

**Statement of Roger D. Colton  
Fisher, Sheehan and Colton  
Public Finance and General Economics (FSC)  
34 Warwick Road, Belmont, MA 02178  
617-484-0597 \*\*\* 617-484-0594 (FAX)**

**RE: MACKY, *et al.* vs. SPRING LAKES MOBILE HOME ESTATES**

**March 9, 1998**

---

My name is Roger Colton. My address is 34 Warwick Road, Belmont, Massachusetts, 02178. I am a principal in the firm Fisher, Sheehan and Colton, Public Finance and General Economics (FSC). FSC is a financial and economic consulting firm that works on issues involving housing, community planning, regulatory economics and natural resources.

**1 SUMMARY OF SPRING LAKES ANALYSIS**

My understanding of the services which Spring Lakes Mobile Home Estates (hereafter Spring Lakes) claims underlie its service transfer fee comes from a review of the affidavits and depositions of Marie DeFrenza (hereafter DeFrenza), Laurie Kariolich, Joseph Carlino, and Barbara Koselka. I have also reviewed the pleadings in this case, including the Motion for Summary Judgment by Spring Lakes along with the accompanying memorandum in support of that motion. Spring Lakes contends that the following services: (1) are provided to a new tenant; (2) are related to the new tenant's occupancy of a mobile home; and (3) are the basis for the transfer service fee under examination.

1. Monitor a seller's obtaining of the required home inspection prior to sale (Memo supporting motion for summary judgment, ¶II.A, p.3).
2. Conduct a "walk through" inspection (DeFrenza, p. 28).
3. Conduct a "walk around" inspection (DeFrenza, p. 28).
4. Conduct a follow-up inspection to ensure that any items noted in the required inspection report have been repaired or

addressed (Memo supporting motion for summary judgment, ¶II.A, p.3).

5. Make certain repairs noted in the required inspection report, when necessary, or verify that the repairs have, in fact, been made and have been done correctly. (Memo supporting motion for summary judgment, ¶II.A, p.4).
6. Provide information by telephone or send documents to realtors (Memo supporting motion for summary judgment, ¶II.A, p.4).
7. Provide information by telephone or send documents to lenders (Memo supporting motion for summary judgment, ¶II.A, p.4).
8. Provide information by telephone or send documents to insurance companies (Memo supporting motion for summary judgment, ¶II.A, p.4).
9. Assist new purchasers by answering questions and helping them to complete paperwork (Memo supporting motion for summary judgment, ¶II.A, p.4).
10. Assist in preparing and processing credit reports for each new home owner (Memo supporting motion for summary judgment, ¶II.A, p.5).
11. Process and obtain new title for each new owner (Memo supporting motion for summary judgment, ¶II.A, p.5).
12. Change and update Spring Lakes' two-part filing system (Memo supporting motion for summary judgment, ¶II.A, p.5).

In addition to the activities that Spring Lakes claims to underlie the transfer service fee, deponent Marie DeFrenza explained the relationship between Spring Lakes Mobile Home Estates and Bartlett Mobile Home Sales (Bartlett). According to DeFrenza, Bartlett is a separate "division" of Spring Lakes. (DeFrenza, p. 21, 22). DeFrenza said that the two companies are separate. The receipts of the companies are kept separately (DeFrenza, p. 22) and they file separate tax returns. (DeFrenza, p. 23). DeFrenza is the "sales manager" for Bartlett. (DeFrenza, p. 23). Bartlett has no other employees. (DeFrenza, p. 23). Bartlett is located in the same building, but in a different office than Spring Lakes. (DeFrenza, p. 24). The sale of a mobile home requires a license in the State of Illinois. (DeFrenza, p. 101). Bartlett has a dealer's license, but DeFrenza individually does not. (DeFrenza, p. 101). Bartlett sells both new and used mobile homes. (DeFrenza, p. 35, 78).

