FRED S. JAMES

JAN 2 9 1987

SPOKANE



TELEPHONE 761-464 AREA CODE 406 TELEX NO. 213141 WEISSMAN GRE

CORPORATE OFFICES 420 THIRD STREET SOUTH P. O. BOX 1609 GREAT FALLS, MONTANA 59403-1609

January 26, 1987.

Chris Bulger, Vice President Fred S. James & Co Of Washington P.O. Box 2151 Spokane, Washington 99210

Dear Chris:

Re: John Hubbard, Accident 1/22/87

As per our telephone conversations of January 22nd and again this morning relative to the above mentioned industrial accident, enclosed is a copy of the 'Employers First Report Of Notice Of Injury' which we have turned into the State Of Montana, who is the carrier of our workers' compensation insurance.

We will forward any additional information and/or investigation reports to you as they become available to us.

Sincerely, Carl Weissman & Sons, Inc.

Thomas Howard



Sedgwick James of Washington, Inc.

West 601 Main, Suite 1400, PO Box 2151, Spokane, Washington 99210-2151 Telephone (509) 358-3900. Telex 326463. Facsimile (509) 358-3937

January 22, 1991

Home Insurance Company 6000 Greenwood Plaza Blvd. Greenwood Village, CO 80111

Attn: General Liability Claims Department

RE:

Insured:

Carl Weissman & Sons

Policy Number:

Policy #GL1488251

Date of Loss:

1/22/87 John Hubbard

Plaintiff:

Gentlemen:

Enclosed please find a Summons & Complaint entitled Carl Weissman & Sons vs. John A. Hubbard.

This was served on Jerrold Weissman in Great Falls, Montana on January 18, 1991.

We are enclosing a copy of the claim file that was sent to your office on January 23, 1987, but you advised us that this was not a GL claim, but a Workers' Compensation claim. Per the atached Complaint, the claimant is alleging gross negligence. Therefore, we request you set up a claim under the General Liability coverage.

Please refer this matter to an attorney to appear on behalf of the insured and keep us advised regarding the status.

Also, please acknowledge receipt of this correspondence by signing, dating and returning a copy of this letter to our office.

If we may be of further assistance, please let us know.

Sincerely,

genet Davey, Claims Department

Date

Received by

TEL No.

Encl: 8&C

cc: Thomas Howard

50.9 10:7 10,22 ast

80 TT100

X TELECOPIER 296 : 6- 4-90; [0:67 AM;

[RECEIVED 01/18 16:48 1991 # 3583937 PAGE 1 (PRI)



CORPORATE OFFICES # 480 THIRD STREET SOUTH * P.O. FOX 1609 * GREAT FALLS, MONTANA 69403-1609 * TELEPHONE (406) 761-4940

DATE: January 18, 1991

TELECOPY HEADER SHEET

Total number of pages 10 (Including this cover sheet).
Deliver to: NAME: Gerry Bulger
FIRM NAME: Sedgwick James Of Washington, Inc.
CITY & STATE; Spokene, Washington
TELECOPY PHONE NUMBER: 509-455-3937
FROM: Thomas Howard
Fax No. (406) 761-4848 Ext. 251. (Have our operator give you the extension during business hours.) From 5:00 P.M. to 8:00 A.M., Mauntain Time, Fax number is, (406) 761-4988.
COMMENTS:
Re: John A. Hubbard -ve- Carl Weissman & Sons, Inc.
John Hubbard's accident/injury was filed with Montana Workers' Compensation Division on January 22, 1987 and assigned their case number 3-87-08509. Please notify our carrier and advise if they will answer the summons served on us today.

EAST LINK NATIONAL ESSESSES ACET DESCRIPTION AND TRANSPORTED A PACEINICE MOS! 761-4846 - EXT. 251 MONTANA WATE 1-800-532-5604 WY, ND, SD, GR, WA 10, UT WATE 1-600-647-0100

ea : 11 € 63 11(5 € 63 11)

16 NO. 15 SOB 1 6-4-90:10:58 AM:

JOHN A. HUBBARD P. O. BOX 158 BLACK RAGLE, MT. 59414 90 JAN 22 PM 3: 47 19 28

16140 Car

IN THE DISTRICT COURT
OF THE STATE OF MONTANA
IN AND FOR THE COUNTY OF CASCADE

JOHN A. HUBBARD.

Plaintiff.

BDV-90- 067 JOHN M. McCARVEL

COMPLAINT

CARL WEISSMAN & SONS, INC. P. O. BOX 1609 GREAT FALLS, MT. 59403 Defendant.

COMES NOW, the plaintiff, John A. Hubbard, for his cause of action against the above-named defendant, claims as follows:

I.

That at all times material, herein, defendant was a corporation, duly organised and existing under the laws of the State of Montana, operating a retail store, automotive store, salvage and scrap yard within the State of Montana and elsewhere in the District and County wherein this action is filed;

TT.

That the plaintiff was employed by said defendant as a crane operator and laborer when on January 22, 1987 he was severely injured in an accident on the employer's crane causing the amputation of his right arm to the shoulder, facial cuts, severe wreholing of his body and trauma.

CF159

Jan 22,91 7:03 P.05

TEL No.

SAMEL

III.

That the reason for this accident is as follows:

IV.

On January 22, 1987, the plaintiff was greasing a 30 ton Northwest Crane. I was in the process of greating the clutch gear. The gear itself is four feet across with about a five inch face. The orane was running at the time for better lubrication. The plaintiff was shown how to do this by Don Mitchell, Head Mechanic for Weissman's. Also, it should be noted that the crane had been modified; the old diesel engine taken out and replaced with a 440 electric motor. When this was done the gear guards had been removed and were never put back on. Thus leaving the gears exposed to weather and oreating a hazardous situation. A diagram of the gear guards that are missing are located on Sheet 6280. This dangerous situation that was left should not have been and the plaintiff feels that the State of Montana Worker's Compensation Division, OSHA, and Carl Weissman & Sons, Inc. should be held responsible.

