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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/10/2007

SOURCE, who is in a position to testify, provided the following information:

SOURCE is a Circuit Court Judge for the State of Mississippi and is the Judge of Record for a civil case between the plaintiffs, the Law Firm of JONES, FUNDERBURG, SESSUM, PETERSON AND LEE, LLC and the defendants, RICHARD SCRUGGS, DON BARRETT, THE SCRUGGS LAW FIRM, PA; BARRETT LAW OFFICE, P.A.; NUTT AND MCALISTER, PLLC; AND LOVELACE LAW FIRM, P.A. SOURCE believes the defendants will request the court to send the matter to arbitration at a hearing to be held in the near future. The issue at hand is how the firms will split approximately \$26.5 million in legal fees resulting from legal claims against insurance companies operating in Mississippi in the aftermath of Hurricane Katrina.

On March 28, 2007, the SOURCE received a telephone call from Attorney TIM BALDUCCI. BALDUCCI requested a private meeting with the SOURCE. Later that day, the SOURCE and BALDUCCI met. Following the meeting, The SOURCE wrote a report of that meeting which he titled, "Note on TIM BALDUCCI" and signed and dated, March 28, 2007. The SOURCE released a copy of that document to SA DELANEY, the original will be maintained in the Confidential Source file, a redacted copy is attached to this FD-302 to be maintained in the substantive file.

The SOURCE has known BALDUCCI for approximately sixteen years both professionally and personally and described BALDUCCI as a white male, approximately forty years of age. BALDUCCI is currently employed in the BALDUCCI AND PATTERSON LAW FIRM out of New Albany, Mississippi, telephone number 662/534-1944. BALDUCCI was previously employed with the JOEY LANGSTON LAW FIRM in Booneville, Mississippi. BALDUCCI told the SOURCE he left the LANGSTON LAW FIRM on good terms. The SOURCE had not seen BALDUCCI since the fall of 2006.

The SOURCE believes JOEY LANGSTON and RICHARD SCRUGGS are close friends. The SOURCE speculated that LANGSTON may have asked BALDUCCI to approach the SOURCE regarding the civil case.

Investigation on 04/23/2007 at Calhoun City, Mississippi

File # 194A-JN-32354^S 270D-JN-32355 -A-1 Date dictated 05/10/2007

by SA William P. Delaney WPD

DOBWOODS 302.1

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