## **2 ANALYTICAL METHODOLOGY**

## **2.1 Description of the Methodology**

The Process Model of Business was used to analyze the tasks listed above. The Process Model involves an analysis of activities and outputs. The premise of the Process Model is that every business endeavor can be described as a conversion of "inputs" into "outputs" by an "activity." Specifically, the Process Model is described as follows:

- Inputs are provided to the process by suppliers.
- The inputs are converted into outputs by an "activity." An activity is a combination of people, technology, supplies, methods and environment.
- These outputs are then *delivered* either: (1) to an internal customer (and then become inputs to a downstream activity); or (2) to an external customer.

The Process Model is presented in Illustration 1. A Process Analysis allows a person both to (1) identify the outputs; and (2) identify the delivery. The consumer of an activity is the person who (a) creates the demand for, and (b) takes delivery of, that activity.

In applying the Process Model, the terms "task," "activity" and "process" are frequently defined in terms of a hierarchy. At the top of this hierarchy are processes (often called "business processes"). Processes are made up of activities. Activities are, in turn, made up of tasks. This hierarchy is presented in Illustration 2.

## **2.2 Appropriateness of the Methodology to this Case**

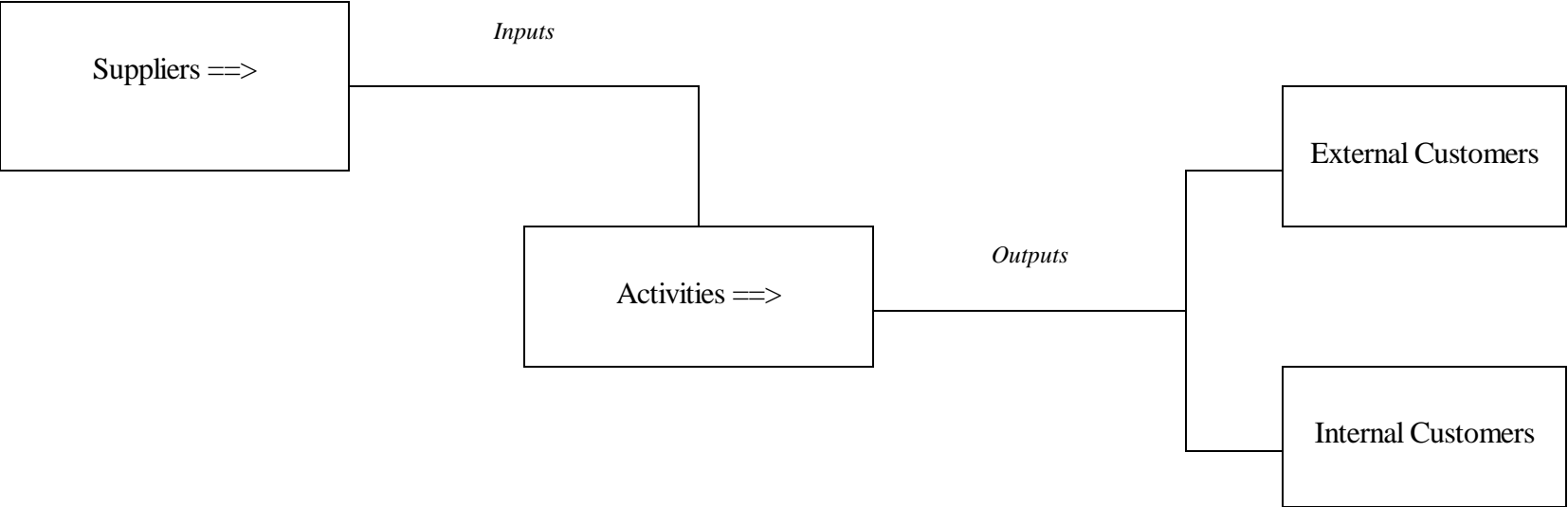
The Process Model of Business evolved from the process engineering disciplines prevalent in the manufacturing world since the beginning of "mass production" in the early 1940's. For many years, "process thinking" was used solely to control the quantity and quality of manufacturing outputs. In the late 1980's, through the work of Professors Robin Cooper and Robert Kaplan of the Harvard School of Business, "process thinking" was applied to the costing of those outputs. The new techniques were first used only in manufacturing settings to reevaluate the reported costs of tangible products.