The plaintiff lost his right arm when his jean jacket sleeve got caught in between the clutch gear and drive gear of the crane due to no gear guards being in place as required by the laws of both CSHA and Worker's Compensation standards of safety. The plaintiff's right arm was chewed from the fingertips up the arm to the right shoulder and one of the cogs on the gear wheel cracked his head open. All the while plaintiff was struggling to get free. Plaintiff's chest started to split when he was violently jerked down. This happened due to the slip clutch to the left of him caught the tail of plaintiff's jacket jerking him down and breaking the right arm off at the shoulder; then slinging him around like a rag doll and, using a kerchief around plaintiff's neck like a tourniquet until it tore free slamming him to the deck of the crane.

CF160

:MA 00:11:06-4 -3

VI.

The slip clutch spins about 2400 rpms. Plaintiff was slung. around four or five times then his coat tore free slamming him to the deck of the grane..he blacked out for a few seconds, then came to and pushed himself off the deck of the crane which is about four and a half feet off the ground and landed on some cut up train tressel which cut up his face and cut his hip open. . he blacked cut again for a few seconds, coming to and feeling so weak he knew he was bleeding to death. He then grabbed his right shoulder trying to put pressure on it to slow the blanding. He then got to his feet, blood was everywhere; he felt weak and dizzy and he staggered for the Scale House, falling down a few times. He got to the Scale House where Wayne Munn's semi was getting weighed and used it and the Scale House to keep him on his feet. He finally reached the stairway and went up into the Scale House. Everyone was shocked to see him; there was blood and grease all over him; strips of ripped muscle tissue . hanging down from where his right arm used to be.

Fred LaRocque, Purchasing Agent for Weissmans, had him lay down and he pinched off the main artery that went to the Plaintiff's arm. Plaintiff had lost six units of blood out of eight and walked thirty yards to get to the Scale House for help.

VII

After the plaintiff was in the hospital OSHA went to inspect the scene of the accident and found Weissman's crane to be in violation of safety standards, especially no gear guards. Weissmans was cited and fined and the crane was shut down until all safety violations were fixed.

VIII.

years I was at Weissmans?

The following are acts of negligence and non-compliance.

If the State of Montana Workers Compensation Division insures Weissmans then where are their inspections and safety standards . . plaintiff has never seen them in the five years he worked at Weissmane.

If OSHA_reserves.for the Federal Government the chore of developing safety standards for businesses and enforcing those regulations, then why have they (the regulations) never been seen or enforced in the five

CF161

3./

OSHA came in after this accident and found Weissmans guilty of safety infractions. This certainly breaks any safety standards binding Weissmans with the State of Montana Workers Compensation Division.

IX.

OSHA is guilty of non-compliance of their own regulations.

State of Montana Workers Compensation Division is guilty of non-compliance of their rules and regulations governing safety standards.

Weissmans is guilty of gross negligence and of non-compliance of both OSHA's and State of Montans Workers Compensation Division rules and regulations as well as safety standards. They also violated the Montans Safety Act of 1969 which directs the State Workers Compensation Division to inspect the safety of machinery and appliances. used by businesses, and OSHA's Federal Government claim to supercede the State's inspections and regulations of safety standards. All these organizations are guilty of non-compliance of their very own rules and regulations.

Therefore, I find their claim to immunity from prosecution null and void on the grounds they breeched their very own safety standards rules and regulations.

x.

That as a direct result of the aforesaid negligence and safety violations the plaintiff sustained loss of his right arm, facial lacerations, tissue and muscle damage, back, neck and arm pain as well as depression, anguish and emotional problems. A further result of the defendant's negligence plaintiff has sustained loss of wages and a permanent diminution of his earning capacity. And that plaintiff's children have been deprived of a decent standard of living through the loss of the plaintiff's earning power due to this accident.

10.9 10:5 19.52 asi

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TEL No.

SHMEC

LIDD

WHEREFORE, plaintiff respectfully prays that judgment be entered against the above-named defendant in the amount of finite and disbursements.

John A. Hubbard

THE PROPERTY WITTER AT

(16:51 1991 AT 3583937)

'91 16:04 405-761-4848 CMS GRT FLS, MT

P. 6

THE WANT WENT WATER TO SEE THE STATE OF THE

THE HOME INSURANCE COMPANY



FOCC GREENWOOD PLAZA BLVD GREENWOOD VILLAGE CO 60111

303-740-1900

January 29, 1991

Carl Weissman & Sons Attention: Mr. Jerrold A. Weissman, President 420 Third St., South P.O. Box 1609
Great Falls, MT 59403-1609

RE: John Hubbard v. Carl Weissman & Son Date of Occurrence: January 22, 1987

Dear Mr. Weissman:

We have received a copy of a Summons and Complaint filed by plaintiff John Hubbard against Carl Weissman & Sons which has been filed in the District Court, State of Montana, County of Cascade, Montana, Complaint No. BDV-90-067. This Complaint was filed on January 22, 1990 and is alleged to have been served on January 18, 1991.

We have requested copies of your policies of insurance and hope that they will be in our possession shortly. Once we have received your insurance policies covering this period of time when this accident occurred we will be in further contact with you advising whether or not coverage will respond for the allegations set forth in this Complaint.

We have also received your correspondence of January 25, 1991 advising that you have assigned your regular counsel, Mr. Jack Lewis of the Law Office of Jardine, Stephenson to monitor this litigation and to protect your Company from a Default Judgment.

We will communicate with Mr. Lewis and with you prior to the due date for answering this Complaint which has been set for February 7, 1991.

Your insurance agent had previously forwarded a notice of loss to our Seattle, Washington Claims Department on January 23, 1987. This loss notice informed us that your employee Mr. Hubbard was injured and that they were reporting this incident to the State Industrial Division of Workers Compensation for handling.

The Home Insurance Company therefore took no action via its policy of insurance as the loss was clearly identified as a Workers Compensation matter handled by the State Industrial Commission.

Should you have any questions prior to The Home Insurance Company responding to coverage which may or may not be provided under your policies of insurance, please feel free to call upon me.

