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EXHIBIT "A"

**MISSION INSURANCE AND MISSION NATIONAL INSURANCE  
SETTLEMENT AGREEMENT**

This is a settlement agreement ("Settlement Agreement") between Dave Jones, Insurance Commissioner of the State of California, in his capacity as Trustee (the "Insurance Commissioner" or the "Trustee") of the Mission Insurance Company Trust and the Mission National Insurance Company Trust (the "Mission Trusts"), and the United States Department of the Interior ("DOI"), Environmental Protection Agency ("EPA"), and National Oceanic and Atmospheric Agency ("NOAA") (collectively referred to as "the Federal Claimants"), acting by and through the United States Department of Justice ("DOJ") (each a "Party," and collectively the "Parties"), as to the claims resolved by this Settlement Agreement. The Parties have agreed to reach a compromise to avoid the expense and time of litigation and to facilitate the timely closing of the Mission Trusts estates, without admission of liability and without admission of the ultimate validity or invalidity of any of the Parties' positions or arguments.

As part of this compromise, the Trustee agrees to pay the Federal Claimants \$28,600,000 (twenty-eight million, six hundred thousand dollars) (the "Settlement Amount") on behalf of the Mission Trusts to resolve the Federal Claimants' claims against the Mission Insurance Company and Mission National Insurance Company, in the manner and through the mechanism following and conditioned upon court approval provided herein, in full compromise of all claims of the Federal Claimants against the Mission Trusts, as provided in Paragraphs 9-11 of this Settlement Agreement.

**I. Recitals**

1. Mission Insurance Company and Mission National Insurance Company (the "Mission Companies") were placed into liquidation on February 24, 1987 by the Superior Court of the State of California, County of Los Angeles (the "Mission Liquidation Court"). On April 20, 1990, a Final Order of Rehabilitation was entered as to the Mission Companies pursuant to which the Mission Companies' estates were converted into Trusts and the Insurance Commissioner was appointed Trustee of or given authority to act on behalf of each of the Mission Trusts.
2. The Federal Claimants assert claims pursuant to Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9607, against the following parties (collectively, the "Insured Parties"):
  - a. Franklin Smelting and Refining Company, et al. ("Franklin") concerning their liability at the Franklin Smelting Superfund Site and the Franklin Slag Superfund Site in Philadelphia, PA;
  - b. Lilyblad Petroleum Inc. ("Lilyblad") concerning its liability at the CleanCare Corporation Superfund Site in Tacoma, WA;
  - c. Linnton Plywood Association ("LPA") concerning its liability at the Portland Harbor Superfund Site in Portland, OR, and;

- d. United States Radium Corp. and USR Industries Inc., et al. (collectively "USR") concerning their liability at the Safety Light Corporation Superfund Site in Bloomsburg, PA.

3. The Federal Claimants filed proofs of claims asserting a right to recover pursuant to Section 1026 of the California Insurance Code based on the Insured Parties' liability under CERCLA Section 107 ("Proofs of Claims"). The Proofs of Claims, which seek coverage pursuant to insurance policies issued by the Mission Companies, are as follows:

POC No. V00001 and V00003	: Franklin	Filed 05/18/2015
POC No. V00005 and V00006	: LPA	Filed 03/02/2016
POC No. V00004	: Lilyblad	Filed 03/02/2016
POC No. V00002	: USR	Filed 08/03/2015

4. The Trustee and the California Conservation and Liquidation Office dispute the claims for coverage and the right of the Federal Claimants to assert and file the Proofs of Claims at this time. The Federal Claimants dispute the contention that the Proofs of Claims were filed late and assert that the claims for coverage are meritorious.

5. This Settlement Agreement is intended as a resolution, as provided in Paragraphs 10-12 of this Settlement Agreement, of all liabilities and obligations of the Mission Trusts to the Federal Claimants enumerated herein, including without limitation the Proofs of Claims, and of all other rights of the Federal Claimants arising from all policies issued by the Mission Companies to the Insured Parties whether listed in this Settlement Agreement or otherwise, past, present or future, known or unknown, vested or contingent. The Federal Claimants warrant that they hold the right to settle all liabilities and obligations of the Mission Trusts to the Federal Claimants referenced herein.