Those same techniques were then successfully applied in settings where the primary market offerings were services, such as banks and insurance companies. Finally, "process thinking" was recognized as an invaluable tool for not only costing non-manufacturing outputs, but for understanding their conversion from inputs. Today, the techniques of process modelling are recognized as applicable to any business situation where an enhanced understanding of "outputs" or their "conversion from inputs" is desired.

In the case of Spring Lakes, defendants provide a laundry list of tasks through affidavit and deposition as their primary rationale for the fee under examination. The dispute, however, is not whether the tasks are undertaken. Instead, the issues are two-fold: (1) whether the tasks are sufficiently related to the fee to be subject to compensation through the fee; and (2) whether the tasks are sufficiently related to a new lessee at Spring Lakes to be chargeable to that new lessee through the service transfer fee. Defendants only assert in argument that the laundry list of tasks which they identify are provided to the new tenant and are related to the new tenant's occupancy of the mobile home.

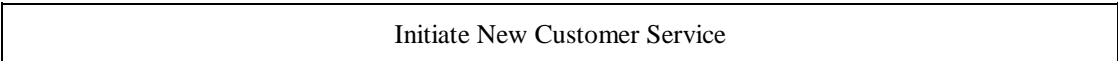
Process analysis of those tasks is appropriate in that it provides a systematic means for testing the argued, but unproven, assertions. Process analysis was designed to provide insight into the outputs of tasks as well as into the customers of those outputs, *precisely* the issues presented by this litigation.

