

CIRCULAR

Shipowners Claims Bureau, Inc., Manager
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FEBRUARY 10, 2005

CIRCULAR NO. 3/05

TO MEMBERS OF THE ASSOCIATION AND ALL CORRESPONDENTS, LAWYERS, SURVEYORS ETC. ACTING ON BEHALF OF THE ASSOCIATION AND ITS MEMBERS

Dear Member:

THE SUBMISSION AND PAYMENT OF INVOICES FOR SERVICES RENDERED IN CONJUNCTION WITH THE HANDLING OF CLAIMS ETC.

Invoices submitted from time to time to both Members and directly to the Club by correspondents, lawyers, surveyors and other subcontractors, have contained either inadequate or sometimes no descriptions of the nature of the work performed, or any breakdown of the time spent on such work.

In an effort to assist your Managers to better assess the appropriateness of such fees and costs as they are incurred, Members should be aware that, by copy of this Circular, your Managers are advising all correspondents, lawyers, surveyors and other subcontractors that, with immediate effect, invoices should only be submitted to the Club and/or to Members if they contain the following minimum information:

1. The name of the Member's vessel;
2. A brief description of the incident and the date of the incident;
3. An invoice number and date;
4. The period of time covered by the invoice in question;
5. The Club's file reference and name of the claims adjuster handling the file;
6. The file reference of the lawyer, correspondent, surveyor or subcontractor.
7. The name of each individual who has performed / rendered services in connection with the matter;
8. The number of hours that each such individual has spent working on the case on a daily basis and broken down in increments of 6 minutes or 1/10 of an hour (i.e., 6 minutes = 0.1 hours, 30 minutes = 0.5 hours, 72 minutes = 1.2 hours, etc.);
9. The hourly billing rate for each such individual;
10. The total amount chargeable in respect of each individual's work;
11. When disbursements in excess of US\$100 on a particular category of expenses are incurred, such as air fares, hotel bills or courier charges, the Club should be provided with all supporting invoices and vouchers for such disbursements; and
12. Where subcontractors (e.g. surveyors) are appointed by a Club correspondent or lawyer instructed by the Club, that correspondent or lawyer should ensure that the subcontractor submits an invoice containing the same information in this Circular.



Invoices should be addressed to the Member with a copy to the Club for the attention of the adjuster handling the file.

A sample invoice format showing how the information required by this Circular may be set out is attached hereto by way of appendix for purposes of ready reference.

If an invoice is submitted without the above mentioned minimum requirements, the Club reserves the right to withhold payment for such services unless and until the correspondent, lawyer, etc. provides such information.

All other Rules set forth in Class I, Class II and Class III regarding the employment of correspondents, lawyers etc. remain in effect in every other respect. Moreover, and as is always the case, your Managers will be please to respond to any inquiries Members may have on this subject, or generally.

Yours faithfully,

A large, handwritten signature in black ink, reading "Joseph E.M. Hughes". The signature is written in a cursive style and is positioned above a horizontal line.

Joseph E.M. Hughes, Chairman & CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB



**APPENDIX
SPECIMEN INVOICE**

To: Owners of M/V ENTERPRISE
1701 Federation Plaza
San Francisco, California 91701

OR

To: Owners of M/V ENTERPRISE
c/o Shipowners Claims Bureau, Inc.
60 Broad Street – 37th Floor
New York, NY 10004

Vessel Name: M/V ENTERPRISE
Incident & Date: Damage / shortage to wheat cargo – March 20, 2004
Date of Invoice: May 1, 2004
Period Covered: March 20, 2004 to April 30, 2004
Invoice Number: XYZ 123
Our Ref: JTK/LM1
Your Ref: 20040123 (Insert Name/Initials of our Adjuster)

Date	Individual	Hours
3/20/04	J. Kirk	4.5

Work performed: Receiving instructions from Club; telecon with Owners' agent, instruction of surveyor, discussions with harbor master, preliminary fax report to Owners / Club.

4/4/04	J. Kirk	8.2
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Work performed: Attendance at warehouse with surveyor. Discussions with agent, receiver and customs. Negotiation re wording of guarantee. Telephone report to Club, fax to Owners / Club. Meeting at harbor master's office.

4/5/04	L. McCoy	3.0
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Work performed: Discussion with surveyor re draft survey report. Meeting with receivers. Fax and telephone contact with prospective cargo purchaser. Fax report to Owner / Club.

4/10/04	L. McCoy	3.05
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Work performed: Drafted initial opinion letter to Owner / Club' legal research and analysis of NYPE form C/P Clause 8 and responsibility of charterer for stevedore damage / mishandling; reviewed survey reports and other documents concerning discharge of cargo. Reviewed and revised letter; finalized same.

SUMMARY:	Individual	Hours	Hourly Rate US \$	Total US \$
	J. Kirk	12.7	200.00	2,540.00
	L. McCoy	6.5	50.00	900.00
			Sub Total	\$3,440.00
Travel costs and disbursements (per attached vouchers)				535.00
Surveyor's fee (copy invoice* attached)				640.00
			TOTAL PAYABLE	\$4,615.00

*To contain same minimum information