



January 15, 2021

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Dear Environment and Natural Resources Committee Chairs and Minority Leads:

As required by the Laws of Minnesota 2019, 1st Spec. Sess. chap. 4, article 1, section 2, subd. 10, the enclosed report – Dry Cleaner Cost Recovery Insurance Assessment - assesses the possibility of recovering environmental response costs from insurance held by dry cleaning facilities. This report presents the results of the assessment, including a comprehensive investigation into old insurance policies held by dry cleaners, the likelihood of successful recovery of cleanup costs, and the steps required if recovery of cleanup costs is pursued.

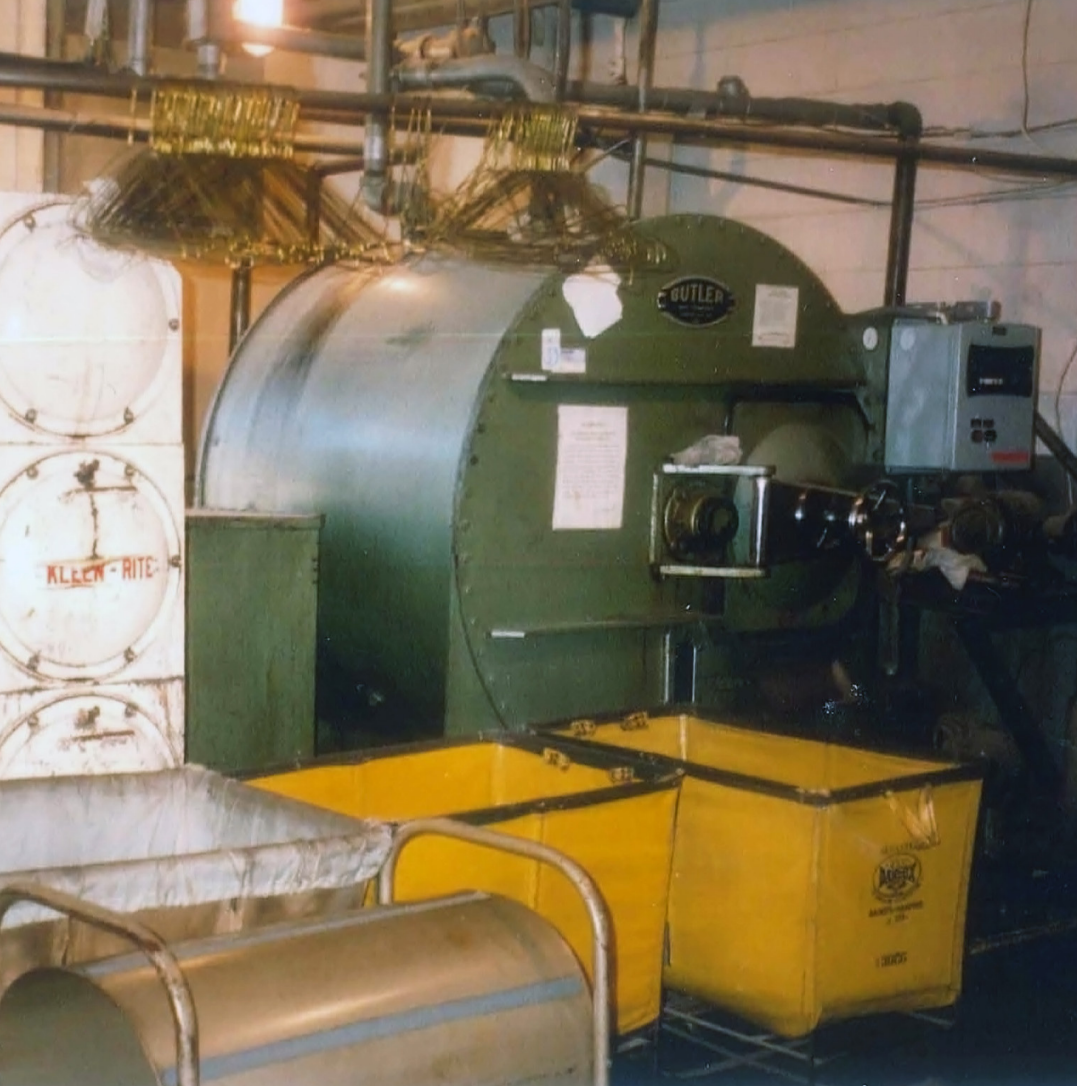
Please let me know if you have questions or would like more information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Greta Gauthier'.

Greta Gauthier
Assistant Commissioner for Legislative and Intergovernmental Relations
Commissioner's Office

GG/JH:cbg



REPORT TO THE LEGISLATURE

JANUARY 2021

Dry cleaner cost recovery insurance assessment



Legislative charge

Laws of Minnesota 2019, 1st Spec. Sess. chap. 4, article 1, section 2, subd. 10.

