

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 217-2003-EQ-00106

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

**AFFIDAVIT OF PETER A. BENGELSDORF, SPECIAL DEPUTY
LIQUIDATOR, IN SUPPORT OF MOTION FOR APPROVAL OF
SETTLEMENT AGREEMENT WITH RAMP DRY CLEANERS, INC.**

I, Peter A. Bengelsdorf, hereby depose and say:

1. I was appointed Special Deputy Liquidator of the Home Insurance Company (“Home”) by the Insurance Commissioner of the State of New Hampshire, as Liquidator (“Liquidator”) of Home. I submit this affidavit in support of the Liquidator’s Motion for Approval of Settlement Agreement with Ramp Dry Cleaners, Inc. The facts and information set forth are either within my own knowledge gained through my involvement with this matter, in which case I confirm that they are true, or are based on information provided to me by others, in which case they are true to the best of my knowledge, information, and belief.

2. The motion seeks approval for the Settlement Agreement and Mutual Release (“Settlement Agreement”) between Ramp Dry Cleaners, Inc., a dissolved New Jersey corporation acting through its attorney, Lee Henig-Elona, Esq, (“Claimant” or “Ramp”), and the Liquidator. The Settlement Agreement was negotiated under my supervision. A copy of the Settlement Agreement is attached as Exhibit A to the Liquidator’s motion.

3. Home issued a policy under which Ramp Dry Cleaners, Inc. is the named insured for the period October 1, 1979 to October 1, 1981 which, together with all other insurance policies Home may have issued to Ramp Dry Cleaners, Inc. are referred to collectively as the

“Policies”. Settlement Agreement, second Whereas clause. Claimant submitted a proof of claim in the Home liquidation asserting coverage in connection with liability arising out of environmental contamination at a site in East Windsor, New Jersey (“Site”), which, together with any other proofs of claim hereinbefore or hereinafter filed by Claimant in the Home liquidation, are referred to collectively as the “Proofs of Claim”. Id., fourth Whereas clause.

4. Coverage litigation concerning the Site is pending in the Superior Court of New Jersey involving, among others, Ramp and the New Jersey Property-Liability Insurance Guaranty Association (“NJPLIGA”). Settlement Agreement, seventh Whereas clause. A Case Management Order in the Coverage Litigation dated July 17, 2020 ordered that Ms. Henig-Elona is authorized to continue to represent the interests of Ramp, whatever they may be, and has discretion and authority to negotiate all agreements, contracts and claims asserted by or against Ramp by way of mediation and/or settlement. Id., eighth Whereas clause.

5. Ramp (by Ms. Henig-Elona) sought coverage from NJPLIGA with respect to the Home Policies, and in July 2020 Ramp and NJPLIGA entered a settlement agreement respecting the Policies and the Site (“NJPLIGA Settlement Agreement”). Settlement Agreement, fifth and ninth Whereas clauses. Under the NJPLIGA Settlement Agreement, NJPLIGA is to pay Ramp \$242,154.59, representing the unexhausted balance of the total in \$600,000 in statutory caps on NJPLIGA’s obligation respecting the Site under the Policies after an earlier payment of \$357,845.41. Id., ninth Whereas clause.

6. The Liquidator and the Claimant have now negotiated the Settlement Agreement reflecting a resolution of all matters concerning the Proofs of Claim and their rights and obligations with respect to the Policies. The Settlement Agreement is subject to approval by the Court. Settlement Agreement ¶ 1. It is also subject to entry of an order from the New Jersey Court in the Coverage Litigation dismissing all claims against NJPLIGA with prejudice. Id.

7. The Settlement Agreement provides that the Liquidator will recommend allowance of the Proofs of Claim in two parts. The first is an allowance in the amount of \$333,602.53 (the “First Recommended Amount”) as a Class II priority claim under RSA 402-C:44. Settlement Agreement ¶ 2(A). This represents the unexhausted balance of the total \$1,000,000 in limits under the Policies respecting the Site after deduction of the \$600,000 paid or to be paid by NJPLIGA and the \$66,397.47 that Home paid prior to liquidation. The second is an allowance in the amount of \$20,000 (the “Second Recommended Amount”) as a Class II priority claim under RSA 402-C:44 respecting defense costs incurred or to be incurred by Ramp in defending against claims related to the Site. Id.