**ILLUSTRATION 1: THE PROCESS MODEL**

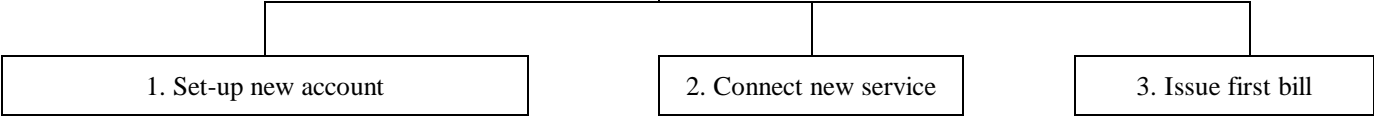


**ILLUSTRATION 2: HIERARCHY OF "PROCESS TERMS"**

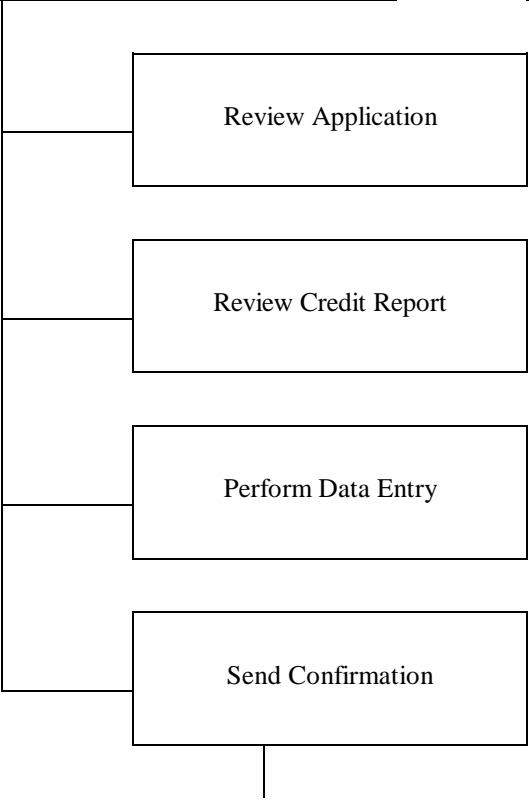
**Business Process**



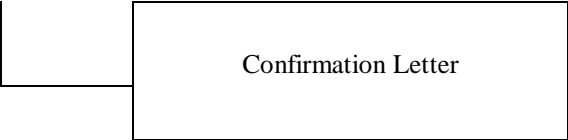
**Activity**



**Tasks**



**Activity Output**



### **2.3    *Application of the Methodology***

In this case, the focus of the Process Analysis was on the outputs of the Spring Lakes' activities and the customers to whom those outputs were delivered. To determine the customers of Spring Lakes' various activity outputs, it was necessary first to understand the interdependence of those activities. To facilitate this understanding, the subject activities were placed in sequential order. When the output of one activity is an input into another, those activities were deemed to be sequential. When that condition does not exist, the activities were deemed to be simultaneous.

## **3        RESULTS OF THE PROCESS ANALYSIS**

### **3.1    *Groups of Activities***

The Process Analysis in this case involved sorting the "tasks" identified by Spring Lakes into the corresponding higher level of activities. This "sorting" facilitated the identification of activity "customers." An initial result of the Process Analysis was that the tasks enumerated by Spring Lakes were logically grouped into four broader categories which are higher-level activities. Those four higher-level activities are:

1.        Sell mobile home.
2.        Approve mobile home to remain on-site.
3.        Approve new tenant for lease.
4.        Do administrative record keeping.

This sorting is set forth in Attachment A. The list above does not imply an underlying sequence. The sequence is set forth in Attachment A.

### **3.2    *Table of Outputs and Customers***

Table 1 (Table of Outputs and Customers) summarizes the results of the Process Analysis of Spring Lakes' tasks.



Table 1: Table of Outputs and Customers			
Task #	Activity/Task	Output	Customer
<b>Sell mobile home</b>			
6.	Provide information	Accurate information	Realtors
7.	Provide information	Accurate information	Lenders
8.	Provide information	Accurate information	Insurance companies
9.	Provide assistance	Completed paperwork	Buyer
11.	Obtain title	Valid title	Buyer
<b>Approve Mobile Home to Remain On-Site</b>			
1.	Monitor inspection	Monitored inspection	Seller
2.	Conduct "walk through"	Completed "walk through"	Seller
3.	Conduct "walk around"	Completed "walk around"	Seller
4.	Conduct "follow-up inspection"	Completed inspection	Seller
5.	Make repairs	Completed repairs	Seller
<b>Approve new tenant for lease</b>			
10.	Request "credit report"	Current "credit report"	Tenant
<b>Do administrative record keeping</b>			
12.	Update "filing system"	Updated "filing system"	Park management

## 4 ANALYSIS

Based on the Process Analysis described above, I have reviewed the service transfer fee imposed by Spring Lakes within the context of Section 9 of the Mobile Home Landlord and Tenant's Rights Act ("Mobile Home Act"). That statute provides in relevant part that: "the park owner shall not charge a transfer or selling fee as a condition of sale of a mobile home that is going to remain within the park unless a service is rendered." I have been asked to consider: (1) the nature of the services claimed to be rendered by Spring Lakes; and (2) the relationship of the fees charged to the services claimed to be rendered. My conclusions and analysis are provided below.

### 4.1 *Nature of the Services Rendered*

#### CONCLUSION #1:

The activities identified in the Process Analysis above do not represent a "service" delivered to new tenants of Spring Lakes.

More specifically, my conclusions are as follows:

1. Some tasks comprise activities that are part of the process of selling mobile homes, not the process of leasing Spring Lake lots;
2. Other tasks comprise activities that are part of the ongoing normal business process of operating the Mobile Home Park, not the activity of leasing lots;
3. Some activities do not deliver outputs to the new lessee, but rather to the seller of the home; and
4. The activities are rendered for the benefit of other than the new lessee.

I will discuss below the observations which lead to each of my conclusions.

