

- (i) Stimson Lumber Company's Motion and Memorandum for Stay (Exhibit "A");
- (ii) Declaration of Joan Foley in support thereof including Exhibits thereto (Exhibit "B");
- (iii) Stimson's Reply in support of Motion for Stay (Exhibit "C");
- (iv) Second Declaration of Joan Foley in Support of Stimson's Motion for Stay (Exhibit "D"); and
- (v) Declaration of Mark Honeywell in Support of Stimson's Motion for Stay (Exhibit "E")

4. On April 10, 2003, the Court in the Gardner Action granted Stimson's request for Stay as set forth in Exhibit 7 to the Affidavit of Michael Sandler submitted in support of the "Gardner Plaintiffs'" Motion to Intervene.

5. Plaintiffs in the Gardner Action filed their Motion to Intervene requesting Modification of the Rehabilitation Order on May 8, 2003 based upon an Affidavit of Michael Sandler dated April 23, 2003. According to the proof of service, the only entity given notice of this Motion was Peter L. Roth, Senior Assistant Attorney General for the State of New Hampshire. Plaintiffs in the Gardner Action did not give even advise Stimson's counsel, The Home Insurance Company and other insurers, or the Washington Superior Court presiding over the Gardner Action of the present Motion to Intervene and Modify the stay imposed in the Gardner Action. Stimson and its counsel, as well as counsel for The Home in the Oregon coverage case, did not learn of the Motion until New Hampshire Senior Attorney General Peter Roth contacted Stimson's counsel. Plaintiffs' failure to even advise those directly involved in the Gardner Action is particularly galling given the extent to which plaintiffs in the Gardner Action be moan that The Home Rehabilitation Order was entered without notice to plaintiffs in the Gardner Action (See The Gardner Plaintiffs' Memorandum, p. 5, 7.)

6. It is Stimson's opinion that several key themes of the Gardner plaintiffs' motion are not accurate and likely to mislead the Court. For example, while it is accurate that previous case scheduling orders set the trial date in this matter for August 2003,

intervening events have rendered continuance of the trial a virtual certainty. After the Trial Court granted certification of a class in the Gardner Action, Stimson filed a motion for discretionary review. The Appeals Court ultimately denied that petition on the grounds that it was not ripe for review at that time. However, the Appeals Court's opinion identified numerous issues and potential problems with the propriety of certification. A copy of the Appeals Court opinion is attached hereto as Exhibit "F". Since that time, the Court has received further briefing on the continuing propriety of class certification, and held a hearing on the issue on February 25, 2003. At the time, the Trial Judge requested further briefing and observed that: (1) she had serious concerns about class certification; and (2) felt the court and parties were almost back to "square one" on the issue. Stimson was in the process of preparing a formal motion to decertify at the time the stay was issued by the Gardner Trial Court. In short, the true state of affairs in the Gardner Action is inconsistent with the Gardner Plaintiffs' assertion that trial is imminent, likely to proceed in its current procedural form, or that time is of the essence to avoid prejudice to the Gardner Plaintiffs.

7. The Gardner Plaintiffs spend a great deal of time attempting to paint a picture of The Home as being a bit part player who will not be missed if the Gardner Action proceeds in The Home's absence. According to Stimson's counsel in the Oregon Coverage case, one of the most misleading assertions put forth in the Gardner Plaintiffs' motion is the claim that "[e]ven if coverage is found, The Home would have a small share of the risk, estimated to be well below 5%." This number, designed to amplify the "unimportance" of The Home appears to be based upon the misassumption that any exposure in this case would be allocated equally between all primary and excess carriers. This conclusion is not in accord with applicable allocation principles. In fact, Stimson's research confirms that The Home's share of indemnity could be as high as 31% of the 13 million dollars of primary coverage spanning the time frame of policies at issue in the Oregon coverage action.

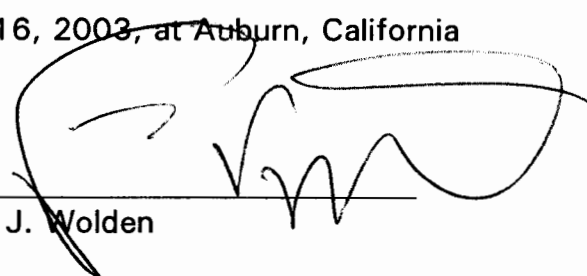
8. To the extent that Gardner Plaintiffs claim that The Home's exposure in the Gardner Action is \$250,000 per year for four years. This claim is false. The per occurrence policy limit identified in each of those four The Home policies is \$1,000,000.

9. The Gardner Plaintiffs make several other statements which, in the opinion of Stimson and its counsel, are inaccurate. The most distressing is the repeated assertion that The Home has denied coverage in the Gardner Action. In fact, the Oregon coverage case relates to a dispute over certain carriers' obligation to provide indemnity for certain specific types of loss and damage that the carriers assert are excluded. To Stimson's knowledge, neither The Home nor other carriers have issued a blanket denial of coverage in the Gardner Action. Stimson also does not understand the basis for, *inter alia*, the following statements: "The Home is not controlling the defense"; "The Home has not appointed Stimson's counsel"; and that exemption from the stay "would have no effect on the estate of The Home."

10. Stimson has recently learned that an order of liquidation will be sought on June 9, 2003. Particularly in light of this fact, Stimson Lumber Company believes that circumstances and uncertainty regarding The Home and its future impacts significantly upon its defense of the Gardner Action as well as other litigation pending against it.

11. Stimson will be severely prejudiced if Gardner Plaintiffs' motions are granted and urges the Court to deny those motions

I declare under penalty of perjury that the foregoing is true and correct and that this declaration is executed on May 16, 2003, at Auburn, California


Kirk J. Wolden

STATE OF NEW HAMPSHIRE

MERRIMACK, SS

SUPERIOR COURT

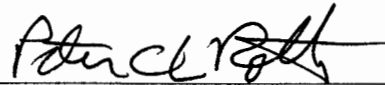
Docket No. 03-E-0106

**In the Matter of the Rehabilitation of
The Home Insurance Company**

CERTIFICATE OF SERVICE

I, Peter C.L. Roth, do hereby certify that on May 29, 2003 I served a true copy of the *Declaration of Kirk J. Wolden in Opposition to Motion of Joy Ann Gardner, et al. to Modify Rehabilitation Order and Scope of the Abatement of Cases in Any Future Liquidation of The Home* upon Sherilyn Burnett Young, Esq., Rath, Young & Pignatelli, One Capitol Plaza, Concord, NH 03301 by facsimile and first class mail, postage prepaid.

Dated: May 29, 2003



Peter C.L. Roth