Report to the Legislature

In 2019 the Minnesota Legislature transferred \$600,000 from the Minnesota Pollution Control Agency's (MPCA) Remediation Fund to be used for preparing a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources finance that includes an assessment of the possibility of recovering environmental response costs from insurance held by dry cleaning facilities. This report presents the results of the assessment, including a comprehensive investigation into old insurance policies held by drycleaners, the likelihood of successful recovery of cleanup costs, and the steps required if recovery of cleanup costs is pursued. This report is due to the legislature by January 15, 2021.

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Cover photo 2: MPCA photo

Minnesota Pollution Control Agency

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Foreword

This report is submitted to the Minnesota Legislature under requirement of Laws of Minnesota 2019, 1st Spec. Sess. chap. 4, article 1, section 2, subd. 10.

With the establishment of Dry Cleaner Environmental Response and Reimbursement Account (Dry Cleaner Account) by the Minnesota Legislature in 1995, dry cleaners shifted from individually bearing the cost of cleanup to collectively sharing the cost. Minnesota Statutes, section 115B.49, require that registration and solvent fees generate an annual income to the account of \$650,000. These fees are placed in the Account and are used to reimburse dry cleaner owners or operators for eligible cleanup expenses over \$10,000. The MPCA reviews reimbursement requests, determines reasonable costs and approves reimbursements, annually adjusts registration and solvent fees, develops policy and proposes statutory changes. Since establishment of the Dry Cleaner Account, 77 facilities have received approximately \$15 million in full or partial reimbursement.

Reimbursement wait times have increased, however, due to insufficient fee income to the Dry Cleaner Account combined with increased cleanup costs at dry cleaner sites.

Revenue shortfall

Back in 1995, Minnesota reportedly had over 300 dry cleaning facilities. In 2019 however, only 86 dry cleaners paid the registration fee. The closure of many dry cleaning locations, as well as the dry cleaning industry's shift from many small dry cleaning facilities to fewer central dry cleaning facilities serving multiple drop-offs, appear to be responsible for the decline. Collection of the required annual \$650,000 fee income dry cleaners has resulted in steep fee increases for those dry cleaners that remain.

Fees	FY16	FY17	FY18	FY19	FY20	FY21
Registration						
< 5 FTEs	\$1,500	\$1,900	\$2,470	\$3,582	\$3,886	\$4,100
5-10 FTEs	\$3,250	\$4,100	\$5,330	\$7,729	\$8,386	\$8,847
> 10 FTEs	\$6,000	\$7,550	\$9,815	\$14,232	\$15,442	\$16,291
Solvent (per gallon)						
Perchloroethylene	\$19.80	\$19.80	\$29.70	\$43.07	\$46.73	\$49.30
Hydrocarbon-based	\$10.50	\$10.50	\$15.75	\$22.84	\$24.78	\$26.14
Other non-aqueous	\$4.90	\$4.90	\$7.35	\$10.66	\$11.57	\$12.21

Dry cleaner funds in most other states base their registration fees on a percentage of gross sales at dry cleaning facilities and drop-off locations. Minnesota's fee structure, however, relies almost exclusively on registration fees based solely on the number of employees (FTE) at each dry cleaning facility (the location where dry cleaning is performed, aka plants) and does not count other employees of the business (such as those employed at drop-off locations). Because the fee structure is not based on a dry cleaner's revenue, high registration fees fall disproportionately on smaller businesses that cannot afford them.

The Fiscal Year (FY) 2016 amendments to the Dry Cleaner Environmental Response and Reimbursement Law were an effort to begin addressing problems with the Dry Cleaner Account. They directed the MPCA to adopt rules defining reasonable costs and ineligible costs for reimbursement, application requirements and a process to adjust reimbursement rates — the rules, Minnesota Rules 7152, were promulgated in FY18. The rules are somewhat similar to Minnesota's Petrofund rules. However, the Petrofund has provisions that make it strong and financially stable, including a reliable source of funding

and checks on spending. In comparison, the Dry Cleaner Account has an inherently unsustainable fee structure and lacks most checks on spending (other than consultant maximum hourly rates).

Cleanup costs have increased

The cost of cleanup at dry cleaner sites has grown in the past few years, largely due to an increased understanding of risk related to vapor intrusion. Vapor intrusion occurs when chemical vapors migrate from contaminated soil or groundwater into the basements or foundations of buildings. These chemical vapors can degrade indoor air, sometimes to the point of posing risks to human health, necessitating the need for vapor mitigation systems. Perchloroethylene (PCE), a solvent used in dry cleaning, is commonly found at dry cleaner sites, a number of which are located near sensitive populations (schools and day care facilities). Vapor mitigation drives the work at the majority of dry cleaning sites and is expected to continue to do so into the future.