#### 4.1.1 **Some tasks comprise activities that are part of the process of selling mobile homes, not the process of leasing Spring Lake lots:**

As the Process Analysis reveals, many of the tasks identified by Ms. DeFrenza generate outputs that are delivered not to new Spring

Lake lessees, but rather to parties involved with the process of selling mobile homes. Providing information to realtors, lenders and insurance companies is not tied to any particular new tenant seeking to obtain a lease in the Park. Indeed, these services are provided indiscriminately to current residents who are "thinking" of selling, to prospective purchasers of mobile homes (whether or not those homes will be located in the park), to current tenants who might be seeking to refinance their existing mobile homes, and to realtors and brokers who are merely trying to "keep up" with local conditions, as well as to persons who happen to eventually become new lessees at Spring Lakes.

To illustrate, one can disconnect the sale of the home from the lease of a lot in the Mobile Home Park. In so doing, one can assume that a person seeks information for a home to be purchased from Bartlett, but not to be located at Spring Lakes. Since information is nonetheless provided in this instance, it is evident that the tasks of providing information (*i.e.*, Tasks 6, 7, 8, 9 and 11) are not part of services directed toward new Spring Lake lessees, but rather are simply part of the ongoing business of selling mobile homes.

Based on the discussion above, I conclude that Tasks 6, 7, 8, 9 and 11 are not appropriately included in the service transfer fee.

**4.1.2 Other tasks comprise activities that are part of the ongoing normal business process of operating the Mobile Home Park, not the activity of leasing lots:** As the Process Analysis reveals, many of the tasks identified by Ms. DeFrenza represent normal incidents of the process of operating Spring Lakes Mobile Homes Estates as a mobile home park, not activities that represent services to a new lessee. It is revealing to note that, in these instances, the consumer of this activity is the Park itself. The entrance of *any* new tenant into the mobile home park, for example, would require Spring Lakes to update its records of existing residents. The entrance of *any* new tenant would require some personal contact between the new tenant and the park management.

Consider, for example, the fact that Spring Lakes requires an approval for all new tenants. That approval involves, at a minimum, an application to be filled out and a credit check to be performed. That application process is not a service provided to the tenant. It is instead a business activity developed to protect the mobile home park management and investors, much like the application process of any landlord in a rental situation. While it is true that Ms. DeFrenza could not disaggregate the two hours she attributes to the pre-lease contacts with the new tenant into subsidiary tasks, it would be inaccurate to characterize that entire activity as a "service" to the tenant rather than as a normal business incident within the business operation of the mobile home park.

Similarly, Spring Lakes has an obligation to enforce the rules and regulations of the Park. It is only through such enforcement that the rules and regulations have meaning. Moreover, it is through such enforcement that the Park maintains its character as, what Ms. DeFrenza called, a "nice park," thus maintaining the value of homes for existing tenants and maintaining the value of the Park overall

for management and investors. As the Process Analysis reveals, enforcement of the rules and regulations, which includes the inspection prior to approving the mobile home to stay on-site, generates an output that is delivered to the existing tenant to be used in a downstream activity. It is not a service provided to a new lessee.

Based on the discussion above, I conclude that Task 12 is not appropriately included in the service transfer fee.

**4.1.3 Some activities do not deliver outputs to the new lessee, but rather to the seller of the home:** As the Process Analysis reveals, in all but one instance, the "customer" of the activities comprised of some tasks enumerated by Ms. DeFrenza is not the new tenant/lessee in Spring Lakes. The tasks associated with the activity of selling a mobile home are discussed above. In addition, approving a mobile home for transfer on-site (*i.e.*, Tasks 1, 2, 3, 4 and 5) involves an activity that generates outputs delivered to the seller of the home, not to a new lessee. Several observations support this conclusion by combining the information provided by Ms. DeFrenza with the Process Analysis. First, approval of the mobile home to remain on-site is done before any new lessee (or even any prospective new lessee) is identified. The approval is not provided as a condition of sale, it is provided as a condition of the *offer* for sale on-site. Second, the approval of the mobile home for sale can be done without any contemporaneous intent of the existing owner to place the home on the market. As Ms. DeFrenza said, months can elapse between when an existing tenant gains the necessary park approval and when a mobile home is actually placed on the market. Finally, an approval might be given and a sale would *never* occur. This situation illustrates how and why the activities generate outputs for (and thus represent a service to) the seller, not to the buyer.

