

**Stream SPE, Ltd. d/b/a "Stream" REP License #10104**  
**Terms of Service (TOS) Agreement (the "Agreement") for Residential Electric Service Version 78.0**

This document sets forth the terms and conditions that apply to your purchase of electricity from Stream for residential electric services. Your contract with Stream includes this Terms of Service, your enrollment authorization in writing, by telephone or internet, the Electricity Facts Label (EFL) and the "Your Rights as a Customer" disclosure document, as each may be amended from time to time. The terms "includes" or "including" shall mean "including without limitation." For purposes of this agreement, the term "Customer" shall mean the person whose name appears on the bill for service under this Agreement, or that person's spouse, or an authorized agent thereof.

**1. Contact Information. Stream:**

By Phone: Toll Free: 888-685-POWER (888-685-7693) between Monday - Friday, 7 a.m. - 10 p.m. CST and Saturday - Sunday, 8 a.m. - 5 p.m. CST.

By Email: [care@support.mystream.com](mailto:care@support.mystream.com) (must indicate Account Number or ESI ID Number in subject line)

Website: [www.mystream.com](http://www.mystream.com)

For certified mail or any other notices requiring signature, only the following address shall apply: **Stream Energy PO Box 1028, Houston, TX 77251-1028**. For informal notices to Stream, the following mailing address shall apply: **Stream Energy PO Box 1028, Houston, TX 77251-1028**. The Customer's contact information is provided by customer at the time of enrollment. It is Customer's sole responsibility at all times to provide to Stream at the address listed in this paragraph a valid mailing address to receive invoice(s) and notices under this Agreement and as required by any applicable state or federal law. References to the full text of laws of the Public Utility Commission of Texas (PUCT) referenced in this Agreement are as those provisions exist at the time of this TOS, and may be found by Customer at <http://puc.state.tx.us/rules/subrules/electric/index.cfm>.

Customer has the right to provide Stream or its affiliates with customer's electronic contact information (e.g. cell number and/or email, etc.) to additionally receive notices, electronic communications, text messages, emails (including mass communication emails) at Customer's discretion. By providing said contact information, Customer agrees to accept notices and communications electronically.

**Spanish Language (Idioma Español)**

Your contract documents are available in Spanish by contacting us at 888-685-POWER (888-685-7693) or visit [mystream.com](http://mystream.com).

Usted puede obtener los documentos de su contrato comunicándose con nosotros al 888-685-7693 o [mystream.com](http://mystream.com).

- 2. Purchase of Electric Service from Stream and Term.** Customer agrees to purchase electric service from Stream for the ESI ID(s) and Service Address(es) identified by Customer during enrollment. The Product Type (i.e., Fixed vs. Variable), and the term (i.e., length of the contract), shall be the type and term that was selected by Customer during enrollment. Following submission of a complete request for enrollment to Stream, Customer may be required to post a deposit, supply additional information, or complete a verification (or other confirmation) of intent to enroll before the Customer can be switched to Stream for service. In the event Customer fails to timely supply a deposit, additional information, or complete verification/confirmation on or before ten (10) days of the date of such request, Stream reserves the right to refuse to honor the terms of this Agreement, including pricing. Further, if Customer is completing a New Service (a/k/a Move-In) enrollment and fails to provide a deposit on or before thirty (30) days after the date of such request for the deposit, Customer may additionally be subject to disconnection of electric service and all fees or charges associated with disconnection and reconnection of service thereafter, including any costs for collections as set forth herein.

In addition to other lawful reasons allowed by PUCT regulations to deny service, in the event there is a change in the terms of this agreement (including pricing) between the time that Customer requests enrollment for service and the time that Stream completes its internal processes to begin the initiation of service to Stream with the Transmission Distribution Utility (TDU) and/or Electric Reliability Council of Texas (ERCOT), Stream reserves the right to deny service under this Agreement.

