
From: Richard Kahn <[REDACTED]>
Sent: Friday, September 25, 2015 7:21 PM
To: jeffrey E.
Subject: Fwd: Big N

please advise
thank you

Richard Kahn
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Begin forwarded message:

From: =/b>gene kral <genekralusvi@yahoo.com>

Subject: =/b>Big N

Date: =/b>September 25, 2015 at 3:14:41 =M EDT

To: =/b>Rich Kahn <[REDACTED]>, Ann Rodriguez <[REDACTED]>, Mary Kral
<[REDACTED]>

Reply-To: =/b>gene kral <[REDACTED]>

September 25, 2015
LSJ, =LC

Re: =ig N

Dear =r. Kahn,

After =peaking with you this morning, I wanted to take the time to clarify a few things.

When =he Big N came to our yard, there was no precise scope of work in place. =/span>Our understanding from LSJ employees was to get the vessel back in service with the least amount of work and money involved.

As we undertook the quoted projects there were inevitable small items needing repair that became apparent.

We have billed a total of \$362,907.94. The additional billing that we have is less than 1% of the total. At Anna's request -- when issuing our estimates we offered discounts in the amount of \$20,562.00. Discounts are equivalent to almost 6% of total billings. As far as Island Rigging Invoices -- on July 16 we emailed Anna and explained that if Boscoe ordered any additional parts from Island Rigging that they would be billed directly to LSJ. If you withhold the final payment from Island Rigging, this will be coming out of our pocket as we told them to bill you directly -- we didn't want to have to mark anything up to cover Gross Receipts.

When the vessel arrived we advised that LSJ hire a certified marine surveyor to inspect the vessel and issue a report with all findings. This did not happen until work was 99% complete.

The vessel, not having been properly maintained, required many additional fittings, brackets, lamps, etc. Some of these were not visible to the naked eye until work was underway.

In regard to the engines, Subbase Drydock was not part of the process of ordering the engines for the N. You received long block engines, and many components had to be switched over from the existing engines.

There were fundamental issues about rotation for components of the hydraulic system and SBDD also advised LSJ about the steering pump that was not part of the quoted work. In addition, the sending units were incorrect and the starter motor was inoperable.

And, as I mentioned on the phone this morning, we went above and beyond the work quoted in many instances - bulkhead replacement, plate work and many additional fittings for the water cooling system. We also installed shaft logs and repaired couplings that were not quoted. The additional billing of \$3k is time and material for additional work - but it is only a fraction of the additional work that went into the vessel.


We appreciate your business, but we do feel that we have been more than fair in our dealing and in our billing. We have been in business in this location for 34 years and we always stand behind our work.

We await your response.

Thank you,

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Gene Kral
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