6. The known policies pursuant to which the Proofs of Claims are resolved are all policies which provide or may provide coverage in whole or in part to Insured Parties against whom the Federal Claimants have or may have a claim pursuant to Section 107 of CERCLA, including, without limitation:

- a. The following policies issued to Franklin Smelting and Refining Company, et al.:
- Policy No. M 855631, Policy Term: 10/01/79 – 10/01/80, Policy Limits: \$9,000,000
  - Policy No. M 865578, Policy Term: 10/01/80 – 10/01/83, Policy Limits: \$10,000,000
  - Policy No. MN 028395, Policy Term: 10/01/83 – 10/01/84, Policy Limits: \$10,000,000
  - Policy No. MN 034371, Policy Term: 10/01/84 – 10/01/85, Policy Limits: \$10,000,000

- b. The following policy issued to Lilyblad Petroleum Inc.:
  - Policy No. MN 022527, Policy Term: 03/01/83 – 03/01/85, Policy Limits: \$10,000,000
  
- c. The following policies issued to Linnton Plywood Association:
  - Policy No. M 831351, Policy Term: 07/01/75 – 04/23/76, Policy Limits: \$2,000,000
  - Policy No. M 831351, Policy Term: 04/23/76 – 04/23/77, Policy Limits: \$5,000,000
  - Policy No. M 831351, Policy Term: 04/23/77 – 04/23/78, Policy Limits: \$5,000,000
  - Policy No. M 841396, Policy Term: 04/23/78 – 04/23/79, Policy Limits: \$5,000,000
  - Policy No. M 850306, Policy Term: 04/23/79 – 04/23/80, Policy Limits: \$5,000,000
  - Policy No. CIP 004 49 58, Policy Term: 04/23/85 – 04/23/86, Policy Limits: \$500,000
  - Policy No. MN 047675, Policy Term: 04/23/85 – 04/23/86, Policy Limits: \$1,000,000
  
- d. The following policies issued to United States Radium Corp. and USR Industries Inc., et al.:
  - Policy No. M 848172, Policy Term: 02/05/79 – 01/01/80, Policy Limits: \$4,000,000
  - Policy No. M 857831, Policy Term: 01/01/80 – 01/01/81, Policy Limits: \$4,000,000
  - Policy No. M 871497, Policy Term: 01/01/81 – 01/01/82, Policy Limits: \$10,000,000

**II. Claim Allowance and Covenant Not to Sue**

**7. Settlement Amount**

The Federal Claimants shall receive a settlement payment in the aggregate amount of \$28,600,000 (twenty-eight million, six hundred thousand dollars) as follows:

\$23,750,000 (twenty-three million, seven hundred and fifty thousand dollars) against Mission Insurance Company Trust

\$4,850,000 (four million, eight hundred and fifty thousand dollars) against Mission National Insurance Company Trust.

Mission National Insurance Company Trust and Mission Insurance Company Trust are each liable only for their respective payment. The payments set forth in this Settlement Agreement

shall be several and not joint and several liabilities. The payment of the Settlement Amount to the Federal Claimants shall not be cited by any of the Parties in the future as a precedent, or as a basis for the treatment or priority of any claims in any subsequent insurance company receivership or rehabilitation proceeding. The Mission Trusts do not concede by this Settlement Agreement that the Proofs of Claims were timely filed or are otherwise valid or meritorious. Likewise, by agreeing to the compromise in this Settlement Agreement the Federal Claimants do not concede the validity or merit of any challenge to the Proofs of Claims by the Mission Trusts.

8. The Federal Claimants and the Mission Trusts consent to the allocation of the Settlement Amount as follows:

- a. \$11,914,658.58 shall be with respect to the liability of Franklin at the Franklin Smelting Superfund Site and the Franklin Slag Superfund Site in Philadelphia, PA.
- b. \$284,543.96 shall be with respect to the liability of Lilyblad at the CleanCare Corporation Superfund Site in Tacoma, WA.
- c. \$9,287,198.56 shall be with respect to the liability of LPA at the Portland Harbor Superfund Site in Portland, OR. This amount shall be divided between EPA and DOI and NOAA as follows: \$6,965,398.92 to EPA, and \$2,321,799.64 to DOI and NOAA.
- d. \$7,113,598.90 shall be with respect to the liability of USR at the Safety Light Corporation Superfund Site in Bloomsburg, PA.