Based on the discussion above, I conclude that Tasks 1, 2, 3, 4 and 5 are not appropriately included in the service transfer fee.

**4.1.4 The activities are performed for the benefit of other than the new lessee:** There is no question but that a new lessee indirectly benefits from the tasks that Spring Lakes has identified as part of the process of approving a home for sale in-place at the Park. It is important to understand, however, that the beneficiary of an activity and the consumer of an activity are often different persons. The fact that a person *benefits* from an activity does not mean that a service was provided to that person. In this case, for example, the activity of approving a home for sale on-site benefits other persons far more than it benefits the new tenant. Consider that:

- o The seller of the home benefits. Without the approval, the current tenant has an asset that cannot be converted into cash.
- o The other tenants in the park benefit. Through the approval process, the other tenants maintain the value of their homes.
- o Park management and investors benefit. Through the approval process, the park maintains its "attractiveness," park

management can charge higher prices, and management and investors receive higher compensation.

As is evident from the Process Analysis, while a new lessee may be a beneficiary, he or she is certainly not the person who takes delivery of the outputs from the various tasks identified by Spring Lakes and is thus not the consumer of the service.

One other indicator of who represents the consumer of an activity is whether a person has the ability to influence the outcome. A new lessee stands in no position to affect the delivery of the service. The best illustration of influencing the service is complete avoidance. A new tenant, however, can *not* avoid the fee by declining the service. In contrast, the seller of the home can avoid the delivery of the service by deciding *not* to sell the home. The existence of such dominion helps to identify who the consumer of the service is.

In this context, the Spring Lakes process shows how a service transfer fee can be used to abuse new lessees. The service transfer fee involves three steps: (1) Spring Lakes requires an inspection to be done; (2) Spring Lakes requires the seller to allow a "reinspection" to be performed by the mobile home park (and no-one else); and (3) Spring Lakes then charges a fee to this captive market ranging from 400 to 800%+ of the cost of performing the required tasks. (The \$850 fee would have ranged from 800 to 1600% of the cost.)

Based on the discussion above, I conclude that Tasks 1, 2, 3, 4 and 5 are not appropriately included in the service transfer fee.

#### ***4.2 The Activities Identified Above Do not Represent Spring Lake Services for which the Service Transfer Fee is Compensation.***

##### **CONCLUSION #2:**

The activities enumerated by Spring Lakes include activities that should not be compensated for through a service transfer fee imposed on new lessees.

More specifically, my conclusion is that with respect to the sale of the mobile home, the *provider* of the service is probably Bartlett and *not* Spring Lakes.

**4.2.1 The fee represents payment for services that are provided by Bartlett, not by Spring Lakes:** Ms. DeFrenza is the Sales Manager for Bartlett as well as the Vice President of Spring Lakes. She holds both positions concurrently. She is paid by both companies. Both entities are housed in the same building. Bartlett has no other employees.

During the course of an ordinary day, it is not unreasonable to believe that at one moment Ms. DeFrenza is performing tasks as the Sales Manager for Bartlett Mobile Home Sales and at the next moment she is performing tasks as the Vice-President of Spring Lakes. Even though the two entities have two different offices, Ms. DeFrenza is only one person and can only be in one office. There is no division in time or space between the two positions.

In Paragraph 4.1.1 above, it was described how many of the tasks identified by Ms. DeFrenza represent tasks that are actually normal incidents of the process of selling a mobile home. By extension, it would appear that those tasks are *not* performed by Ms. DeFrenza as Vice President of Spring Lakes. Rather, they are performed by Ms. DeFrenza as Sales Manager of Bartlett.