3. **Moving/Relocation.** In the event that Customer moves from the Service Address(es) identified during enrollment, or no longer wishes to receive service in Customer's name (e.g., because of a new occupant) at said Service Address(es), Customer agrees to complete a Customer Account Transfer (CAT) form supplied by Stream to notify Stream in writing via U.S. mail at the mailing address set forth in Section 1. Customer agrees that failure to provide adequate notification to Stream in accordance with this paragraph will result in the Customer remaining liable for any and all charges related to electric service delivered to the Service Address(es). In addition, Customer agrees that Stream does not have control over, and shall not be responsible for, any delay, failure or inability by the TDU, ERCOT, or any other entity that is responsible for performing actions necessary to discontinue service in Customer's name. In such an instance, Customer agrees to remain responsible for all charges that accumulate until the TDU, ERCOT or other entity can perform actions necessary to discontinue service in Customer's name. Customer shall not resell electricity to any third party. Customer agrees to provide Stream with a valid forwarding address to receive Customer's remaining invoice(s).

4. **Price per Kilowatt Hour.** Customer agrees to pay the price indicated in the Electricity Facts Label (EFL) and all amounts invoiced. The Price per Kilowatt Hour ("kWh") provided by Stream for both Fixed and Variable plans is set forth on the EFL provided to Customer for that specific product. The Price includes the energy charge, a usage charge (if applicable), a monthly base charge (if applicable), and TDU delivery charges. The average price per kWh does not include state and local sales taxes, reimbursement for the state miscellaneous Gross Receipts Tax, or non-recurring charges such as (for illustration purposes only) special meter read/test fees, collection fees, disconnect/reconnect fees, etc., charged by the TDU or by Stream, as applicable.

If you selected the Budget Power Plan, you may change your "block" by contacting us; provided, that, any change permitted shall be at Stream's sole discretion. Selecting a new block will constitute a new contract requiring your affirmative consent to a new term under the new block. You will be subject to the prices in effect for each block (including for excess usage) in effect at the time you make your new selection. Any change will go into effect on the next billing cycle after your selection.

**Low Volume Fee.** Stream will charge a fee up to \$19.95 per meter or facility that is identified as, or registers, 199 kWhs or less usage in a given billing cycle as reported by the TDU. In addition, all TDU fees or charges assessed to Stream by the TDU for the meter or facility will be passed through without mark-up to Customer. Please note that Stream will not charge this fee for any invoice where the monthly billing period consists of less than twenty (20) calendar days; although, TDU fees will still be passed through.

5. **Product Type Section.** Stream offers the following product types. Only the specific section for your product type will apply to your contract. **Your EFL contains your specific product type and term information.**

- **Fixed Rate Products (Term).** Stream can make changes to the provisions of the contract at any time during the contract term with appropriate notice except for changes to your price other than stated in this section or the length of your contract term. Changes in the length or duration of Customer's Fixed Rate Product may only be made by entering into a new contract with Stream. Stream will notify you of any material change to the contract in writing at least 14 days before any change to the contract will be applied to your bill or take effect. If you do not cancel the contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

Your price during the contract term is only subject to change to reflect changes in the TDU charges, changes to the ERCOT or Texas Regional Entity administrative fees charged to load or changes resulting from federal, state or local laws or regulatory actions that impose new or modified fees or costs on REPs, including Stream, that are beyond the control of REPs.

- **Variable Price Products (Month to Month).** Stream can make changes to the provisions of the contract at any time with appropriate notice except for changes to the length of your contract term. Stream will notify you of any material change to the contract in writing at least 14 days before any change to the contract will be applied to your bill or take effect. If you do not cancel the contract before the effective date of the change, the change will become effective on the date stated in the notice. Notice is not required for a change that is beneficial to you.

The price for Variable Price Products -- including the price if your plan or product defaults to a month-to-month variable rate at the end of any fixed rate term -- may fluctuate and is subject to change at the sole discretion of Stream. No limit is imposed on fluctuation of variable pricing.