Very truly yours,

Robert W. Andrea Claim Technical Advisor

RWA/ht060

cc Sedgwick James of Washington Inc.
West 601 Main, Suite 1400
P.O. Box 2151
Spokane, WA 99210-2051
Attention: Judy Arndt

Jack Lewis
Law Office of Jardine, Stephenson, Blewett & Weaver
Seventh Floor - First National Bank Bldg.
P.O. Box 2269
Great Falls, MT 59403

THE HOME INSURANCE COMPANY



6000 GREENWOOD PLAZA BLVD GREENWOOD VILLAGE, CO 80111 303-740-1900

February 4, 1991

Carl Weissman & Sons Attention: Mr. Jerrold A. Weissman, President 420 Third St., South P.O. Box 1609 Great Falls, MT 59403-1609 CERTIFIED MAIL RETURN
RECEIPT REQUESTED

RE: John Hubbard v. Carl Weissman & Sons Date of Occurrence: January 22, 1987 Claim File #: 441-L-721111/600

Dear Mr. Weissman:

We have previously acknowledged receipt of the Summons and Complaint via my correspondence to you of January 29, 1991.

We have now received a copy of your insurance policies which provided coverage for the date of this occurrence in 1987. It is with regret that coverage cannot be afforded to you for the allegations set forth in the Complaint which has been filed by Mr. John Hubbard in the Eighth Judicial District Court, Cascade County, State of Montana, Cause No. BDV-90-067.

Mr. Hubbard states that he was an employee of Carl Weissman & Sons as a crane operator and laborer on January 22, 1987 and that while he was greasing a 30 ton Northwest Crane he was caused to be severely injured.

A review of your policies of insurance, Policy No. GL1488251 with inception date of 4/1/86, expiration date of 4/1/87 discloses that coverage would not respond to the injury sustained by your employee in this accident.

Coverage is afforded to Carl Weissman & Sons via Comprehensive General Liability Insurance under the Basic Form of H21013F which is modified by Broad Form Comprehensive General Liability Endorsement L-6111 and further modified by Amendatory Endorsement L-6178. Under Form L-6178 coverage would not be provided.

It is agreed that the exclusion relating to bodily injury to any employee of the insured is deleted and replaced by the following:

"This insurance does not apply:

- (i) To bodily injury to any employee of the insured arising out of and in the course of his employment by the insured for which the insured may be held liable as an employer or in any other capacity:
- (ii) To any obligation of the insured to indemnify or contribute with another because of damages arising out of the bodily injury: "

We have also reviewed your Workers Compensation and Employers Liability policy, Policy No: WC-L 16 94 69-01 which had an effective date of May 15, 1986 and an expiration date of May 15, 1987.

In reviewing your Workers Compensation coverage No. 3.A- Workers Compensation Insurance: it is noted that Workers Compensation insurance is provided in the States of California and Idaho.

Under Section 3. B-Employers Liability Insurance: it is noted that Part 2 of the policy applies to work in each state listed in Item 3.A which has been previously stated as the States of California and Idaho.

It is therefore with regret that coverage cannot be provided for the allegations set forth in the Complaint by your employee Mr. John Hubbard under either your General Liability policy or your Workers Compensation policy.

I have informed your counsel, Mr. Jack Lewis of the Law Office of Jardine, Stephenson, Blewett and Weaver of our decision so that he may communicate with you prior to the due date of this Complaint set for February 7th and take whatever steps are necessary to protect your interests.

Should you have any questions regarding our decision made on this matter, please feel free to call upon me.

Very truly yours,

Robert W. Andrea Claim Technical Advisor

RWA/ht04

CC Law Office of Jardine, Stephenson, Blewett & Weaver Attention: Jack Lewis
7th Floor First National Bank Bldg.
P.O. Box 2269
Great Falls, MT 59403

Sedgwick James of Washington, Inc. West 601 Main, Suite 1400 P.O. Box 2151 Spokane, WA 99210-2051

Bob Ellis, Denver

Attention: Judy Arndt

P 883 312 747

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED

NOT F JR INTERNATIONAL MAIL

CARL WEISSMAN & SONS Pies Attn Mr. Jerrold A. Weissma Box Street and No. 420 3rd St. SO. <u>P.O. 16</u>09 PO., State and ZIP Code 59403-1609 Great Falls, MT Postage Certified Fee Special Delivery Fee Restricted Delivery Fee Return Receipt showing to whom and Date Delivered Return Receipt showing to whom, Date, and Address of Delivery TOTAL Postage and Fees S Postmark or Date

SENDER: Complete Items 1 and 2 when addition 3 and 4. 3 and 5 and 6 a	al services are desired, and complete iter se side. Fallur <u>e to do this will brevent ite</u>
from being returned to you. The return receipt fee will provide date of delivery. For additional fees the following serviced from the date of delivery. For additional fees the following serviced from the control of t	ces are available. Consult postmenter for fee
PARE WEISSMAN & SORS 2011 NOT WEISSMAN	4. Afticle Nijohor Walker Walker
PESIDENT S S BESMAN	Certified Logic
GREAT FALLS MT 5940 30609 Signature - Addresses	Always obtain signature of addressee of agent and DATE DELIVERED. Addressee's Address (OVLY II)
Signaphic Apparit	Veguested and fee pairs
Orm 3811, Apr. 1989	

Q. Kurs

MONTANA EIGHTH JUDICIAL DISTRICT COURT, CASCADE COUNTY

JOHN A. HUBBARD,)	
Plaintiff,)	CAUSE NO. BDV-90-067
vs.	j	**************************************
CARL WEISSMAN & SON'S INC.)	ORDER
Defendant.)	

This matter came to hearing on Defendant's Motion for Summary Judgment on Wednesday, October 22, 1997, at 10:00 a.m. with Defendant Carl Weissman & Son's Inc. represented by Robert B. Pfennigs and Plaintiff John Hubbard present in Court and represented by Michael R. Tramelli.

