



Quality - Integrity - Craftsmanship

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October 27, 2009

Dear Friends, Associates, and Business Partners:

After 36 years of success, Parsons Walls is liquidating. Read on:

I stood at our office conference table, surveying the piles of paperwork. Counting them was easy, nine wide by four high. 36 piles.

"What are these?" I asked Denise (she's worked here 9 years, 9 months).

"Lawsuits," she replied, "These two are bankruptcies, and the rest are construction defect lawsuits. You might find this one interesting." She pointed to one. I recognized the name.

"We never worked there."

"Right," she replied, "But we still have to hire a lawyer to get out of it."

"That will cost between five and ten thousand dollars." I shook my head and muttered, "I didn't go into business to do this."

Welcome to my world- our world. Last year we spent \$126,744 defending ourselves against this onslaught. We also spent \$77,000 removing 18,000 square feet of 'defective' walls that had been engineered, inspected, permitted, and passed, following every regulation, including exceeding the engineering parameters. Of the fourteen million square feet of Parsons Walls built, every wall stands today. Yet the lawsuits continue.

In addition, we spent \$195,000 in 'insurance' last year. I put that in quotes because it doesn't really cover much except catastrophic events. Thank God we haven't needed that.

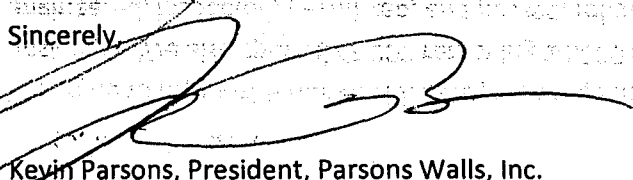
With the slowdown in construction, these costs ended up being over 41% of our sales alone. Obviously, we cannot go on like that. And while business is slow, the lawsuit barrage hasn't slowed.

This letter sounds bad, and it is, but I thank God every day for His provision. Fortunately we aren't facing bankruptcy. All our bills are paid. I'm looking forward to the future, whatever that brings.

And so, sadly, we are closing the doors. I would like to thank each and every one of you for our relationship. Feel free to call my cell if you'd like to talk. I've got the time. If you have a position open, I'm available as well! God bless you all.

Please be advised that Parsons Rocks!, Tim Parsons' landscape and rock supply, is still going strong.

Sincerely,



Kevin Parsons, President, Parsons Walls, Inc.

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