The total amount received by EPA with respect to the CleanCare Corporation Superfund Site shall be deposited in the Hazardous Substance Superfund. The total amounts received by EPA with respect to all remaining sites shall be deposited in corresponding special accounts established by EPA within the Hazardous Substance Superfund pursuant to Section 122(b)(3), 42 U.S.C. § 9622(b)(3), to be retained and used to conduct or finance response actions at or in connection with the respective Sites, or to be transferred to the Hazardous Substance Superfund. The total amount received by EPA with respect to the Franklin Smelting Superfund Site and the Franklin Slag Superfund Site may be deposited in the special account for the Franklin Slag Superfund Site. The payment received on account of each potentially responsible party shall reduce the liability of any other potentially responsible parties for the respective Sites by the amount of the payment in accordance with Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2).

9. The Trustee shall seek the approval of the Mission Liquidation Court allowing the Mission Insurance Company Trust and the Mission National Insurance Company Trust to each make a cash distribution to the United States for its respective settlement obligation. Cash distributions to the Federal Claimants pursuant to this Settlement Agreement shall be made in accordance with instructions to be provided to the Trustee by the United States. At the time of any cash distribution pursuant to this Settlement Agreement, the Trustee shall transmit written confirmation of such distribution to the United States at the addresses specified below, and email confirmation of such distribution to the EPA Cincinnati Finance Office at [cinwd\\_acctsreceivable@epa.gov](mailto:cinwd_acctsreceivable@epa.gov). Confirmations to the U.S. Department of Justice and EPA shall reference DOJ Case Number 90-11-3-10711 and the following Site/Spill ID Numbers for each of

the five Sites: 1. Franklin Slag Superfund Site D378 and Franklin Smelting Superfund Site B328, 2. CleanCare Corp. Superfund Site 106W, 3. Portland Harbor Superfund Site 103R, 4. Safety Light Corp. Superfund Site 03DG. The confirmation to the Department of the Interior shall reference "Natural Resource Damages for the Portland Harbor Superfund Site" and NRDAR Account No. 14X5198;

Chief, Environmental Enforcement Section  
Environment and Natural Resources Division  
U.S. Department of Justice  
P.O. Box 7611  
Washington, DC 20044  
Ref. DOJ File No. 90-11-3-10711

Manuel Ronquillo  
Attorney-Advisor  
United States Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460  
Mailcode: 2272A

Department of the Interior  
Office of Restoration and Damage Assessment  
Attn: NRDAR Fund Manager  
1849 C Street, N.W.  
Mailstop 3548  
Washington, DC 20240

10. The Federal Claimants' Covenant Not to Sue

a. In consideration of the execution of the Settlement Agreement, and effective upon approval of this Settlement Agreement by the Mission Liquidation Court, the United States, on behalf of the Federal Claimants, covenants not to file a civil action against the Insurance Commissioner, the California Department of Insurance, the California Conservation and Liquidation Office and the Mission Trusts with respect to all liabilities and obligations to the Federal Claimants arising under CERCLA under policies issued by the Mission Companies to the Insured Parties, whether such liabilities and obligations are known or unknown, reported or unreported, and whether currently existing or arising in the future. As used in this paragraph and Paragraph 11, the terms Insurance Commissioner, the California Department of Insurance, the California Conservation and Liquidation Office and the Mission Trusts shall include their respective subsidiaries, affiliates, parent companies, successors and assigns, and their respective officers, directors, and employees.

b. The Federal Claimants waive the benefits of California Civil Code Section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

c. The United States specifically reserves, and this Settlement Agreement, including the provisions of Paragraph 10.a, is without prejudice to (a) any action seeking to impose criminal liability, (b) any action based on the failure to meet a requirement of this Settlement Agreement, (c) any claim of the Federal Claimants based on the liability of any Insured Party under any statute other than CERCLA, and (d) any claim of any federal agency or department, other than NOAA, DOI, and EPA.

d. The covenant set forth in Paragraph 10.a extends only to the persons set forth in Paragraph 10.a and does not extend to any other person. The United States expressly reserves all claims, demands, and causes of action, either judicial or administrative, past, present, or future, in law or equity, which it may have against all other persons, firms, corporations, or entities for any matter arising at or relating in any manner to the Sites or claims addressed herein. Further, nothing in this Settlement Agreement diminishes the right of the United States, pursuant to Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), to enter into any settlement that gives rise to contribution protection for any person not a party to this Settlement Agreement. This Settlement Agreement resolves a portion of the liability of the Insured Parties, within the meaning of Section 113(f) of CERCLA, 42 U.S.C. § 9613(f), for response costs at the respective sites to the extent of the Federal Claimants' cash recovery under this Settlement Agreement with respect to each site.