The MPCA implements the Dry Cleaner Account Law but is not appropriated money from Dry Cleaner Account fees to cover administrative costs. The Department of Revenue assesses and collects fees and is appropriated \$32,500 annually to cover their administrative costs.

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Executive summary

The Dry Cleaner Account was created over 25 years ago and has been struggling financially for some time. In an effort to find an additional source of funding, the Minnesota Legislature directed the MPCA to investigate the possibility of using old insurance policies to pay for dry cleaner cleanup costs.

A legal review of the Dry Cleaner Account law was performed to better understand the State's authority to pursue insurance recovery under current law. A comparison was then made with the more extensive insurance recovery provisions in the Landfill Cleanup Act (LCA). Practical considerations for the use of the LCA as a model for the DCA were looked at, most notably that dry cleaners and landfills are very different industries, and that insurance recovery was made much more difficult with the addition of pollution exclusions beginning in 1973.

MPCA conducted a review of many dry cleaner site files to gather historical information. Of the sites reviewed, ten dry cleaner sites believed to offer the most likely chance for insurance recovery were selected for insurance archeology investigation conducted by a contractor (PolicyFind). Dry cleaning facility names, years of operation and former owners and operators were identified for each of the ten sites, and insurance policies or the evidence of the existence of insurance policies were obtained.

Of the ten sites investigated, four offered a possible path forward. Serious barriers to cost recovery exist for the other six sites, as well as for most dry cleaner sites in the Brownfields and Superfund programs. Policy and statutory changes that may be helpful to begin to address some of the barriers were identified. Some barriers cannot be overcome, such as the fact that the oldest dry cleaners insurance policies offer the best chance of cost recovery but are difficult to track down, have low policy limits, and that a number of insurers are no longer in business.

Insurance Cost Recovery Assessment

In a search for another source of funding to address the continuing funding shortfall and reimbursement backlog, in 2019 the Minnesota Legislature directed the MPCA to prepare an assessment of the possibility of recovering cleanup costs from insurance held by owners and operators of dry cleaning facilities. A number of questions needed to be answered. Could the LCA be used as a model for recovering cleanup costs from insurance companies? Would it be possible to recover cleanup costs, using the limited insurance recovery language currently in the Dry Cleaner Account law, or are changes to the law required in order to move forward?

Legal considerations

The LCA is not a good model for the dry cleaning industry. The Dry Cleaner Account law retains a relatively undeveloped statutory scheme for insurance recovery. It lacks a robust cost-recovery process, has been underutilized and has not been tested in court. In contrast, the LCA has a much more developed statutory structure and history behind its insurance recovery scheme.

The MPCA undertook an assessment of statutory insurance recovery provisions in the LCA, and compared them with those in the Dry Cleaner Account law. The Dry Cleaner Account is similar to the LCA in that it allows the State to recover the MPCA's cleanup expenditures from the owners and operators of dry cleaning facilities and potentially their insurers. This would occur when a viable dry cleaner owner or operator refuses to do the required cleanup work and the MPCA must do it to protect human health and the environment. Minn. Stat. § 115B.50, subd. (1)(b). It also allows the MPCA to recover its reimbursement to an operator from the operator's insurance carrier.

But the Dry Cleaner Account is very different from the LCA in the scope of applicable statutory authority (which is comparably minimal), the amount of litigation (which does not appear to exist), and court decisions determining its constitutionality and/or applicability (none). Additionally, the Dry Cleaner Account never contained any sort of preliminary buyout program, was not the subject of any mandated study by the Attorney General, and has never been amended to provide for insurance recovery procedures along the lines of the LCA (see Minn. Stat. §§ 115B.441-445). The Dry Cleaner Account statute's insurance-related provisions are:

Minn. Stat. 115B.50, subd. 1 (underline added)

(b)The commissioner may not seek recovery against a current or former owner or operator of a dry cleaning facility of any environmental response costs in excess of \$10,000, incurred by the commissioner at the facility except:

- (1) to the extent of insurance coverage, in excess of \$10,000, held by the owner or operator, or
- (2) as provided in Section 115B.51.

If the commissioner seeks recovery of environmental response costs against an owner or operator pursuant to this paragraph, the owner or operator shall act as directed by the commissioner to assert any rights of the owner or operator to any insurance coverage, applicable to those costs and, if coverage is denied, to assign those rights to the commissioner.

And Minn. Stat. 115B.50, subd. 2 (underline added):

Response actions by owners or operators; reimbursement.

