

**Melendez, Madelene**

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**From:** Davis, Lanny  
**Sent:** Wednesday, October 02, 2002 9:33 AM  
**To:** 'hhirsch@fulbright.com'  
**Subject:** Personal

Please go back to my previous personal email to you. You are my friend--and I admire you as a lawyer more than I can express.

I talked to Richard. Going forward, Richard and I want you plus an associate of your choice to be my co-counsel in everything I do on HealthSouth--on CMS review, corporate governance advice, and Peter and you on S.E.C. How about asking Kemp to serve on the Corp. Governance Committee.

Re current work, Richard agrees:

1. Complete Richard investigation with a reasonable timetable and estimated budget. We are not asking for definitive finding. Therefore preliminary can continue to be used to characterize your report.
2. Re the Company investigation: The emails and interviews FJ have showed us to date are sufficient to permit the Board to conclude that some management below Richard may have had reason to believe that the new CMS rule, if it was implemented unchanged, might have impact on Part A reimbursements to the Company. We will now look to the S.E.C. to investigate all these issues.

I truly appreciate our friendship, Hal. It is rare to feel this brotherly close for two guys this quickly. You know my flaws almost as well as Carlyn--and I know a few of yours.

Let's take care of each other here. As Bill Clinton once said to me at a moment of high stress, "non illegitimi corborandum" -- "Don't Let The Bastards Get You Down."

I will get you paid immediately--can you do invoiced thru Friday of this week, even if approximation? We'll wire asap.

Lanny

PS. Do you want me to send you email of just 1 and 2 above, plus thanks from Richard and Board in letter to you, that you can forward to colleagues? I'll call you later.

By the way, I do think we can use Fred as consultant on CMS issue.

PB 02036