This Court, upon considering the briefs and argument of Counsel, has determined to deny the motion for summary judgment in light of the Supreme Court decision Lockwood v. W.R. Grace & Co., 272 Mont. 202, 900 P.2d 314 (1995). The Defendant argues that this lawsuit is precluded by the exclusivity provision of Section 39-71-411, MCA, which makes workers compensation coverage Mr. Hubbard's exclusive remedy. Until the decision in Lockwood, it appears that the Montana Supreme Court has consistently held as stated by Defendant, unless the Plaintiff alleges intentional and malicious conduct and shows actual intent to injure the particular Plaintiff by the employer. Lockwood, however, appears to expand the intentional tort exception to the exclusivity rule when it holds that "intent to injure does not mean desire to injure; it means that the employer intended that the employee should undergo the injury — the exposure to the harm — of which the employer knew on a daily basis." citing 2A Larsons's Worker's Compensation Law, Section 68.15(e), at 13-107.

J.S.B.W.

In this case, the Complaint as drafted does not include such an allegation and must be amended, but the information submitted in opposition to the motion for summary judgment and the claims of intentional actions by which the employer knowingly exposed this Plaintiff to the injury which he suffered, indicates that the Plaintiff may be able to present a jury issue on that point and should be allowed to amend the complaint to state a claim.

IT IS HEREBY ORDERED that:

- 1. Defendant's Motion for Summary Judgment is denied.
- 2. Plaintiff is granted ten days within which to amend his Complaint.

DATED this 11th day of November, 1997.

DISTRICT COURT JUDGE

cc: Robert B. Pfennigs
Michael R. Tramelli

JAMES E, AIKEN GARY W. BJELLAND ALEX BLEWETT FRANCIS X. CLINCH DONALD J. HAMILTON LON T. HOLDEN JON J. KUDRNA JACK L. LEWIS BRION C. LINDSETH SUE ANN LOVE GEORGE N. McCABE ROBERT B. PFENNIGS

JARDINE, STEPHENSON, BLEWETT & WEAVER, P.C.

ATTORNEYS AT LAW

GREAT FALLS OFFICE: 300 CENTRAL AVENUE SEVENTH FLOOR, U.S. BANK BUILDING P.O. Box 2269 GREAT FALLS, MONTANA 59403-2269 TEL: (406)727-5000 FAX: (406) 761-4273

MISSOULA OFFICE: 210 EAST PINE, SUITE 200 P.O. Box \$959 MISSOULA, MONTANA 59802-8959 TEL: (406)543-3547 FAX; (406)721-4346

K. DALE SCHWANKE MARTIN H. SINCLAIR JOHN D. STEPHENSON BRIAN L. TAYLOR PATRICK R. WATT

SPECIAL COUNSEL TIMOTHY I. WYLDER

RETIRED JOSEPH G. MUDD JOHN H. WEAVER

E-MAIL: bpfennigs@jerdinelaw.com

PLEASE RESPOND TO THE GREAT FALLS OFFICE

April 14, 2000

VIA FAX - (714) 579-2679

Risk Enterprise Management Limited

Attn: Anne Galasso

P.O. Box 600 Brea. CA 92822

Re:

John Hubbard v. Carl Weissman & Sons, Inc. REM's Principal: Home Insurance Company

Insured: Carl Weissman & Sons, Inc.

Claimant: John Hubbard

Home Insurance Claim No: 441-L-721111\600

Home Insurance Policy No: GL1488251

Our File No. 83500-00435

Dear Ms. Galasso:

Pursuant to our recent telephone conversation, forwarded to you with this letter is a copy of the Second Amended Complaint filed against Carl Weissman in the above-referenced matter. Tender of defense for this claim is made to your client, Home Insurance Company. There is some urgency in getting defense counsel assigned to this matter as there are outstanding discovery requests that need to be answered as soon as possible.

I look forward to hearing from you at your earliest opportunity.

Very truly yours,

Jord Podick Eso reduck Jord October 140 Marie JARDINE, STEPHENSON, BLEWETT & WEAVER, P.C.

Robert B. Pfennigs

RBP:1s

Second Amended Complaint

FROM : LAW OFFICES

FAX NO. : 4067610990

. 14 2000 02:41PM P4

SKORHEIM LAW OFFICE Randall O. Skorheim P.O. Box 401 121 Fourth Street North, Suite 2-G Great Falls, Montana 59403 (406) 727-1332

MICHAEL R. TRAMELLI
Attorney at Law
104 Fecond Street South
Great Falls, Montana 59401-3645
(406) 761-0990

Attonieys for Plaintiff

MONTANA EIGHTH JUDICIAL DISTRICT COURT, CASCADE COUNTY

JOEN A. HUBBARD,

Plaintiff,

١3.

CAUSE NO.: BVD-90-067

CAPL WEISSMAN & SONS INC., Defendant.

SECOND AMENDED COMPLAINT AND JURY TRIAL DEMAND

COMES NOW, Plaintiff, John A. Hubbard, by and through his attorneys, Randall O. Skorheim and Michael R. Tramelli, and hereby amends the Complaint as follows:

COUNTI

- That at all times material, herein, Defendant was a corporation, duly organized and existing under the laws of the State of Montana, operation a retail store, automotive store, salvage and scrap yard within the State of Montana and elsewhere in the district and county wherein this action is filed.
- 2. That the Plaintiff was employed by said Defendant when on January 22, 1987 he was severely injured while greasing a 30 ton Northwest Crane. The crane latched on to Plaintiff's right hand pulling him into the crane and ripping his arm off at the shoulder. In addition, the Plaintiff suffered other severe trauma to his body, including facial cuts.
- 3. The Defendant knowingly removed the gear guards from the crane before the Plaintiff was employed by the Defendant. Defendant knowingly placed the Plaintiff in a position of extreme danger by ordering Plaintiff to grease the gears of the crane while it was still running.
- 4. As a result of the foregoing, the Defendant had knowledge of the facts or intentionally disregarded facts that created a high probability of injury to the Plaintiff and deliberately proceeded to act in conscience disregard of the high probability of injury to the Plaintiff and deliberately proceeded to

FROM : LAW OFFICES

FAX NO.: 4067610990

. 14 2000 02:42PM P5

5. As a result of said Defendant's injury of Plaintiff, Plaintiff has suffered severe permanent physical and emotional injuries and incurred special and general damages in an amount to be determined by a jury.

COUNT II

- 1. Plaintiff repeats and alleges all allegations contained in Count I herein.
- 2. As a result of the foregoing, the Defendant inflicted emotional distress on the Plaintiff and caused further general and special damages in an amount to be determined by a jury.