#### 11. The Trustee's Covenant Not to Sue

In consideration of the execution of this Settlement Agreement and the approval by the Mission Liquidation Court, the Insurance Commissioner, the California Department of Insurance, the California Conservation and Liquidation Office and the Mission Trusts covenant not to sue the United States or any department or agency thereof, with respect to any liabilities and obligations to the Federal Claimants under any of the Insured Parties' Policies, whether such liabilities and obligations are known or unknown, reported or unreported, and whether currently existing or arising in the future, including, but not limited to, (a) any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established pursuant to 26 U.S.C. § 9507, (b) any claim under Sections 107 or 113 of CERCLA, 42 U.S.C. §§ 9607 or 9613, (c) any claims arising out of response activities at any of the Sites, and (d) any claim to recover all or any part of the settlement amount set forth in Paragraph 7 of this Settlement Agreement. The Insurance Commissioner, the California Department of Insurance, the California Conservation and Liquidation Office and the Mission Trusts do not waive the right, if any, to sue any other carrier of the Insured Parties for indemnity or contribution as to the sums paid under this Settlement Agreement.

12. Upon approval of this Settlement Agreement by the Mission Liquidation Court, the Federal Claimants' Proofs of Claims shall be fully resolved and terminated, with prejudice, with each Party bearing its own costs and fees in connection with the Proofs of Claims and the negotiation and performance of this Settlement Agreement.

### **III. Remedies**

13. In the event of a breach of the Settlement Agreement, the Parties shall have all rights and remedies available at common law or by applicable statute. The Parties reserve all rights and arguments concerning the appropriate forum to hear disputes arising from or related to the Settlement Agreement.

### **IV. Condition Precedent, Court Approval and Public Comment**

14. This Settlement Agreement is subject to a condition that the United States and the Trustee shall enter into and obtain court approval for a super-priority release under 31 U.S.C. § 3713 on terms mutually acceptable to both sides, which the parties anticipate to submit for court approval at the same time as this Settlement Agreement. The Trustee shall recommend this Settlement Agreement for approval to the Mission Liquidation Court. The Trustee advises the Federal Claimants that this Settlement Agreement will be submitted to the Mission Liquidation Court, and the Parties agree that approval of the Mission Liquidation Court is a condition precedent to the effectiveness of this Settlement Agreement, including the covenants set forth in Paragraphs 10-11, and to the payment of any amounts to Federal Claimants. If the Mission Liquidation Court approves the Trustee's recommendation and enters a final order thereon, the Trustee shall pay the Federal Claimants the full amount set forth above, \$28,600,000, within 30 days of entry of the final order. An order shall be a "final order" for this purpose when it is final without the possibility of appeal. For clarification, by way of example, if the order is appealed to the Court of Appeal, the time for payment shall arise thirty days after the final order by the appellate court affirming the approval order.

15. This Settlement Agreement shall be subject to a period of public comment following publication of notice of this Settlement Agreement in the Federal Register. The Federal Claimants reserve the right to withdraw or withhold their consent if the comments regarding this Settlement Agreement disclose facts or considerations which indicate that the Settlement Agreement is not in the public interest. After the conclusion of the public comment period, the Federal Claimants will promptly notify the Trustee in writing whether they consent to the Settlement Agreement and continue to seek its approval by the Mission Liquidation Court.

16. If for any reason (a) this Settlement Agreement is withdrawn or consent is withheld by the Federal Claimants as provided in Paragraph 15, or (b) the Mission Liquidation Court voids or fails to enter a final order approving this Settlement Agreement, then: (i) this Settlement Agreement shall be null and void, and the Parties hereto shall not be bound under this Settlement Agreement or under any documents executed in connection herewith; (ii) the Parties shall have no liability to one another arising out of or in connection with this Settlement Agreement or under any documents executed in connection herewith; and (iii) this Settlement Agreement and any documents prepared in connection herewith shall have no residual or probative effect or value.