(a) At the request of the owner or operator of a dry cleaning facility who takes response actions at the facility in accordance with a response action plan approved by the commissioner, the commissioner shall reimburse the owner or operator for all but \$10,000 of the environmental response costs incurred by the owner or operator if the commissioner determines that the costs are reasonable and were actually incurred. If a request for reimbursement is denied, the owner or operator may appeal the decision as a contested case under chapter 14.

(b) If the commissioner reimburses an owner or operator for environmental response costs under this subdivision for which the owner or operator has insurance coverage, the commissioner is subrogated to the rights of the owner or operator with respect to that insurance coverage to the extent of the reimbursement. Acceptance of reimbursement under this subdivision constitutes an assignment by the owner or operator with respect to any insurance coverage applicable to the costs that are reimbursed.

The Dry Cleaner Account's insurance recovery provisions were first enacted in 1995, and although the Dry Cleaner Account chapters have been amended for other reasons in 2004, 2015, and 2016, the statute has never been amended to provide the extensive and detailed provisions for cost recovery from insurance companies that the LCA contains. When the Commissioner pays response costs (subdivision 1) or the dry cleaner does the necessary cleanup work and seeks a reimbursement from the Dry Cleaner Account (subdivision 2), the Commissioner can receive an assignment or subrogation rights, respectively. Thus, while less developed than the LCA's statutory framework, the Dry Cleaner Account does already provide for insurance recovery. In the context of reimbursement (subdivision 2), it is important to note that eligibility is unrelated to whether an applicant may have a viable insurance claim.

The LCA is also not a good model for insurance recovery in the dry cleaning industry because of structural differences between the two industries. The dry cleaning industry has historically been comprised of small businesses. Even where the Commissioner is authorized to proceed against a reimbursement recipient's insurance (either by assignment or subrogation), viable coverage needs to be located to file an insurance claim in the first place. As detailed below, there are a number of practical limitations and legal hurdles (especially pollution exclusions) that will conspire to make recovery difficult.

Practical considerations

Dry cleaners are not like landfills

At dry cleaner sites, the owner/operator is responsible for paying cleanup costs because contamination resulted from their actions—chemicals were released, generally due to dumping or failing to contain them. The release of chemicals was not the result of their customers' actions. Therefore, consistent with the underlying Superfund principle that the "polluter pays," owner/operators of dry cleaner sites are responsible for cleanup.

Additionally, the dry cleaning industry in general, especially individual retail establishments, is generally run by a fragmented set of small business owners. Dry cleaning facilities have historically been small or family-run businesses, making it harder to identify records that would be necessary to find an insurance policy and determine whether it provides coverage. As dry cleaning locations opened and closed over

the decades in a variety of locations, especially strip malls, it can be difficult to determine who was responsible for any given release.

This is a fundamentally different industry than landfills covered by the LCA. For the LCA numerous responsible parties disposed of waste at relatively few landfill sites and it was logical to have all responsible parties cover the cleanup expenses through taxes. In the case of closed landfills, all Minnesotans contributed waste to the landfills, making Minnesotans collectively responsible for contamination caused by landfills. The taxes all of us pay cover the cost of cleanup, and a new tax (later rolled in the Solid Waste Management Tax) was created to help cover the expenses of the Closed Landfill Program (CLP). Landfills are also unlike dry cleaners when it comes to insurance because they were largely owned and operated by large corporations or government agencies, and therefore likely to have insurance, sophisticated record-keeping, and policy limits that allowed the State to pursue historic or legacy coverage pathways. Additionally, when the LCA was implemented in the mid-to-late 1990s, the MPCA was able to pursue cost recovery from relatively recent insurance policies.

Dry cleaners, on the other hand, are often small businesses. If they had insurance at all, they would likely have held standard off-the-shelf Commercial General Liability (CGL) policies. The standard CGL form presents an additional set of limitations on the MPCA's ability to recover from this industry—especially because of the CGL's longstanding pollution exclusions inserted in 1973 (greater detail on this in the next section). In 2020-2021, the MPCA would need to rely on policies that are over 50 years old. Finding records from that long ago, particularly from small businesses, is a difficult task. Often, the dry cleaning business no longer exists, and owners or operators are aged or deceased.

Recovery is much more difficult for CGL policies that have pollution exclusions

Beginning in 1973, CGL policies included a “*qualified pollution exclusion*,” which limits pollution coverage to “sudden and accidental” releases but not gradual releases. And by 1985, the CGL was amended again to include an absolute exclusion on all pollution coverage. Both exclusions present a bar to recovery.

The qualified exclusion in place from 1973-1985 requires a fact-intensive inquiry into the nature of the spill that caused the pollution. The Minnesota Attorney General's Office has litigated this issue in the context of the 1970-1985 qualified pollution exclusion for landfill insurance cases, and taken the position that, while the qualified pollution exclusion can preclude recovery of leaching landfills, it would not preclude coverage where the factual record identifies a specific contaminating event, like a sudden breach of a landfill liner caused by an accidental puncture.