WHEREFORE, Plaintiff respectfully prays as follows:

- 1. That Plaintiff be awarded general and special damages in an amount to be determined by a jury;
- 2. That Plaintiff be awarded punitive damages in amount to be determined by a jury;
- 3. Plaintiff be awarded all costs and expenses incurred in bringing this action allowed by law;
- 4 Any such other further relief that this Court deems just and equitable.

PLAINTIFF DEMANDS TRIAL BY JURY

SKORHEIM LAW OFFICE

TRAMELLI LAW OFFICE

Randell O Skorheim

Michael R. Tramelli

April 17, 2000

Robert B. Pfennigs, Esq.
Jardine, Stephenson, Blewett & Weaver, P.C.
P.O. Box 2269
Great Falls, Montana 59403-2269

RISK
ENTERPRISE
MANAGEMENT
LIMITED

RE: John Hubbard vs. Carl Weissman & Sons, Inc.

REM's Principal:

Home Insurance Company

Insured:

Carl Weissman & Sons, Inc.

Claimant:

John Hubbard January 22, 1987

Date of loss: File No.:

441-721111-230

Dear Mr. Pfennigs:

Please be advised Risk Enterprise Management Limited (REM) has been appointed the claims administrator on behalf of Home Insurance Company. By means of this letter we acknowledge receipt of the complaint and the tender of defense of Carl Weissman & Sons, Inc. with respect to this matter.

At this time Home is reserving its rights to conduct a coverage investigation with respect to this matter. We are in the process of having the file recalled from storage and in obtaining a copy of the policy in effect on this date of loss. Potential coverage issues deal with whether Stop Gap coverage was obtained, as generally speaking, injury to employees is excluded from a general liability policy. Also, we note punitive damages are sought, and we will need to review the coverages to ascertain if punitive damages are covered. Again, generally speaking, punitive damages go to potential intentional acts. Intentional acts are not generally covered under a general liability policy.

P.O. BOX 600
 BREA, CA 92822
 714 579 2500
 800 347 2505

Nonetheless, Home has assigned defense counsel to represent Carl Weissman & Sons in this matter. Defense counsel is Gary Zadick, Esq. of the Ugrin, Alexander, Zadick & Higgins firm. Home is reserving its rights to withdraw from the defense if our continuing coverage investigation reveals there is no duty on the part of Home Insurance Company to defend or indemnify the insured in this matter. We will review

Page 2

the coverages and the file documents immediately upon receipt and advise you of any coverage issues.

At this time we request you forward copies of all pleadings, as well as copies of any of the insured's file documents, copies of any medical reports, investigative reports, demands, correspondence, etc. with respect to this claim to Mr. Zadick.

Should you have any questions, do not hesitate to contact the undersigned at (714)579-2556.

Sincerely,

RISK ENTERPRISE MANAGEMENT LIMITED ON BEHALF OF HOME INSURANCE COMPANY

Ann E. Galasso Claims Supervisor

REM.

April 20, 2000

Robert B. Pfennigs, Esq.
Jardine, Stephenson, Blewett & Weaver, P.C.
P.O. Box 2269
Great Falls, Montana 59403-2269

RISK ENTERPRISE MANAGEMENT LIMITED

RE: John Hubbard vs. Carl Weissman & Sons, Inc.

REM's Principal: Home Insurance Company

Insured: Carl Weissman & Sons, Inc.

Claimant: John Hubbard
Date of loss: January 22, 1987

File No.: 441-721111-230

Dear Mr. Pfennigs:

Please be advised Risk Enterprise Management Limited (REM) has been appointed the claims administrator on behalf of Home Insurance Company with respect to this matter.

As we advised you in our letter of April 17, 2000, Home Insurance Company was reserving its' rights to conduct a coverage investigation with respect to this matter. Home's coverage investigation has been completed and we must advise you there is no coverage for this loss under the Home general liability policy. This will be discussed in further detail below. As there is no coverage for this claim, Home is advising you, as the insured's personal counsel, that Home is withdrawing from the defense of this matter. We are giving you 30 days notice in this regard. Thus, as of Monday May 22, 2000, Home Insurance Company will no longer be responsible for any defense costs incurred with respect to this matter. By cc of this letter to both the insured and Gary Zadick, Esq., we are advising them of the date of withdrawl of the defense.

P.O. BOX 600

BREA, CA 92822

714 579 2500

800 347 2505

Our understanding of the facts of this loss are that Mr. Hubbard was an employee of Carl Weissman & Sons, working as a crane operator and laborer. On January 22, 1987, he was performing some type of greasing operations on the crane when he was severely injured allegedly as a result of these operations.

Home issued policy GL 1488251, effective April 1, 1986 to April 1, 1987. Limit of liability was \$1 million per occurrence and in the aggregate. The policy states as follows:

The company will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of

- A. **bodily injury** or
- B. property damage

to which this insurance applies, caused by an occurrence, and the company shall have the right and duty to defend any suit against the **insured** seeking damages on account of such **bodily injury** or **property damage**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (i) to any obligation for which the **insured** or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (j) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the insured under an incidental contract;

Definitions

When used in this policy (including endorsements forming a part hereof):

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement, or (5) elevator maintenance agreement;

While there is an endorsement providing Employee Benefits coverage, this coverage does not apply, as the loss does not fall within the administration of Employee Benefits Programs. This is defined as follows:

- 2. "Employee Benefits Programs": The term "Employee Benefits Programs" means (a) group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, workmen's compensation, unemployment insurance, social security benefits, disability benefits, and (b) any other similar employee benefits instituted after the effective date of this endorsement, provided this Company is notified within thirty days after the institution of such benefits.
- 3. "Administration": The unqualified word "administration" whenever used shall mean:
 - (a) Interpreting the Employee Benefits Programs;
 - (b) Handling of records in connection with the Employee Benefits Programs;
 - (c) Effective enrollment, termination or cancellation of employees under the Employee Benefits Programs; provided all such acts are authiorized by the Named Insured.