17. The Parties contemplate that this Settlement Agreement will be submitted for approval by the Mission Liquidation Court along with a super-priority release between the United States and the Trustee. The execution and approval of this Settlement Agreement shall be a condition precedent to the super-priority release by the United States.



V. General

18. The Trustee and the Federal Claimants further acknowledge that this Settlement Agreement is made solely for the consideration specified herein, without reliance on any statement, warranties, or representations by the Trustee, the Mission Trusts, its agents or representatives, or by the Federal Claimants or their agents or representatives, other than any representations or warranties contained herein. This is not an agreement of the State of California to pay any sums, but instead creates only obligations on the part of Mission Insurance Company Trust and Mission National Insurance Company Trust.

19. All Parties understand and agree that this Settlement Agreement is a compromise in settlement of disputed liabilities and obligations, made to avoid the expense and time of litigation and to facilitate the timely closing of the Mission Trusts estates, without admission of liability and without admission of the ultimate validity or invalidity of any of the Parties' positions or arguments.


20. This Settlement Agreement shall constitute the entire agreement between the Parties and may not be altered, amended, modified or otherwise changed in any respect or particular whatsoever, except by written amendment duly executed by an authorized representative of each of the Parties.

21. This Settlement Agreement may be executed and delivered in multiple counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same instrument and agreement.

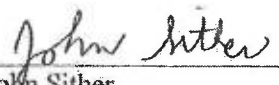
IN WITNESS WHEREOF, The Trustee, acting on behalf of the Mission Trusts, and the Federal Claimants execute the Settlement Agreement by their duly authorized officers or representatives.

Claimant: THE UNITED STATES DEPARTMENT OF THE INTERIOR, ENVIRONMENTAL PROTECTION AGENCY, AND NATIONAL OCEANIC AND ATMOSPHERIC AGENCY

UNITED STATES OF AMERICA

By:   
Bruce S. Gelber  
Deputy Assistant Attorney General  
Environment and Natural Resources Division  
U.S. Department of Justice

Date: April 3, 2017

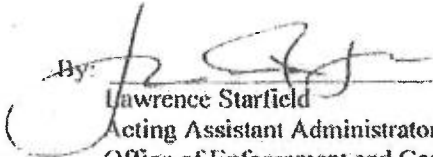
By:   
John Sither  
Senior Attorney  
Environmental Enforcement Section  
Environment and Natural Resources Division  
U.S. Department of Justice  
P.O. Box 7611  
Washington, DC 20044-7611  
(202) 514-5484  
[john.sither@usdoj.gov](mailto:john.sither@usdoj.gov)

Date: April 27, 2017


IN WITNESS WHEREOF, The Trustee, acting on behalf of the Mission Trusts, and the Federal Claimants execute the Settlement Agreement by their duly authorized officers or representatives.

Claimant: THE UNITED STATES DEPARTMENT OF THE INTERIOR, ENVIRONMENTAL PROTECTION AGENCY, AND NATIONAL OCEANIC AND ATMOSPHERIC AGENCY

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

By:   
Lawrence Starfield  
Acting Assistant Administrator  
Office of Enforcement and Compliance Assurance  
United States Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Date: 3/9/17

By:   
Manuel Ronquillo  
Attorney-Advisor  
Office of Site Remediation Enforcement  
Office of Enforcement and Compliance Assurance  
United States Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Date: 3/9/17

IN WITNESS WHEREOF, The Trustee, acting on behalf of the Mission Trusts, and the Federal Claimants execute the Settlement Agreement by their duly authorized officers or representatives.

THE INSURANCE COMMISSIONER AS TRUSTEE OF MISSION INSURANCE COMPANY TRUST AND MISSION NATIONAL INSURANCE COMPANY TRUST

By: David E. Wilson  
David E. Wilson

Date: May 1, 2017

Special Deputy Insurance Commissioner, and not individually, signing on behalf of the Insurance Commissioner of the State of California as Trustee of the Mission Insurance Company Trust and the Mission National Insurance Company Trust, and not as an obligation of the State of California

Conservation and Liquidation Office  
100 Pine Street, Suite 2600  
San Francisco, CA 94111

Mailing Address: Conservation and Liquidation Office  
P.O. Box 26894  
San Francisco, CA 94126-6894