Because of this exclusion, CGL policies issued to dry cleaners between 1973 and 1985 would not provide coverage unless there is some factual record establishing that contamination was the result of a “sudden and accidental” release. For example, in one dry cleaning chemical contamination case, the Minnesota Supreme Court addressed the CGL qualified pollution exclusion, noting that it is the insured's (and also therefore the state's) burden to establish that any occurrence was truly sudden and accidental to recover under the “sudden and accidental” exception to the pollution exclusion. *SCSC Corp. v. Allied Mut. Ins. Co.*, 536 N.W.2d 305, 314 (Minn. 1995), overruled on other grounds by *Bahr v. Boise Cascade Corp.*, 766 N.W.2d 910 (Minn. 2009).

The MPCA's experience confirms that dry cleaners tended to have gradual releases from day-to-day operations (such as when filling tanks, transferring fluids, spilling or sloshing, and receiving new chemicals or shipping spent chemicals). The continuous nature of these releases could exclude coverage. It is possible that any given dry cleaner could have had a “sudden and accidental” event like a tipped-over drum or ruptured hose from 1973-1985, but those occurrences would need to be investigated and identified on a case-by-case basis. And they would be hard to isolate from the pollution caused by daily operations.

By 1985, the insurance industry developed the “*absolute pollution exclusion*.” The absolute pollution exclusion has been upheld by most courts, including in Minnesota, and bars coverage for all releases such as those potentially involved with dry cleaner sites.

Other insurance-related considerations

Occurrence versus claims made. Prior to 1973, occurrence-based policies were common. Coverage under these policies never expires because coverage is activated, or “triggered,” by injury that took place during the policy period. Unfortunately, policies issued to small businesses like dry cleaners issued prior to 1973 typically had low annual policy coverage limits. CGL policies issued to small businesses have migrated to claims-made policies, which apply to when a claim is brought and is unlikely to have a retroactive date covered by a prior occurrence-based policy.

Insolvency. Insurance buyouts, consolidation, and bankruptcies have been commonplace in the last 30 years, especially since occurrence-based policies covering asbestos exposure roiled the insurance industry. Insurance companies with occurrence-based policy coverage that would otherwise apply to dry cleaner sites may not exist or remain solvent.

Riders. Individual riders are a possibility for cost recovery. Like a pollution endorsement, riders are specific endorsements can be added to a policy to provide coverage for a claim that would otherwise be excluded by the standard form. But there is a very low likelihood that any small business dry cleaning operator would have negotiated for one, much less that any insurance company would have issued one to a dry cleaner that requested it.

Manuscript policies. Another possibility is that the insurers could have written manuscript policies, which are specifically tailored to meet the needs of the insured. The existence of a manuscript policy is very unlikely. As small businesses, most dry cleaners bought commercially available standard policies, and those policies used the standard policy forms.

Owned property exclusion. Lastly, CGL policies cover liability to others. They generally have an owned property exclusion, which bars coverage for damage to property owned by an insured, including the property on which the dry cleaning operations were conducted. This means that if there is contamination to soil on-site only, this exclusion would apply and there would be no coverage.

Statute of limitations

MERLA has a six-year statute of limitations, commencing after physical on-site construction of a response action. Minn. Stat. § 115B.11, subd. 2(a). While the statute provides guidance, it does not define when the cause of action accrues. Remedial response actions are defined by MERLA to include those actions consistent with a permanent remedy. Minn. Stat. § 115B.02, subd. 16. Minnesota courts have interpreted causes of action for the recovery of costs as accruing at the time of on-site construction of a “permanent response action.” *Hatch v. Employers Ins. of Wausau*, 644 N.W.2d at 831-837.

When the LCA was first enacted, it suspended the six-year statute of limitations for recovery actions until 2004, giving parties time to work through the specific procedure set forth in Sections 115B.441 through 115B.445. The Dry Cleaner Account, however, contains no analogous tolling provision or procedures. Given that the Dry Cleaner Account has existed for 25 years, there are a number of already-completed permanent response actions that could be subject to the recovery bar.

Ten sites assessed

After determining the legal possibilities and limitations for possible insurance recovery, the MPCA needed to determine if actual dry cleaner sites exhibited the characteristics where an insurance claim might be successful. Ten (10) dry cleaner sites were assessed, chosen because we believed they had the best chance for insurance cost recovery. The ten chosen sites are *not* representative of all dry cleaner sites in the Remediation Program.

