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May 20, 2005

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Our Matter Number: 1010844

**SENT BY FACSIMILE**

Bishop & McKenzie LLP  
2500 Canada Trust Tower  
10104 - 103 Avenue  
Edmonton, Alberta  
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**Attention: Ms. Erika D. Norheim**

Dear Counsel:

**Re: *The Stanley Works v. Phil McNeil* - Federal Court of Canada - Action No. T-949-04  
*The Stanley Works v. Phil McNeil* - Action No.: 9903-20249 ("Alberta Action")  
*Stanley Canada v. McNeil* (Arbitration in Ontario arising from Action No. 9803-00921 (Alberta Court of Queen's Bench Action))**

Further to our and our respective clients' recent discussions, we advise as follows:

1. The Stanley Works will consent to a dismissal of the Alberta Action;
2. The Stanley Works will be immediately discontinuing the Federal Court of Canada action against Mr. McNeil;
3. The Notice of Arbitration dated February 29, 2000 against Mr. McNeil is hereby withdrawn. We are notifying the arbitrator, Mrs. McKinlay of that withdrawal by concurrent letter.

Please send us a draft Order in respect of the dismissal of the Alberta Action. We will be providing you with a filed Discontinuance of the Federal Court action shortly.

Yours very truly,

  
Andrew D. Little  
ADL/sk