6. **Early Termination Penalties:** In the event that Customer is terminating this Agreement because Customer is moving to a new premise, then Early Termination Fees shall NOT apply upon proper verification of such move provided to Stream and a valid forwarding address Stream reserves the right to make a determination of "proper verification" under this provision in its sole discretion and agrees to act in good faith in making said determination. Stream may terminate this Agreement at any time for non-payment, fraud or misrepresentation by Customer.
7. **Notification of Expiration of Contract Term.** For Customers on a Fixed Rate Plan, Stream will provide Customer with a three contract expiration notices with the final one sent at least 14 days prior to the end of the initial contract term specified in the EFL. If Customer does not take action to ensure continued receipt of service upon the expiration of the Fixed Rate Plan, Customer will continue to be served by Stream under a default renewal product on a month-to-month basis after the end of the initial contract term, until Customer switches to another provider, selects another Stream plan (if Customer has not already done so), or Stream terminates or disconnects Customer's electric service. The default renewal product is a month-to-month variable rate product which contains a rate that will vary and could be higher or lower than the Customer's fixed rate plan that has expired. The EFL for the default renewal product, which will contain the product's pricing terms, will be included in your final contract expiration notice from us.

***Right of Rescission.*** If Customer is switching to Stream from another REP, Customer has the right to terminate this Agreement without any Early Termination Penalty within three (3) federal business days after receipt of this Terms of Service. Please include: a statement requesting cancellation; name, address and phone number(s); and account # or ESID #. Customer may contact Stream with this information to cancel by midnight of the 3rd federal business day: Phone at 1-888-685-POWER (888685-7693), Fax at 832-584-2278 or email at [care@support.mystream.com](mailto:care@support.mystream.com).

8. **Billing, Invoices and Payment.** Stream will send Customer a monthly bill that is due and payable sixteen (16) days from the date of the bill. Stream may also issue bills less frequently or send your bills electronically if you agree to accept alternate arrangements. Customer agrees to pay, in a timely manner in accordance with this Agreement, all amounts invoiced by Stream. Customer agrees and understands that Stream relies upon Customer to supply a payment coupon or correct account number when making payment. Customer agrees to ask for a receipt verifying proof of payment when making payment at an authorized payment station. Customer further agrees it is Customer's sole responsibility to review said receipt to ensure that all information on the receipt is complete and accurate so that payment can be timely credited to Customer's account(s). Failure by Customer to ensure the accuracy of all information on the receipt of proof of payment could result in late payment or disconnection of service to Customer for which Customer shall hold Stream harmless for any damages resulting therefrom.

Stream also reserves the right to calculate any Invoice based on estimated meter readings in the absence of actual meter readings from the TDU. Once actual meter readings are received, Stream will make adjustments on a subsequent invoice. You agree to pay the price as set forth in Customer's EFL and all amounts shown on your bill that are charged by Stream consistent with your Stream Agreement. By paying your bill you agree that the bill reflects proper charges for our services.

Please call us if you anticipate having difficulty paying your invoice by the due date. You may be eligible for payment arrangements or a deferred payment plan. The Disconnect Recovery charge will be assessed on your account if you do not pay the past due amount before the date your service is subject to disconnection as stated on your disconnection notice, regardless of an extension on your account for any reason, including your eligibility for payment arrangements or a deferred payment plan.

If you agree to purchase other products or services from us or you purchase products or services that are offered by us but provided from our affiliates or other third parties (Third Party Services), you acknowledge that the bill we provide you may include the charges for those products and services. We will apply all payments you make on your bill first to the amounts you owe us for electric service

- 9. Late Fees and Collections.** If your entire bill amount is not paid by the due date, you will be charged a late payment penalty of five percent (5%) of the original invoiced amount exclusive of any portion of your invoice to which a prior late fee has already been applied. The Late Payment Penalty will not apply to eligible low-income customers identified by the Low-Income List Administrator (LILA). If you are unable to pay your bill by the due date, please contact Stream at the number(s) listed in Section 1 of this Agreement. Stream encourages you to request and obtain additional information about the following payment alternatives offered by Stream: (i) Average Billing; (ii) Automated Bank Draft; (iii) and Bill Payment Assistance. Please call us if you anticipate having difficulty paying your bill by the due date. You may be eligible for payment assistance or a deferred payment plan. The Disconnect Recovery Charge will be assessed on your account if you do not pay the past due amount before the date your service is subject to disconnection as stated on your disconnection notice, regardless of an extension on your account for any reason, including your eligibility for payment assistance or a deferred payment plan.