8. Allowance of the \$353,602.53 total of the First Recommended Amount (when allowed, the “First Allowed Amount”) and the Second Recommended Amount (when allowed, the “Second Allowed Amount”) as a Class II claim will fully and finally resolve the Proofs of Claim and all claims the Claimant has under the Policies. Settlement Agreement ¶ 2(B). Distributions based on those allowances will be made at the same intervals and at the same percentages as distributions to other Class II creditors of Home. Id. ¶ 2(C). The Claimant agrees that all distributions on the First Allowed Amount are to be used solely for the purposes of environmental investigation and remediation at the Site. Id., ¶ 2(D).

9. The Settlement Agreement is intended to resolve the Proofs of Claim and all claims that the Claimant has under the Policies. Settlement Agreement ¶ 2(B). To that end, the Settlement Agreement provides for mutual releases of all claims among the Liquidator, Home, and the Claimant arising from or related to the Proofs of Claim or the Policies. Id. ¶¶ 3, 4.

10. In resolving all of the Claimant’s claims relating to the Proofs of Claim and the Policies, the Settlement Agreement is intended to resolve all matters arising out of or relating to any rights the Claimant ever had, now has, or hereafter may have in the Policies and the Proofs

of Claim, including any asserted rights of third-party claimants against the Claimant under the Policies. Settlement Agreement ¶ 5. Because the Claimant is a dissolved company, the Settlement Agreement does not include the usual provisions concerning third party claimants and indemnity. However, the Liquidator is not aware of any third party claimants asserting claims under the Policies. Further, the Settlement Agreement exhausts the Policies and requires that distributions on the First Allowed Amount be devoted to investigation and remediation at the Site. Settlement Agreement ¶ 2(A), (D). It also contains the usual provision providing that the Claimant will use reasonable commercial efforts to cause any future settlement agreements with other insurance companies to include waivers of claims against Home regarding matters covered by the Proofs of Claim, in which case the Liquidator waives such claims against those insurers for such matters. Id. ¶ 7.

11. The Liquidator is not aware of any claim in the Home liquidation asserting a claim subject to the same limit in the Policies as the claim resolved by the Settlement Agreement.¹ However, if a claim of another claimant is subject to the same limit as the claims resolved by the Settlement Agreement, and if the total allowed amounts for all claimants exceed the limit, then the allowed amounts for all claimants will be subject to adjustment under RSA 402-C:40, IV, so that the policy limit will not be exceeded. See Settlement Agreement ¶ 6.

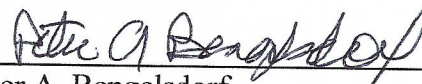
12. The Settlement Agreement reflects a compromise of the claims asserted in the Proofs of Claim. It is the result of negotiations involving the Claims Department, under my supervision, which has extensive experience in assessing the exposure presented by claims under Home's insurance policies. The agreed settlement amount is based on careful evaluation and negotiation of coverage obligations under the Policies respecting the underlying liabilities of the

¹ NJPLIGA has submitted a claim for the amount of its payments to Ramp under the Home Policies. NJPLIGA's payments are accounted for in the Settlement Agreement. An insurer also filed a contribution claim respecting Ramp. That claim was denied, and the denial was approved by the Court on October 16, 2016.

Claimant. The Liquidator accordingly recommends approval of the Settlement Agreement and allowance of the Recommended Amount of \$353,602.53 (consisting of the First Recommended Amount of \$333,602.53 and the Second Recommended Amount of \$20,000) as a Class II claim of Claimant in accordance with RSA 402-C:45 and RSA 402-C:44.

13. I believe that the Settlement Agreement is fair and reasonable and in the best interests of the policyholders and creditors of Home.

Signed under the penalties of perjury this 22 day of September, 2020.



Peter A. Bengelsdorf
Special Deputy Liquidator of The Home Insurance
Company

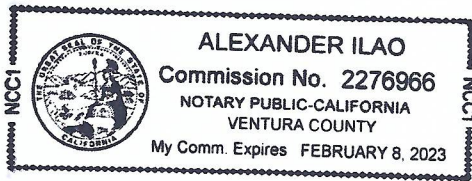
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA
COUNTY OF VENTURA

On Sept 22, 2020, 2020 before me, Alexander Ilao, Notary Public, personally appeared Peter A. Bengelsdorf, Special Deputy Liquidator of The Home Insurance Company, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Alexander Ilao
Signature of Notary Public