

Amy Eddy, District Judge
Department No. 1
Flathead County Justice Center
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IN THE ASBESTOS CLAIMS COURT OF THE STATE OF MONTANA
MONTANA TWENTY-THIRD JUDICIAL DISTRICT COURT

<p>TRAVIS W. HALL, Plaintiff, vs. ROBINSON INSULATION COMPANY, a Montana Corporation for profit; GROGAN ROBINSON LUMBER COMPANY, a Montana Corporation for profit; and DOES A-Z, Defendants.</p>	<p>CAUSE NO. DV-57-2011-083-AE</p> <p>Venue: Eight Judicial District, Cascade County</p> <p>JUDGMENT AND ORDER APPROVING SETTLEMENT (Robinson Insulation Receivership)</p>
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Kelly O'Brien, as Receiver for Robinson Insulation Company and Grogan-Robinson Lumber Company ("Robinson"), and Allan McGarvey and Mark Kovacich, on behalf of certain Libby Plaintiffs, have jointly filed a motion (the "Motion") asking this Court to authorize the Receiver's settlement of the insurance coverage claims with Farmers Insurance Exchange ("Farmers").

The court has reviewed the following documentation attached to the Motion and makes these findings based thereon:

- (a) Exhibit B is a copy of the Settlement Agreement between Robinson and Farmers, which the Court finds to exhaust the limits of liability coverages in the policies settled thereby.
- (b) Exhibit C is an affidavit of Allan McGarvey, attorney for hundreds of Libby asbestos claimants. It establishes, and the court finds, that (i) the Agreement was reached following extensive efforts to identify insurance policies potentially providing coverage for claims against Robinson; (ii) despite reasonable efforts, certain policies and /or declaration sheets, endorsements, and forms for several policies could not be located; (iii) secondary evidence of coverages provided by certain policies was

located but was also incomplete; (iv) extensive analysis and negotiation was pursued to reach agreement on the coverages provable and the meanings thereof; and (vi) counsel for all known individuals with claims against Robinson are satisfied that the Agreement exhausts the maximum available coverage under the settled policies.

The court concludes as follows:

- (A) This Court's March 23, 2018 Order (the "Order") creating the receivership granted authority for the Receiver to make demands that the insurers settle claims against Robinson (Order ¶1(c)). The Order, at Order ¶2 (a),(b) requires that the Receiver obtain this Court's approval of "specific proposals" for settlement.
- (B) The proposed settlement entered into by the Receiver and Farmers is appropriately made subject to this Court's approval.
- (C) The settlement is in the best interests of the Robinson and Grogan receivership estates because it is a fair and reasonable compromise of disputed insurance coverage issues.
- (D) The compromise embodied in the Agreement allows the Receiver to liquidate Robinson's insurance coverage for distribution to persons asserting claims against Robinson, subject to terms of the QSF Trust and the associated Trust Distribution Procedures that fairly and equitably distribute the insurance settlement proceeds to those claimants against Robinson.
- (E) The Agreement provides, at section 3.2, that Farmers shall pay the settlement amount into the Qualified Settlement Fund ("QSF"), and that the Receiver shall not distribute any funds from the QSF except as authorized by this court.
- (F) The Receiver has provided due and adequate notice of the Motion, the deadline to object to the Motion, the Agreement, and the subject matter thereof to all persons known to have asserted Asbestos Claims (as defined in the Agreement) against either Robinson or Grogan. In addition, to ensure the broadest notice possible, the Receiver and Farmers have published notice of the (i) Motion, (ii) the hearing on the Motion, and (iii) the Agreement in *USA Today*, *The Western News*, *Kalispell Daily Interlake*, *Missoulian*, *Great Falls Tribune*, and *Helena Independent Record* on _____, in the *Billings Gazette* on _____, and in the *Sanders County Ledger* on _____. Such notice, including the aforesaid notice by publication, was good and sufficient under the particular circumstances to provide adequate and appropriate notice to both known and unknown Asbestos Claimants, and no other or further notice is or shall be required. Accordingly, a reasonable opportunity to object or be heard with respect to the Motion and relief requested herein has been

properly afforded to all persons and entities potentially affected by the Agreement.