We began by taking a broad look at all dry cleaner sites in the Brownfields (aka Voluntary Investigation and Cleanup or VIC) and Superfund Programs, including all sites that have received Dry Cleaner Account reimbursement over the years. From this universe of sites we chose 54 and reviewed each site file, using historical data contained in Phase I reports as the primary source of information. For each site we determined: the years of dry cleaner operation, the likelihood of a living owner-operator, if a specific dry cleaning business responsible for an identified release was known, if multiple dry cleaners operated over time, and if the cleanup costs reimbursed by the Account or expended by the State were substantial. The Superfund Program does not require Phase I investigations, which was a significant hindrance to selecting the ten sites, in that there was not a detailed property ownership or dry cleaner operator history available for many of the sites reviewed.

Additionally, a large number of sites that received Dry Cleaner Account reimbursement in the past had to be excluded from consideration for this assessment. Prior to a change to the Dry Cleaner Account statute in 2016, third parties (such as developers) were eligible for Account reimbursement. While by statute the State can pursue the insurance policies of applicants that received Dry Cleaner Account reimbursement, third parties would not have held insurance policies for properties they did not yet own.

After our contractor, PolicyFind, came onboard, their experience with specific dry cleaning businesses and insurance companies was used to narrow down the site list further. Sites with dry cleaning businesses in operation prior to 1973 were prioritized for assessment because they predate the qualified pollution exclusion in standard CGL policies. Sites where dry cleaning began after 1985 were excluded from the assessment because CGL policies issued in 1985 or later excluded coverage for virtually all environmental contamination. Geographical location was also considered in order to get information about insurance held by dry cleaners located across Minnesota. The final list included eight sites which received reimbursement from the Dry Cleaner Account.

Ten Sites – Table

Site Name	Street Address	City
Falconer's Cleaners & Launderers	1221 E Lake St	Minneapolis
Kraemer's Glen Lake Shopping Center	14625 Excelsior Blvd	Minnetonka
Central Cleaners	601 E Howard St	Hibbing
Shorty Cleaners	121 Chestnut St E	Stillwater
Gold Eagle Cleaners*	1537 East 66th St	Richfield
Winona Groundwater Contamination	Clarks Lane and Gilmore Ave	Winona
Prestige Cleaners	724 98th St W	Bloomington
Colonial Square Shopping Center	1100-1169 E Wayzata Blvd	Wayzata
Hallmark Cleaners- Bloomington	8909 & 8913 Penn Ave S	Bloomington
Peter Pan Cleaners*	120 N 3rd Ave West	Duluth

*Sites that did not receive DCA reimbursement.

After the ten sites were selected, PolicyFind conducted an insurance archeology investigation for each site, including extensive research into public and private repositories. They worked to develop leads to historic CGL policies issued to former business owners and operators and former property owners. Interviews were conducted with living former owners and operators of dry cleaning facilities, and former property owners, to assess if additional policy information was known or could be accessed. Interviews were also conducted to assess the ability and willingness of the insured to file claims with insurers.

This effort resulted in the following information:

- Identification of all dry cleaning facilities and their years of operation;
- Identification of names of all current and former owners and operators of dry cleaning facilities;
- Contact information for all owners and operators of dry cleaning facilities (or their estates);
- Insurance policies held by owners and operators of dry cleaners located and obtained;
- Where insurance policies could not be located, documentation of evidence of the existence of insurance policies was obtained.

Once insurance policies or the evidence of the existence of insurance policies was located, PolicyFind determined:

- Insurers and any successors or assigns;
- If the insurer retained responsibility for the policies;
- Existence of multiple policies;
- Coverage terms;
- Deductible amount;
- Effective dates of policies;
- Umbrella policies;
- Insurance riders;
- Exclusions;
- Any other pertinent information.

Evidence of Workers Compensation coverage was located for each of the ten sites assessed, and the likelihood of a link with CGL insurance determined. Insurers were evaluated, and viable carriers identified.

The feasibility of cost recovery was assessed and potential barriers to cost recovery identified for all ten sites. For sites where the existence of insurance policies was located, potential paths forward to attempt cost recovery were recommended.

Notably, G&K Services operated dry cleaners at three of the sites included in this assessment. Cintas merged with G&K in 2017, acquiring G&K's liabilities as well as its assets. The feasibility of obtaining a global insurance settlement from Cintas' insurers should be evaluated.

Detailed information regarding the insurance archeology investigation is in PolicyFind's Insurance Archeology Investigation, Attachment A.

Barriers to insurance recovery

A number of serious obstacles will need to be addressed prior to attempting pursuit of insurance cost recovery. Some of these can be addressed by implementing the recommended statutory changes in the next section, but others will remain.