In this light, the service transfer fee is a direct subsidy paid by a new lessee of Spring Lakes to Bartlett, whether or not the lessee purchased his or her home from Bartlett. While the service transfer fee goes into the general revenues of Spring Lakes, because of the common ownership and management, the imposition of the service transfer fee increases total revenue (and thus either reduces the Bartlett costs to be covered by mobile home sales prices, or increases overall return to the investors) for the two commercial enterprises.

#### **4.3 Relationship Between Service Transfer Fee and Services Provided.**

##### **CONCLUSION #3:**

The service transfer fee is highly disproportionate to the services offered by Spring Lakes Mobile Home Estates to a new lessee.

In this section, I have combined the results of the process evaluation described above with basic economic principles derived from my work in the area of regulatory cost allocations. My conclusions are that there is generally no relationship between the fees charged and the activities claimed to underlie those fees. More specifically, my conclusion is that the fee is highly disproportionate to the cost of the services rendered.

**4.3.1 The fee is disproportionate to the cost of the tasks that have been identified:** According to Spring Lakes, the \$450 fee charged to new lessees is designed to cover the costs of the services which Spring Lakes claims to provide. Those costs, Spring Lakes states, include the salary involved with time, office staff, and overhead.

The time associated with each activity identified by Spring Lakes is set forth on Table 2. These times are the times as they are collated by Ms. DeFrenza. Table 3 then calculates the costs associated with each activity.

As can be seen, even if I accept, solely for the sake of analysis, that *all* of the tasks that have been identified by Spring Lakes are appropriately charged to the new lessee through a service transfer fee, a cost-based fee would result in a charge of less than \$100. If, in the alternative, the service transfer fee is limited only to the services appropriately included in such a fee, as identified by the Process Analysis described above, the service transfer fee would be less than \$50. The two hours identified for Tasks 6 - 11 were not further disaggregated to allow for a level of detail specific enough to determine an exact cost-based fee. I know, however, that the process of processing and obtaining a new title would simply be some portion of the \$33.66 (expanded to \$50.49 if one adds a 50% overhead).

My conclusion is that when viewed in a light most favorable to Spring Lakes, the service transfer fee exceeds costs by roughly 400%. When viewed in a light that more reasonably reflects reality, the service transfer fee exceeds costs by more than 800%. I conclude, therefore, that the fee is highly disproportionate to the costs of providing the services, even if one accepts, solely for the sake of analysis, that all of the tasks identified by Ms. DeFrenza are appropriately paid for by the fee.

## **5 SUMMARY AND CONCLUSIONS**

In sum, based on the Process Analysis presented in this statement, I conclude the following about the service transfer fee imposed by Spring Lakes:

1. The service transfer fee under examination is not directly tied to services provided to a new Spring Lakes tenant;
2. The service transfer fee under examination is not related to the new tenant's entry into a new lease with Spring Lake;
3. The tasks articulated by Spring Lakes are not the basis for the service transfer fee under examination; and
4. The service transfer fee under examination is highly disproportionate to the costs of the tasks articulated by Spring Lakes, even if one accepts for the sake of argument that those are appropriate tasks to be paid by the fee.

Table 2		
Activity No. /a/	Activity Description	Time Devoted
2.	Conduct a "walk through" inspection	1 hour /b/
3.	Conduct a "walk around" inspection	
4.	Conduct a follow-up inspection to ensure that any items noted in the inspection report have been repaired or addressed	20 minutes /c/
5.	Make certain repairs noted in an inspection report, when necessary, or verify the repairs have, in fact, been made and have been done correctly.	
6.	Provide information by telephone or send documents to realtors	2 hours /d/
7.	Provide information by telephone or send documents to lenders	
8.	Provide information by telephone or send documents to insurance companies	
9.	Assist new purchasers by answering questions and helping them to complete paperwork	
10.	Assist in preparing and processing credit reports for each new home owner	
11.	Process and obtain new title for each owner	



12.	Change and update Spring Lakes' two-part filing system	45 minutes /e/
<p>NOTES:</p> <p>/a/ Task number relates back to list in Section 1.</p> <p>/b/ DeFrenza, at 51</p> <p>/c/ DeFrenza, at 55 and 57</p> <p>/d/ DeFrenza, at 74 - 75</p> <p>/e/ DeFrenza, at 96</p>		