Exclusions

- 1. This endorsement does not apply to:
 - (b) bodily injury to or sickness, disease or death, of any person, or to injury to any tangible property, including the loss of use thereof;

Additionally, we note the policy has an amendatory endorsement under Form L8178, which states as follows:

It is agreed that the exclusion relating to **bodily injury** to any employee of the **insured** is deleted and replaced by the following:

This insurance does not apply:

- to bodily injury to any employee of the insured arising out of and in the course
 of his employment by the insured for which the insured may be held liable as
 an employer or in any other capacity;
- to any obligation of the **insured** to indemnify or contribute with another because of damages arising out of the **bodily injury**;

This exclusion applies to all claims and suits by any person or organization for damages because of such **bodily injury** including damages for care and loss of services.

This exclusion does not apply to liability assumed by the insured under an incidental contract.

Coverage was previously disclaimed to the insured for the original suit filed and served in 1991. I enclose a copy of the original declination for your review.

We also note that workers comp coverage appears to have been obtained under Home policy WC-L 169469-01, a copy of which is enclosed for your files. However, this policy appears to apply to California and Idaho only, as listed in section 3 A of the declarations page. As such, it does not appear that the workers comp policy would apply to this loss either. However, I have forwarded a copy of the file and the policy to Maggie Sikes in the workers comp department for review and analysis by workers comp.

As indicated, there is no coverage under the GL policy issued by Home Insurance for this claim. Home will not continue its defense of the insured, nor will they indemnify the insured for any losses arising from this claim. Home's withdrawl of the defense of the insured will be effective Monday May 22, 2000, and Home will not be obligated in any manner to continue providing defense after that date.

This letter is not meant to be an exhaustive recitation of the policy or any other terms, conditions, endorsement or exclusions which may be applicable to this claim. Home reserves the right to amend this disclaimer at any time and reserves the right to cite any other policy terms, conditions, endorsments or exclusions. Home reserves the right to litigate all issues of coverage.

Should you have any questions, do not hesitate to contact the undersigned directly at (714)579-2556.

Sincerely,

RISK ENTERPRISE MANAGEMENT LIMITED ON BEHALF OF HOME INSURANCE COMPANY

Ann E. Galasso Claims Supervisor

Page 5

cc: Jerrold A. Weissman

Carl Weissman & Sons, Inc.

P.O. Box 1609

Great Falls, Montana 59403

Gary Zadick, Esq.

Ugrin, Alexander, Zadick & Higgins

SKORHEIM LAW OFFICE Randall O. Skorheim P.O. Box 401 121 Fourth Street North, Suite 2-G Great Falls, Montana 59403 (406) 727-1332

MICHAEL R. TRAMELLI Attorney at Law 104 Second Street South Great Falls, Montana 59401-3645 (406) 761-0990

Attorneys for Plaintiff

MONTANA EIGHTH JUDICIAL DISTRICT COURT, CASCADE COUNTY

JOHN A. HUBBARD, Plaintiff,

CAUSE NO.: BVD-90-067

CARL WEISSMAN & SONS INC., Defendant.

MOTION TO AMENDED COMPLAINT

COMES NOW, Randall O. Skorheim, co-counsel for the Plaintiff herein, moves this Court for its Order allowing Plaintiff to amend his complaint herein.

A copy of said proposed FOURTH AMENDED COMPLAINT is attached hereto by this reference is incorporated herein.

DATED this 5th day of October, 2000.

SKORHEIM LAW OFFICE

Randall O. Skorbeim

doc

J.S.B.W. DCT 0 6 2000

Amended Complaint 4. upd

SKORHEIM LAW OFFICE Randall O. Skorheim P.O. Box 401 121 Fourth Street North, Suite 2-G Great Falls, Montana 59403 (406) 727-1332

MICHAEL R. TRAMELLI Attorney at Law 104 Second Street South Great Falls, Montana 59401-3645 (406) 761-0990

Attorneys for Plaintiff

MONTANA EIGHTH JUDICIAL DISTRICT COURT, CASCADE COUNTY

JOHN A. HUBBARD, Plaintiff,

V\$.

CAUSE NO.: BVD-90-067

CARL WEISSMAN & SONS INC., Defendant.

FOURTH AMENDED COMPLAINT AND JURY TRIAL DEMAND

COMES NOW, Plaintiff, John A. Hubbard, by and through his attorneys, Randall O. Skorheim and Michael R. Tramelli, and hereby amends the Complaint as follows:

COUNT I

- That at all times material, herein, Defendant was a corporation, duly organized and existing under the laws of the State of Montana, operating a retail store, automotive store, salvage and scrap yard within the State of Montana and elsewhere in the district and county wherein this action is filed.
- 2. That the Plaintiff was employed by said Defendant when on January 22, 1987 he was severely injured while greasing a 30 ton Northwest Crane. The crane gears latched on to Plaintiff's right hand pulling him into the crane and ripping his arm off at the shoulder. In addition, the Plaintiff suffered other severe trauma to his body, including facial cuts.
- 3. The Defendant knowingly operated a crane after the gear guard had been removed. Defendant knowingly placed the Plaintiff in a position of extreme danger by exposing Plaintiff to the Crane without any gear guards.

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- 4. As a result of the foregoing, the Defendant had knowledge of the facts or intentionally disregarded facts that created a high probability of injury to the Plaintiff and deliberately proceeded to act in conscience disregard of the high probability of injury to the Plaintiff and deliberately proceeded to act with indifference to the high probability of injury to the Plaintiff.
- 5. Plaintiff has suffered severe permanent physical and emotional injuries and incurred special and general damages in an amount to be determined by a jury.

COUNT II

- 1. Plaintiff repeats and alleges all allegations contained in Count I herein.
 - 2. As a result of the foregoing, the Defendant inflicted emotional distress on the Plaintiff and caused further general and special damages in an amount to be determined by a jury.

COUNT III

- 1. Plaintiff repeats and alleges all allegations contained in Counts I and II herein.
- The Plaintiff's injuries were caused in part by Defendant's allowing a crane to be operated with no gear guards in violation of 29 CFR Ch XVII, \$1910.179(6). and \$1926.550(8).
- 3. That at the time of Plaintiff's injuries, said crane was not being operated by a licensed crane engineer, in violation of 50-76-100 et seq., M.C.A.
- 4. That as a result of the forgoing violations, the Defendant was negligent per se in causing Plaintiff's injuries.