The State has limited subrogation rights

The State is subrogated to the insurance rights of a Dry Cleaner Account reimbursement recipient. For example, if XYZ Dry Cleaner received Dry Cleaner Account reimbursement, the State's subrogation rights are limited to pursuing the insurers of XYZ Dry Cleaner. The State cannot pursue the insurers of the property owner that leased to XYZ Dry Cleaner, nor can the State pursue the insurers of any other dry cleaners that operated at the property.

As detailed above, the two pathways for the Commissioner to recover are for its direct response costs (subdivision 1) or for reimbursements to owners and operators (subdivision 2). For recovery of response costs, a policyholder must be located and directed to file a claim with their insurer, and be subsequently denied coverage. Only then can the MPCA direct the policy holder to assign coverage rights to the Commissioner. Minn. Stat. § 115B.51, subd. 1(b).

Oldest dry cleaners insurance policies offer the best chance of cost recovery

Pollution exclusions were added to insurance policies beginning in the early 1970s, so pursuing the insurers of dry cleaners operating prior to that time offers the best, and perhaps the only, chance for cost recovery. This creates significant problems. The owners or operators of dry cleaners operating prior to 1973 may no longer be alive or are now elderly, may not recall the names of insurers, or may not be able or willing to file claims against them. Of potentially even more importance is the fact that older policies have low policy limits, especially as compared to those issued today.

Defunct carriers

An insurer may no longer retain responsibility for policies they issued. A number of insurance companies have been declared insolvent or liquidated, and the deadline to file claims has passed.

Insurance companies archive issues

Once tendered, insurance companies may not be able to locate evidence of coverage issued to the insured within their respective archives. While insurance companies have the duty to defend policyholders, if sufficient evidence of the policy is not produced, the duty to defend is not triggered.

CGL insurance not found for all assessed sites

While the evidence of workers compensation coverage was located for each site, the existence of workers compensation insurance coverage itself does not exclusively prove the existence of CGL. Workers compensation coverage can prove the existence of other coverage parts, such as CGL, only if the coverages were held within the same policy, issued by the same carrier, and procured as part of a

‘package’ policy. While workers compensation information can be a key piece of information when attempting to prove liability coverage, it is possible that workers compensation insurance could have been issued as ‘stand-alone’ coverage.

Recommendations

Submit notices

The MPCA should work jointly with the Department of Commerce (Minnesota’s regulator of the insurance industry) to submit notices to insurance companies associated with policies that cover the following four sites (Dry Cleaner Account reimbursement amounts shown):

- Kraemer’s Glen (John Kraemer) \$177,402
- Shorty Cleaners (John Bourdaghs) \$486,749
- Prestige Cleaners (Kraus Anderson) \$119,672
- Colonial Square (Karen Sornberger and Cory Custer) \$458,675

These four sites provide a starting point to tender notice and see if coverage is available and if the insurance companies will cooperate. Unlike at the other sites assessed, these four had dry cleaners that operated prior to the absolute pollution exclusion, insurance policies or evidence of insurance was located, Dry Cleaner Account reimbursements were made to an owner/operator, and reimbursement amounts were substantial. These four sites are not representative of dry cleaner sites as a whole, but rather offer a possible path forward compared to other dry cleaner sites.

The MPCA will evaluate the responses from insurance companies for these four sites, and evaluate next steps. Based on the time and effort required to pursue these four claims, the MPCA will make a recommendation as to whether it is worthwhile to pursue these and other insurance cost recovery efforts. Unlike the Department of Revenue, no money or FTE is appropriated for the MPCA’s costs for administering the Dry Cleaner Account, and significant staff resources would be needed to move forward with this effort.

Policy changes

The following policy changes are recommended if the State decides to pursue an effort to recover cleanup costs from insurance companies:

- Although the State already has the authority to take action against insurance companies for sites where Dry Cleaner Account reimbursement has occurred, that authority should be made clear to Dry Cleaner Account applicants. An acknowledgement by the applicant’s signature should be added to Dry Cleaner Account reimbursement applications, “I understand that if I receive reimbursement from the Dry Cleaner Account, the Commissioner is subrogated to any insurance coverage that may apply.”
- Phase I investigation reports should include a continuous history of use. This should include the names of owners and years of ownership, year(s) of property occupancy of all historic and current occupants, and information on the historic and current operations conducted at the property, back to the first commercial or industrial use.
 - This may mean using a one or two year interval for review of city directories rather than a longer review interval, which can miss important changes in site use. A shorter review

interval is particularly important for dry cleaner sites because many are located in strip malls, where tenants change frequently.

- Phase I reports should include a chain of title investigation to establish historical use.
- Property deeds should be reviewed to establish ownership.