Table 3			
Activity No. /a/	Time (hours)	Cost/Hour	Total Cost /b/
2.	1.0	\$16.83 /c/	\$16.83
3.			
4.	0.17 /d/	\$20.00 /e/	\$3.40
5.			
6.	2.0	\$16.83 /f/	\$33.66
7.			
8.			
9.			
10.			
11.			
12.	0.75	\$12.02 /g/	\$9.02
Total /h/			\$65.91
Total with overhead /i/			\$98.87

NOTES:

- /a/ Task number relates back to list in Section 1.
- /b/ Time (hours) x Cost/hour (column 2 x column 3).
- /c/  $\$35,000 / (40 * 52)$ . \$35,000 salary: DeFrenza, at 72. Assumes salary fulltime, even though DeFrenza also works at Bartlett.
- /d/ 20 minutes per task. Task occurs 50% of time. Thus,  $(20 * .5) / 60 = .17$
- /e/ \$20 / hour. DeFrenza, at 72.
- /f/ See, note /c/.
- /g/  $\$25,000 / (40 * 52)$ . \$25,000 salary: DeFrenza, at 96.
- /h/ Assuming all tasks appropriately paid for by service transfer fee.
- /i/ Assuming 50% overhead rate.

Graphic not reproduced

## **NOTES TO ATTACHMENT A:**

### **A. Y-Axis of Chart**

#### **1. Activity name**

The first column of Attachment A contains three different kinds of items. The first kind of item are the tasks performed by Spring Lakes and enumerated in Section 1 of this statement. The second kind of item are the higher-level activities (described in section 3.1) into which the Spring Lakes' tasks were grouped. The third and final kind of item are additional tasks which are also part of the higher-level activities and which are performed by parties other than Spring Lakes.

#### **2. Who performs?**

The second column of Attachment A documents who performs each of the tasks in the first column. The four choices are Buyer, Seller, Lender, and Spring Lakes. For purposes of this Attachment, no distinction is made between Spring Lakes and Bartlett.

#### **3. Spring Lakes Task #**

The third column of Attachment A provides a cross reference to the list of Spring Lakes' tasks enumerated in Section 1 of this statement.

### **B. X-Axis of the Chart**

The x-axis of Attachment A consists of generic time units consecutively numbered from one to twenty-four. The specific magnitude of a "time unit" is unimportant and undefined. It is not even assumed that consecutive time units are of equal magnitude. The sole attribute assigned to the generic time units is sequence. By this it is meant that the column labelled 4 follows the column labelled 3 in time and precedes the column labelled 5 in time.

### **C. Schedule Bar and Milestones**

The schedule bars and milestones found in the content region of Attachment A were drawn solely to depict sequence--the interdependence of the starting points and ending points of various activities. The schedule bars were not drawn to depict relative durations of the various activities.

**AFFIDAVIT**

Commonwealth of Massachusetts )

)

County of Middlesex )

Before me, the undersigned authority, personally appeared Roger D. Colton, who, after first being duly cautioned and sworn, deposes and states:

1. My name is Roger D. Colton. I am a principal in the firm Fisher, Sheehan and Colton, Public Finance and General Economics (FSC), 34 Warwick Road, Belmont, Massachusetts, 02178.
2. Attached is a copy of the document titled *Statement of Roger D. Colton*. This document was prepared by me or under my personal supervision.
3. The facts set forth in this document are true and correct to my best information and belief.

Further affiant sayeth not.

---

Roger D. Colton  
Fisher, Sheehan and Colton  
Public Finance and General Economics  
34 Warwick Road, Belmont, MA 02178  
617-484-0597 (voice)

Sworn to and subscribed before me this 17th day of March, 1998, after the affiant produced the following identification: U.S. passport.

---

Anne Lougée

My commission expires: \_\_\_\_\_