

# **EXHIBIT 21**

## MEDIATION STATEMENT

Martin P. Violante, Esq.  
August 6, 2002  
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Finally, it is unclear what Elia is referring to when it alleges that Damon & Morey engaged in "improper and unnecessary motion practice." Damon & Morey only engaged in legal work that was necessary to achieve Elia's goals. It is critical to note that David Elia, an attorney admitted in New York State, stood shoulder to shoulder with Damon & Morey, even at each hearing. No work was performed by Damon & Morey without David Elia's permission, review and blessing. For Elia to now assert that Damon & Morey engaged in "improper and unnecessary motion practice" is to admit that David Elia requested Damon & Morey to perform "improper and unnecessary motion practice."

The overall review of the Damon & Morey's performance speaks for itself: Damon & Morey's services allowed Elia to pay less than twenty-percent of the total claims asserted in its bankruptcy case, with the savings going directly to the Elia principals. Rough arithmetic reveals that of the \$4.6 million received from the USF&G settlement, Elia has paid only approximately \$1.3 to creditors and \$400,000.00 to Damon & Morey. Elia has received (or will receive) another approximately \$600,000.00 in settlements from other lawsuits, leaving Elia with approximate reserves of \$3.6 million; Elia owes Damon & Morey roughly \$504,124.74 in fees through August 1, 2002.

We hope that this mediation statement provides you with sufficient background on the issues that will be discussed during the August 7, 2002 mediation. To the extent you require any further information, please contact me at anytime.

Regards,

ICE MILLER

/s/

Brian D. Gwitt

BDG:dli

cc: William F. Savino  
Christopher T. Greene  
James M. Mucklewee