Stream will charge twenty-five dollars (\$25.00) for each payment transaction that has returned unpaid or not processed including (i) returned checks, (ii) returned electronic fund transfers and (iii) rejected credit card transactions. This charge will be reflected as Returned Payment Charge on your monthly bill, if applicable. Customer agrees that Stream, in its discretion, may transfer any balance owed by Customer from another account with Stream to customer's bill covered by this agreement, and that said amounts will be billed to customer under this account. Customer also understands and agrees that if the Customer has multiple accounts with Stream, that Stream may, at its sole discretion, issue separate bills and notices (including Disconnection Notices) to the Customer for each account the Customer holds with Stream. Stream may also charge a \$10 Disconnect Notice Fee each time we send you a disconnection notice and a \$30 Disconnect Recovery Charge if you fail to pay the past due amount by the expiration date of any disconnection notice issued by Stream. Customer agrees to remit separate payment for each account in lieu of a single payment covering multiple accounts and understands that failure to render separate payment(s) for each invoiced account could result in delays in the receipt and/or processing of the Customer's payment thereby further resulting in late fee(s) and/or Disconnection of Service.

In the event of the assessment of a late fee or disconnection or disruption of service, or any other harm (whether actual, financial, incidental or otherwise) resulting from Customer's failure to issue separate payment, Customer agrees to hold Stream harmless from any and all liability and damages. As a Stream customer, you agree that Stream may email important information to you such as notifications of the pending expiration of your contract, rate offers, etc.

In the event that Customer defaults in the prompt payment of amounts due under this Agreement and such indebtedness is placed in the hands of an attorney or collection agent for collection, or suit is brought on same, or the same is collected through probate, bankruptcy or other judicial proceedings, then Customer agrees to pay reasonable fees and expenses (including attorney fees) incurred by Stream or the attorney/collection agent in the collection of such indebtedness.

- 10. Disconnection of Service.** Stream will provide Customer with at least ten (10) calendar days written notice of disconnection of service for non-payment. If payment is not received on or before the due date stated in the disconnect notice, Stream has authority to order disconnection of electric service for non-payment which will, in turn, also terminate Stream's obligations under this Agreement. In addition, there are circumstances under which electric service, and hence, this Agreement, may be terminated by Stream immediately without any advanced notice, as allowed by PUCT regulations (See § 25.483). Termination of this Agreement under this paragraph or any other provision of the Agreement shall not excuse Customer's obligation to pay all outstanding invoice amounts. For Fixed Rate Plan Customers: disconnection could be deemed an early termination of Customer's contractual obligations triggering an Early Termination Penalty. A reconnection fee and/or deposit may thereafter be required for reconnection of service following disconnection.
- 11. Other Non-Recurring Fees.** Customer agrees to pay non-recurring fees charged by the TDU that include, but are not limited to, service connection, disconnection/reconnection, move-in, meter testing or special out-of-cycle meter reads. These TDU fees may also be passed through to Customer for "trip charges" wherein the TDU must make a trip to perform a

service request but is unable to do so.

- 12. Customer Assistance Programs.** Customers expressing an inability to pay may qualify for a payment arrangement plan or a Deferred Payment Plan. Customer is urged to contact Customer Care for details and assistance.

Stream also offers an Average Billing option, which helps you manage your electricity budget by allowing you to pay an averaged amount every month. Only a Customer who is not delinquent with Stream may request Average Billing. To calculate the amount that you will pay each month, we add your current bill amount to your previous 11 bill amounts for your service address, if available. We then take the total and divide the amount by 12 or by the total months available for your service address. If you do not have previous bills in your name at the service address or if you do not have 11 monthly bills at the service address, we take the previous usage that is available for the service address and apply your current price to calculate your average monthly payment amount. Finally, we add or subtract 1/12th of any Deferred Balance that you have accumulated. The Deferred Balance is any difference between your average monthly payment amount and your actual monthly charges. In the event the contract is canceled or terminated or your electric service is disconnected the Average Billing option does not affect your obligation to pay for all actual usage.