- (G) The relief sought in the Motion is in the best interests of the Robinson and Grogan receivership estates and the Asbestos Claimants. The Receiver has demonstrated good, sufficient, and sound business purposes and justifications for the relief requested in the Motion. The compromise and settlement with Farmers embodied in the Agreement is consistent with and within the reasonable range of litigation outcomes if the Receiver were to litigate the matters resolved pursuant to this Order.
- (H) The compromises contained in the Agreement are a valid and proper exercise of the reasonable business judgment of the Receiver and represent an exchange for reasonably equivalent value. The releases to be given by the Receiver pursuant to Section 5 of the Agreement are appropriate and should be approved. Farmers would likely not have entered into the Agreement or any of the compromises and settlements contained therein, or agreed to pay their respective Settlement Amounts, without the benefit of obtaining the releases contained in the Settlement Agreement and the Injunctions contained in this Order.
- (I) This court has inherent equitable authority sufficient to permit it to enter the injunctions contained in Sections 4 and 5 of this Order (the “Injunctions”). The Injunctions are essential to give effect to the settlements and compromises set forth in the Agreement and to fulfill the purposes of both the Robinson and Grogan receiverships. Farmers has asserted that the Injunctions are a necessary prerequisite for entry into the Settlement Agreement, and Farmers have informed the Receiver that they will not consummate the settlements and compromises set forth in the Agreement, or pay the Settlement Amounts, in the absence of the Injunction.

Wherefore, IT IS HEREBY ORDERED and ADJUDGED:

- (1) The Motion is granted.
- (2) The Agreement settling and releasing the insurance coverage claims of Kelly O’Brien, as court-appointed Receiver for Robinson, against Farmers is hereby fully and finally approved.
- (3) Settlement proceeds shall be paid to the Receiver and transferred to the Qualified Settlement Fund Trust to distribute the settlement proceeds to Asbestos Claimants.

- (4) Pursuant to the Court's inherent equitable authority, (a) all Persons who hold or assert, or may in the future hold or assert, any Claim against Robinson Insulation Company, Grogan Robinson Lumber Company, the Robinson Brothers, Robinson Brothers Co., arising in connection with any of their respective business operations, including but not limited to, any activities covered by the Policies, or in connection with the activities of Robinson Insulation Company, Grogan Robinson Lumber Company, the Robinson Brothers, or Robinson Brothers Co. giving rise to the Claims that have been made or that could be made under the Policies, and (b) all Persons who may claim to be an insured, additional insured, or otherwise entitled to any benefit under the Policies, are permanently stayed, barred, restrained, and enjoined (a) from asserting against Farmers any recovery under such Claim or right to entitlement, (b) from commencing a proceeding against Farmers, or taking any other action for the purpose of obtaining any recovery or other relief from Farmers based on, under, arising out of, related or attributable to, and/or in connection with the Settled Policies.
- (5) All claims for contribution, allocation, subrogation, and equitable indemnity, or similar claims, by or against Farmers or its reinsurers based on, under, arising out of, related or attributable to, and/or in connection with the Settled Policies, whether by parties appearing before the Asbestos Claims Court or not, are hereby BARRED pursuant to the Court's inherent equitable authority. All Contribution Claims by or against Farmers or its reinsurers based on, under, arising out of, related or attributable to, and/or in connection with the Settled Policies shall be channeled to the QSF Trust established to hold the Settlement Amount paid by Farmers or to any Trust to which the funds in the QSF Trust are transferred following an order by this Court authorizing such transfer.
- (6) This is a final order and judgment for purposes of appeal under Rule 4(1)(a) of the Montana Rules of Appellate Procedure.

DATED AND ELECTRONICALLY SIGNED AS NOTED BELOW.