COUNT IV

- 1. In the alternative, the Defendant has a duty to provide a reasonably safe workplace and reasonably safe tools and appliances pursuant to 50-71-201, M.C.A.
- 2. The Defendant failed to provide the Plaintiff with a reasonably safe place to work.
- 3. Further, the Defendant failed to provide the Plaintiff with reasonably safe tools and appliances.
- 4. That as a result of the foregoing, the Plaintiff has suffered severe, permanent physical injuries and has suffered general and special damages in an amount to be determined by a jury.

WHEREFORE, Plaintiff respectfully prays as follows:

- 1. That Plaintiff be awarded general and special damages in an amount to be determined by a jury;
- 2. That Plaintiff be awarded punitive damages in an amount to be determined by a jury;
- 3. Plaintiff be awarded all costs and expenses incurred in bringing this action allowed by law;
- 4. Any such other further relief that this Court deems just and equitable.

PLAINTIFF DEMANDS TRIAL BY JURY

DATED this 5^{th} day of October, 2000. SKORHEIM LAW OFFICE

Randall O. Skorbeim

CERTIFICATE OF SERVICE

I, hereby certify that a true and correct copy of the <u>FOURTH AMENDED COMPLAINT AND</u>

<u>IURY DEMAND</u> was deposited on the <u>5th</u> day of <u>October</u>, 20<u>00</u>, at the Great Falls, Post Office, postage prepaid and directed to the following:

JARDINE, STEPHENSON, BLEWETT & WEAVER, P.C. Robert B. Pfennigs, Attorney at Law P.O. Box 2269 Great Falls, Montana 59403-2269

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<u>STIPULATION</u>

This stipulation made this 13.13 day of November, 2000, by Plaintiff John A. Hubbard of Great Falls, Montana, and Defendant Carl Weissman & Sons, Inc. of Great Falls, Montana.

RECITALS

The parties to this stipulation are currently involved in an action filed in the Montana Eighth Judicial District Court, Cascade County, Cause Number BVD-90-067 entitled <u>John A. Hubbard v. Carl Weissman & Sons. Inc.</u> Trial of the cause is currently scheduled to begin before the aforementioned court on January 8, 2001.

The claim being made against Carl Weissman & Sons, Inc. by John A. Hubbard arises as the result of an accident occurring on or about January 22, 1987, when during the course and scope of his employment with Carl Weissman & Sons, Inc., John A. Hubbard's arm became entangled in the gears of a crane, causing him to suffer serious bodily injury.

On January 22, 1987, the date of the aforementioned accident, Carl Weissman & Sons, Inc., was insured under a comprehensive general liability policy issued by The Home Insurance Company as policy number GL-1 48 82 51. Carl Weissman & Sons, Inc. is unaware of any other insurance policies that may be applicable to the claims made by John A. Hubbard in Cause No. BDV-90-067.

Carl Weissman and Sons, Inc. has informed John A. Hubbard that The Home Insurance Company has refused numerous times to defend or agree to indemnify Carl Weissman & Sons, Inc. for the claims made against it by John A. Hubbard.

Carl Weissman & Sons, Inc. has confessed its liability for the injuries suffered by John A. Hubbard in the aforementioned cause by a separate document that will be filed with the Court in this matter. The purpose of the confession of liability, as well as this stipulation is to avoid any personal or corporate liabilities to all of the parties identified herein that may be occasioned by The Home

EXHIBIT F

Insurance Company's refusal to either indemnify or defend its insured in the above described civil on. The parties that are specifically included in this stipulation as those protected from personal and corporate liability by this stipulation, as well as the covenant not to execute, are those identified in the Named Insured Endorsement of policy number GL-1 48 82 51 to wit: Carl Weissman and Sons, Inc., National General Supply, Inc., Northwest Fence Products, Co., North Warehouse Distributors, Inc., Three W's, Inc., Two Eighteen Corporation, Third Avenue Corporation, Steel Warehouse Corporation, Montana Compressed Steel Corporation, Maurice and Leonard Weissman, DBA: The Three W's, a partnership, Carl Weissman and Sons, Inc., DBA: Weissman Cocess Store, Northwest Fence Erectors Company, Leonard B. Weissman, Maurice B. Weissman, Jerrold A. Weissman, as well as the officers, directors, stockholders, employees and agents of any of the aforementioned persons and/or entities. A copy of the confession of liability that has been entered into by the parties is attached to this stipulation as Exhibit A and is incorporated by reference.

In consideration of the foregoing recitals, the parties stipulate and agree as follows:

CONFESSION OF LIABILITY

Carl Weissman & Sons, Inc. confesses liability for the injures suffered by John A. Hubbard and agrees to sign a Confession of Liability for the matters set forth in Plaintiff's Fourth Amended Complaint. A copy of Plaintiff's Fourth Amended Complaint is is attached as Exhibit B and by reference incorporated.

ASSIGNMENT

Carl Weissman and Sons, Inc., for value received, hereby agrees to and does assign and setover to John A. Hubbard, his heirs, personal representatives, administrators, successors and assigns, all rights, claims, demands or causes of action it may have against The Home Insurance Company for judicially it has to John A. Hubbard through policy number GL-1 48 82 51. This assignment includes all

claims arising as a result of the matters to which Carl Weissman & Sons, Inc. has confessed liability, as

"I as any claims arising as a result of breach of contract, bad faith, violations of MCA; 33-18-242 or
any other claim arising by reason of The Home Insurance Company's refusal to provide a legal defense
to Carl Weissman & Sons, Inc. as required by its policy, as well as any claims arising as a result of The
Home Insurance Company's refusal to provide liability coverage for the claims of John A. Hubbard.
However, Carl Weissman & Sons, Inc. specifically retains any rights to coverage it may be entitled to
under its policy for all covered losses which may arise or exist other than the claims made by John A.
Hubbard for which Carl Weissman & Sons, Inc. has confessed liability.