- 13. Deposit Requirements.** This section not applicable if Customer, at Stream's sole discretion, is eligible for and selects a product not requiring a deposit. Customer may be deemed as having established satisfactory credit if the customer: (a) was not late in paying an electric bill more than once in the last twelve (12) consecutive months or has not been disconnected for non-payment; (b) possesses a satisfactory credit rating with a credit reporting agency; (c) is sixty-five (65) or older and is not currently delinquent in payment of any electric service account; (d) is medically indigent or; (e) is a victim of family violence and can provide a certification letter by the Texas Council on Family Violence may not be required to pay a deposit. Customers without established satisfactory credit may be required to pay a deposit. Please contact Stream for more information about deposit requirements and establishment of satisfactory credit.

If at any time during the duration of this Agreement Customer does not maintain satisfactory credit, Stream may require Customer to post a security deposit in the amount equal to the greater of either: (1) the sum of the next two (2) months estimated billings, or (2) one-fifth (1/5) of the estimated annual billing. Customer may be required to provide a deposit if late in paying an invoice more than once during the last twelve (12) months of service or if Customer's service has been disconnected for non-payment. Customer may also be required to provide an additional deposit if: (i) Customer's average annual Invoice for the last twelve (12) months is at least twice the amount of the original estimated average annual Invoice, and (ii) a notice for termination has been issued in the previous twelve (12) months. In either or all scenarios combined, the total amount of your deposit will not exceed an amount equivalent to the greater of either: (a) the sum of the next two (2) months estimated billings or (b) one-fifth (1/5) of the estimated annual billing.

Interest will accrue on cash deposits retained for longer than thirty (30) days at an interest rate established annually by the PUCT. Interest shall accrue from the date the deposit is received. Any accrued interest upon Customer's deposit will be credited as required by PUCT regulations (see § 25.478). A deposit shall be refunded after Customer has paid invoices for twelve (12) consecutive months without any late payments or upon termination of service. Refunds of a deposit will be given after offsetting the deposit against any amounts owed.

- 14. Antidiscrimination.** Stream does not discriminate, deny service, or require prepayment or a deposit for service based on a customer's race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, level of income, disability, familial status, location of customer in an economically distressed geographic area or qualification for low income or energy efficiency services. Stream cannot use a credit score, credit history, or utility payment data to determine price for service product with a term of twelve (12) months or less.

- 15. Disputes or Complaints.** Please contact Stream promptly if you have specific comments, questions, complaints or billing questions using the contact information set forth in Section 1. In the event that the Customer Service Department of Stream cannot properly assist you or you are not satisfied that the issue at hand has not been resolved, you may also contact the PUCT and/or refer to the Your Rights as a Customer pamphlet for additional information. During this time, you will not be required to pay the disputed portion of your bill.

**Limitations of Liability.** YOU AGREE THAT CAUSES AND EVENTS BEYOND OUR CONTROL, INCLUDING ACTS OF GOD, ACTS OF ANY GOVERNMENTAL AUTHORITY, ACCIDENTS, STRIKES, LABOR TROUBLE, AND EVENTS OF FORCE MAJEURE OCCURRING WITH RESPECT TO THE TDU, ERCOT, OR OTHER THIRD PARTY SYSTEMS OR ASSETS (A FORCE MAJEURE EVENT), MAY RESULT IN INTERRUPTIONS IN SERVICE AND THAT WE WILL NOT BE LIABLE FOR THOSE INTERRUPTIONS. YOU ALSO AGREE THAT WE ARE NOT RESPONSIBLE FOR GENERATING YOUR ELECTRICITY OR FOR TRANSMITTING AND DISTRIBUTING ELECTRICITY TO YOUR SERVICE ADDRESS. FURTHERMORE, YOU AGREE THAT WE WILL NOT BE LIABLE WITH RESPECT TO ANY THIRD PARTY SERVICES; THAT OUR LIABILITY NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY; AND NEITHER OF US ARE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL,

EXEMPLARY OR INDIRECT DAMAGES. YOU WAIVE ALL OTHER REMEDIES AT LAW OR IN EQUITY. THESE LIMITATIONS APPLY EVEN IF THE DAMAGES RESULT FROM NEGLIGENCE, WHETHER SOLE, JOINT, CONCURRENT, OR ACTIVE OR PASSIVE. THERE ARE NO THIRD PARTY BENEFICIARIES TO THE CONTRACT.

