †
Annette E. Slack††

Of Counsel:
Freeman R. Bosley, Jr.
LaRae M. DeFreece
Daniel T. Friedson

Janet Holbrook, R.N.
*Also Licensed in Illinois
**Also Licensed in Virginia
† Licensed in Illinois and Mississippi
†† Also a Registered Nurse

November 20, 2001

Mr. James Cook
Attorney at Law
Managing Associate General Counsel
Ameren Services Company
One Ameren Plaza
1901 Chouteau Avenue
P. O. Box 66149 MC1310
St. Louis, MO 63166-6149

RE: Sterling Moody, Sterling's Market Place and Sterling's Market Place I

Dear Mr. Cook:

Due to financial problems beyond his control, please be advised that as of November 12, 2001, Sterling Moody and Sterling's Market Place are no longer in operation at 8350 North Broadway.

Any utility service provided to account number 52300-0244 (meter numbers 01859500 and 50688215) and account number 57300-01916 (meter number 70593313) intended for the use of Sterling Moody or Sterling's Market Place should be discontinued or disconnected immediately.

Thank you in advance for your cooperation.

Sincerely,


Freeman R. Bosley, Jr.

FRB/krt

Cc: Michael A. Vitale
M. Bryant