COOPERATION

Carl Weissman & Sons, Inc. agrees to cooperate with John A. Hubbard, as requested, in all further litigation of this matter, including, but not limited to, providing affidavits, testifying by deposition or testifying at trial. Carl Weissman & Sons, Inc.'s promise of cooperation is procedural in pe, and this agreement only requires that it respond in a truthful manner to any issues that it is asked to address.

COVENANT NOT TO LEVY EXECUTION

In consideration of the confession of liability and assignment of rights made herein by Carl Weissman & Sons, Inc., as well as the payment of \$100.00 by Carl Weissman & Sons, Inc. to John A. Hubbard, as well as other good and valuable consideration, the receipt of which is hereby acknowledged, John A. Hubbard, on behalf of himself, his heirs, executors, and assigns, agrees that he will not individually, jointly or otherwise levy an execution on or in any manner seek at anytime to attach, encumber or otherwise seek to collect or enforce any judgment that he might receive in Cause No. BDV-90-067, or any part thereof, against the assets, property or income of Carl Weissman & Sons, Inc., National General Supply, Inc., Northwest Fence Products, Co., North Warehouse Distributors,

Inc., Three W's, Inc., Two Eighteen Corporation, Third Avenue Corporation, Steel Warehouse poration, Montana Compressed Steel Corporation, Maurice and Leonard Weissman, DBA: The Three W's, a partnership, Carl Weissman and Sons, Inc., DBA: Weissman Cocess Store, Northwest Fence Erectors Company, Leonard B. Weissman, Maurice B. Weissman, Jerrold A. Weissman, as well as the officers, directors, stockholders, employees and agents of any of the aforementioned persons and/or entities.

Nothing in this covenant shall be construed as restricting in any matter John A. Hubbard's right to pursue an action to recover the amount due upon any judgment entered in this action against The Home Insurance Company based upon the assignment set forth herein.

RESERVATION OF RIGHTS

This Assignment, in particular John A. Hubbard's covenant not to levy or in any other manner seek to enforce any judgment entered in this action against all parties identified herein is not intended a shall not be construed to release The Home Insurance Company from liability to Carl Weissman & Sons, Inc. or from liability to John A. Hubbard as an assignee for the negligence, and/or intentional conduct as well as any other claim, including claims for breach of contract, bad faith and/or breach of the Unfair Claims Practices Act against The Home Insurance Company, or any other appropriate party.

AGREEMENT TO INDEMNIFY

In the event that The Home Insurance Company, or any other party against whom John A. Hubbard seeks to enforce the rights granted by this stipulation, should attempt to bring a claim arising out of policy number GL-1 48 82 51, or the defense or settlement of Cause No. BDV-90-067 against Carl Weissman & Sons, Inc., John A. Hubbard agrees and covenants that he will defend all such claims, and that he will indemnify and hold harmless Carl Weissman & Sons, Inc., as well as the other services identified herein, subject to the right of John A. Hubbard to seek reimbursement from The

Home Insurance Company for any defense costs and any sums paid pursuant to this Indemnity and ld Harmless Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and scal on the day and year first written above.

John A. Hubbard John A. HUBBARD

SUBSCRIBED AND SWORN TO before me this 10 day of November, 2000.

(NOTARIAL SEAL)

NOTABY PUBLIC for the State of Montana
Residing at Chauthu County Montana
My commission expires: Man 12 2003

Approved by:

RANDALL O. SKORHEIM

MICHAEL B. TRAMELLI

CARL WEISSMAN & SONS, INC.

By Hull Jemman
Its President

SUBSCRIBED AND SWORN TO before me this 13 day of November, 2000.

(NOTARIAL SEAL)

NOTARY PUBLIC for the State of Montana
Residing at Montana
My commission expires: 16/15, 200 2

Approved by:

ROBERT B. DEENNICS

Robert B. Pfennigs
Brian L. Taylor
JARDINE, STEPHENSON, BLEWETT & WEAVER, P.C.
300 Central Avenue
Seventh Floor, U. S. Bank Building
P. O. Box 2269
Great Falls, MT 59403
Telephone: (406) 727-5000

Attorneys for Defendant

MONTANA EIGHTH JUDICIAL DISTRICT COURT, CASCADE COUNTY

JOHN A. HUBBARD,

Plaintiff,

v.

CAUSE NO. BDV-90-067

CARL WEISSMAN & SONS, INC.

Defendant.

CONFESSION OF LIABILITY

COMES NOW the Defendant, Carl Weissman & Sons, Inc., (CWS) the Defendant in the above-captioned matter, and confesses its liability to Plaintiff John Hubbard for those claims made against it in Plaintiff's Fourth Amended Complaint.



DATED this <u>/3¹⁴</u> day of November, 2000.

CARL WEISSMAN & SONS, INC.

Ite President

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing CONFESSION OF LIABILITY was served upon the person named below by mailing, hand-delivery, Federal Express, or by telecopying to him a true and correct copy of said document:

[X] U.S. Mail

[] Federal Express

[] Hand-delivery

[]Fax

Michael R. Tramelli Attorney at Law 201 Galleria Building 104 Second Street South Great Falls MT 59401-3645

Randall O. Skorheim 121 4th Street North, #2G P. O. Box 401 Great Falls, MT 59401-0401

DATED this _/3¹ day of November, 2000.

By Allet B. Plungi

MONTANA EIGHTH JUDICIAL DIS	STRICT COURT, CASCADE COUNTY
JOHN A. HUBBARD, Plaintiff,	,
vs.	CAUSE NO.: BVD-90-067
CARL WEISSMAN & SONS INC., ' Defendant.	
JUDGEMENT	AND ORDER
	Defendant on November 13, 2000. d at a hearing on damages herein, the Defendant is 389,000.00 in damages in the above entitled matter.
Further, interest shall accrue at the statutory rate of	f 10% from the date of this judgement.
The Clerk shall enter this judgement forthw	ith.
DATED this <u>AC'</u> day of <u>AUC'</u> , 2	0 <u>00</u> .
MARGE INHISON	
District Judge	

cc: Randall O. Skorheim Michael Tramelli Robert Pfennigs