

STEEL ■  
HECTOR  
■ DAVIS  
INTERNATIONAL™

Steel Hector & Davis LLP  
200 South Biscayne Boulevard  
Suite 4000  
Miami, FL 33131-2398  
305.577.7000  
305.577.7001 Fax  
www.steelhector.com

Norman Davis  
305.577.2988  
nd@steelhector.com

**VIA FACSIMILE AND U.S. MAIL**

February 5, 2004

Stephen Zack, Esq.  
Boies Schiller & Flexner LLP  
100 S.E. 2<sup>nd</sup> Street  
Miami, FL 33131-2100

Re: Jerry Greenberg v. National Geographic Society, et al.

Dear Steve:

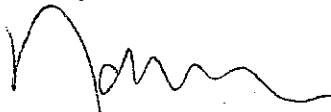
I received this week a copy of an IRS Form 1099 addressed to Jerry Greenberg in care of my address. The form indicates that in 2003 Mr. Greenberg was paid \$13,000 in royalties by the Society. Language on the form states that the information is being furnished to the Internal Revenue Service. A copy of the form is enclosed.

I received a letter from the Society dated January 29, 2003 enclosing an unsolicited check in the amount of \$13,000 made to the order of Jerry Greenberg. On January 30, 2003, I wrote to the Society and said that Mr. Greenberg had refused to accept the check. The check was returned with that correspondence. Mr. Greenberg, therefore, received no compensation from the Society in 2003, and the report to the IRS is in error. If the Form 1099 has been forwarded to the IRS, your client should take appropriate steps to issue a corrected form 1099 or take alternative steps to relieve Mr. Greenberg of any potential tax liability on this matter.

On an unrelated matter, we discovered this week that on December 12, 2003 the Society filed with the court a notice of supplemental authority. If such notice was served on us, be advised that we did not receive it.

I look forward to hearing from you on the matters discussed above.

Sincerely,



Norman Davis  
Enclosure

JERRY GREENBERG  
 C/O NORMAN DAVIS ESQ  
 STEEL, HECTOR & DAVIS LLP  
 200 SOUTH BISCAYNE BLVD  
 MIAMI, FL 33131

**Instructions to Recipients**

Amounts shown may be subject to self-employment (SE) tax. If your net income from self-employment is \$400 or more, you must file a return and compute your SE tax on Schedule SE (Form 1040). See Pub. 533, Self-Employment Tax, for more information. If no income or social security and Medicare taxes were withheld and you are still receiving these payments, see Form 1040-ES, Estimated Tax for Individuals.

Individuals must report as explained below. Corporations, fiduciaries, or partnerships report the amounts on the proper line of your tax return.

**Boxes 1 and 2.** Report rents from real estate on Schedule E (Form 1040). If you provided significant services to the tenant, sold real estate as a business, or rented personal property as a business, report on Schedule C or C-EZ (Form 1040). For royalties on timber, coal, and iron ore, see Pub. 544, Sales and Other Dispositions of Assets.

**Box 3.** Generally, report this amount on line 21 of Form 1040 and identify the payment. The amount shown may be payments received as the beneficiary of a deceased employee, prizes, awards, taxable damages, Indian gaming profits, or other taxable income. If it is trade or business income, report this amount on Schedule C, C-EZ, or F (Form 1040).

**Box 4.** Shows backup withholding or withholding on Indian gaming profits. Generally, a payer must backup withhold at a 30% rate if you did not furnish your taxpayer identification number. See Form W-9, Request for Taxpayer Identification Number and Certification, for more information. Report this amount on your income tax return as tax withheld.

**Box 5.** An amount in this box means the fishing boat operator considers you self-employed. Report this amount on Schedule C or C-EZ (Form 1040). See Pub. 595, Tax Highlights for Commercial Fishermen.

**Box 6.** Report on Schedule C or C-EZ (Form 1040).

**Box 7.** Shows nonemployee compensation. If you are in the trade or business of catching fish, box 7 may show cash you received for the sale of fish. If payments in this box are SE income, report this amount on Schedule C, C-EZ, or F (Form 1040), and complete Schedule SE (Form 1040). You received this form instead of Form W-2 because the payer did not consider you an employee and did not withhold income tax or social security and Medicare taxes. Contact the payer if you believe this form is incorrect or has been issued in error. If you believe you are an employee, report this amount on line 7 of Form 1040 and call the IRS for information on how to report any social security and Medicare taxes.

**Box 8.** Shows substitute payments in lieu of dividends or tax-exempt interest received by your broker on your behalf after transfer of your securities for use in a short sale. Report on line 21 of Form 1040.

**Box 9.** If marked, \$5,000 or more of sales of consumer products was paid to you on a buy-sell, deposit-commission, or other basis. A dollar amount does not have to be shown. Generally, report any income from your sale of these products on Schedule C or C-EZ (Form 1040).

**Box 10.** Report this amount on line 8 of Schedule F (Form 1040).

**Box 13.** Shows your total compensation of excess golden parachute payments subject to a 20% excise tax. See the Form 1040 instructions for line 58.

**Box 14.** Shows gross proceeds paid to an attorney in connection with legal services. Report only the taxable part as income on your return.

**Box 15.** Other information may be provided to you in box 15.

**Boxes 16-18.** Shows state or local income tax withheld from the payments.

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code NATIONAL GEOGRAPHIC SOCIETY 1145 17TH STREET NW WASHINGTON, DC 20036-4088 For assistance please call - Telephone 202-857-7427 Email to aphelp@ngs.org Fax 202-429-5737		1 Rents \$ 0.00	OMB No. 1545-0115 <b>2003</b> Form 1099-MISC	Miscellaneous Income
PAYER'S Federal id no. 530193519		2 Royalties \$ 13,000.00	4 Federal income tax withheld \$ 0.00	Copy B For Recipient
RECIPIENT'S id no. 431523822		3 Other income \$ 0.00	6 Medical and health care prmts \$ 0.00	
RECIPIENT'S name JERRY GREENBERG		5 Fishing boat proceeds \$ 0.00	7 Nonemployee compensation \$ 0.00	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
Street address (including apt. no.) C/O NORMAN DAVIS ESQ STEEL, HECTOR & DAVIS LLP 200 SOUTH BISCAYNE BLVD		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$ 0.00	
City, state, and ZIP code MIAMI, FL 33131		10 Crop insurance proceeds \$ 0.00	11	
Account number (optional) 1000025663		12	13 Excess golden parachute payments \$ 0.00	
15		14 Gross proceeds paid to an attorney \$ 0.00	16 State tax withheld \$ 0.00	17 State/Payer's state no.
			18 State income \$ 0.00	

February 5, 2004  
Via Facsimile and U.S. Mail

Norman Davis, Esq.  
Steel Hector & Davis LLP  
200 South Biscayne Blvd., 40<sup>th</sup> Floor  
Miami, FL 33131-2398

**RE: Greenberg v. National Geographic Society, et. al.**

Dear Norm:

As I advised you, the Society apologizes to Mr. Greenberg for any inconvenience relating to the Form 1099. The Society is currently investigating the circumstances surrounding its issuance and you should expect to hear from me as soon as I receive any additional information.

In the interim, please feel free to contact me with any questions.

Sincerely,



Jennifer G. Altman

JGA:mjs

cc: Terrance Adamson, Esq.