

[Your Name/Law Firm Name]
[Address]
[City, State, Zip Code]
[Date]

[Recipient Name]
[Company Name]
[Address]
[City, State, Zip Code]

RE: Explanation of Extraordinary Electronic Discovery Data Hosting Expenses

Dear [Recipient Name],

This letter is to provide a formal explanation regarding the extraordinary data hosting expenses incurred during the electronic discovery (e-discovery) phase of [Case Name/Matter Number] for the period of [Date Range].

The total volume of electronically stored information (ESI) processed and hosted for this matter has reached [Volume, e.g., 5 Terabytes], which significantly exceeds initial projections. These extraordinary costs are attributed to the following factors:

- **Volume of Unstructured Data:** The collection included a high density of non-text files, multimedia, and complex databases requiring specialized processing.
- **Extended Hosting Duration:** Due to [Reason, e.g., court-ordered stays or prolonged deposition schedules], data remained in the active review environment longer than anticipated.
- **High-Frequency User Access:** The scale of the multi-party review required increased user licenses and high-performance server bandwidth.
- **Advanced Analytics:** Utilization of Technology Assisted Review (TAR) and continuous active learning tools to manage the document population.

We have taken steps to mitigate these costs where possible, including the archival of inactive workspaces and the deduplication of redundant data sets. However, the current fees are necessary to maintain the integrity of the evidence and ensure compliance with the existing production orders.

Attached is a detailed breakdown of the hosting invoices for your records. Please contact me at [Phone Number] if you wish to discuss strategies for data tiering or near-line storage to reduce future monthly expenditures.

Sincerely,

[Your Signature]

[Your Printed Name]
[Your Title]