- 17. Representations and Warranties.** THE ELECTRICITY SOLD UNDER THIS CONTRACT WILL BE SUPPLIED FROM A VARIETY OF GENERATING SOURCES. IF YOU ELECT TO PURCHASE A RENEWABLE ENERGY PRODUCT, WE WILL ENSURE THAT THE APPROPRIATE AMOUNT OF RENEWABLE ENERGY CREDITS (RECs) IS RETIRED TO AUTHENTICATE THE RENEWABLE ENERGY CONTAINED IN THE PRODUCT. THE TDU OR ERCOT SYSTEM WILL NOT DELIVER ELECTRICITY FROM A SPECIFIC GENERATING SOURCE TO YOUR SERVICE ADDRESS. IF YOU PURCHASE RENEWABLE ENERGY FROM US, YOU ARE PROVIDING FINANCIAL SUPPORT FOR RENEWABLE ENERGY GENERATION SOURCES AND NOT RECEIVING THE PRECISE ENERGY GENERATED FROM THAT SOURCE. WE MAKE NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THE CONTRACT, AND WE EXPRESSLY DISCLAIM ALL OTHER WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY, CONFORMITY TO MODELS OR SAMPLES AND FITNESS FOR A PARTICULAR PURPOSE.
- 18. Taxes.** You will be responsible and indemnify us for any and all Taxes. "Taxes" means all federal, state and local taxes, fees, governmental charges, and assessments presently or hereafter imposed on you as purchaser of electricity, on us as seller of electricity, or on electricity sales transactions, including gross receipts taxes, municipal administrative fees, and generation, utility, TDU, regulatory, BTU or electricity taxes and assessments.
- 19. Provisions that Survive.** Obligations regarding indemnity, payment of Taxes, limitations of liability, unenforceability and severability, and waivers will survive the termination of the contract indefinitely.
- 20. Unenforceability and Severability.** If any provision of this contract is deemed invalid, illegal or otherwise unenforceable, you and we agree that it shall be modified to the minimum extent necessary to render it valid, legal and enforceable. If a provision cannot be modified in a manner that would make it valid, legal and enforceable, the provision shall be severed from the contract, and all other provisions shall remain in full force and effect.
- 21. Assignment.** You may not assign your contract with us, in whole or in part, or any of your rights or obligations under the contract without our prior written consent. Stream may, without your consent, (i) as part of any financing or other financial arrangements, assign, sell or pledge this agreement or its accounts, revenues, or proceeds, or (ii) assign this agreement to an affiliate of Stream or to any other person or entity succeeding to all or a substantial portion of the assets of Stream.
- 22. Waiver.** Any failure on our part to enforce any of the terms of this contract or to exercise any right under these terms and conditions shall not be considered a waiver of our right to enforce each and every such term or exercise such right or any other right under the contract.
- 23. Governing Law.** YOUR CONTRACT WITH STREAM IS GOVERNED BY THE LAWS OF THE STATE OF TEXAS. THE TEXAS UNIFORM COMMERCIAL CODE APPLIES TO THE TERMS OF SERVICE AND ELECTRICITY IS DEEMED A "GOOD". The Uniform Commercial Code can be viewed at the following website: <http://www.statutes.legis.state.tx.us/?link=BC>.
- 24. Complete Agreement.** Customer's contract with Stream (as defined herein) contains the complete understanding between Stream and the Customer and supersedes all other written or oral communications and representations. No sales agent or any other representative has any binding authority to modify this Agreement and any such changes shall not be binding on Stream. Customer agrees not to make any changes to this Agreement, and agrees that any such modifications shall not be binding on Stream even if Stream receives them.
- 25. NO CLASS ACTIONS.** AS PART OF THE CONSIDERATION EXCHANGED PURSUANT TO THIS AGREEMENT, ALL PARTIES EXPRESSLY WAIVE AND DISCLAIM ANY RIGHT TO BRING ANY CLAIM AGAINST EACH OTHER IN ANY AND ALL FORUMS, INCLUDING, BUT NOT LIMITED TO, COURT AND ARBITRATION, AS A CLASS ACTION OR AS A PRIVATE ATTORNEY GENERAL. NO PARTY MAY SERVE AS A CLASS REPRESENTATIVE OR A MEMBER OF A CLASS ACTION IN LITIGATION ADVERSE TO ANOTHER PARTY.