Statutory changes

If the State decides to pursue an effort to recover cleanup costs from insurance companies beyond the four sites indicated above, the Dry Cleaner Account statute could benefit from a number of amendments:

- Although the Commissioner has subrogation rights for sites that received Dry Cleaner Account reimbursement, it should be expanded to include all potentially-liable parties' insurance coverage, whether they received reimbursement or not.
- Provide that the Commissioner's subrogation rights can also be used for any expenditures from the Remediation Fund.
- Insurance companies should be required to conduct a search upon notice from the Commissioner by specifically empowering the Commissioner to demand information to investigate potential policyholders and identify relevant insurance coverage and insurers.
- The insurance recovery investigation and search powers of Section 115B.444 under the LCA should be adopted to extend to any dry cleaner site.
- Tolling the Statute of Limitations or using some other trigger so that insurance claims do not expire while response actions move forward and insurance investigations take place.
- All amounts paid to the State by an insurer should be deposited into either the Dry Cleaner Account or the Remediation Fund, depending on which fund was used to pay for cleanup at the site.
- In addition to the automatic subrogation rights provided in subdivision 2, provide that the Commissioner may direct Dry Cleaner Account applicants to file claims with their insurance companies and provide documentation.

The above suggested policy and statutory changes are meant to assist the MPCA Commissioner if the State decides to pursue an effort to recover cleanup costs from insurance policies owned by dry cleaner owners and operators that have applied for reimbursement from the Dry Cleaner Account, or from potentially liable parties. The changes would assist the Commissioner in several ways: by supplying the Commissioner with additional information to identify the potential for making an insurance claim, by giving the Commissioner broader authorities to make and recover claims, and by requiring cooperation on the part of Dry Cleaner Account applicants and their insurance companies.

Even with these changes the feasibility of using insurance for cost recovery is in doubt. The recommendations are not able to address all of the barriers identified in the report, some major barriers will still exist. In addition, until responses are received from insurance companies for the four test sites, the potential for successful insurance recovery cannot be determined.

For additional information about the MPCA's Superfund Program or Dry Cleaner Account, please visit www.pca.state.mn.us.

Insurance Archeology Investigation

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State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

December 14, 2020

825 North Capitol Avenue
Indianapolis, Indiana 46204
866.888.7911 | policyfind.com

Overview

On August 14, 2020, PolicyFind received a list of drycleaner sites from the Minnesota Pollution Control Agency (MPCA). PolicyFind performed an analysis of the sites, and a list of ten (10) drycleaner sites was identified for participation within this Insurance Archeology Investigation.

For each site, PolicyFind identified dry cleaning facilities and years of operation, property owners, years of ownership, current owners, former owners, and former operators of dry cleaning facilities. PolicyFind located contact information for owners and operators of dry cleaning facilities and property owners.

PolicyFind conducted Insurance Archeology for each site, to include research of public and private repositories. Insurance Archeologists worked to develop leads to historic general liability policies issued to former business owners and operators and former property owners. Interviews were conducted with living former owners and operators of dry cleaning facilities, and former property owners, to assess if additional policy information was known or could be accessed. Interviews were also conducted to assess the ability and willingness of the Named Insureds to file claims with insurers.

Once evidence of the existence of insurance policies was located, PolicyFind reviewed the evidence to determine detailed information including insurers and any successors or assigns, existence of multiple policies, coverage terms, deductible amounts, effective dates of policies, umbrella policies, insurance riders, exclusions, and other pertinent information.

For each site, PolicyFind was able to locate evidence of Workers Compensation coverage during its investigation, which can be a key piece of information when attempting to garner liability coverage data. However, the existence of workers compensation insurance coverage does not prove the existence of General Liability coverage. The acquisition of evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, *only if* the coverages were held within the same policy, issued by the same carrier, as procured as part of a 'package' policy. For sites in which workers compensation coverage was the only evidence of insurance located, during interviews with former owners and operators, PolicyFind was able inquire (and assess) the likelihood of general liability coverage having been procured within a package policy.

Finally, PolicyFind assessed the potential for cost recovery from insurers, and determined if insurers retained responsibility for policies; assessed the ability/willingness for claims to be filed; identified potential barriers to cost recovery; and for sites where the existence of insurance policies was located, recommended potential paths forward to attempt cost recovery.

Overview of Sites – Information Table

Site Name/Address	Interviews Conducted	Willing Participants	Viable Carriers Identified	Post APE Covg/Defunct Carrier	Likely link CGL & Workers Comp	Direct Evidence of CGL Identified
"Falconer's Cleaners & Launderers" 1221/1229 E. Lake St., Minneapolis	R. Vartdal; M. Vaynshteyn	R. Vartdal	Yes	American Universal, Forum	Unknown	No
"Winona Groundwater Contamination" 1405 & 1155 Gilmore Ave, Winona	R. Dison; J. Sievers; D. Leaf; J. Leaf; J. Lehenbauer	R. Dison; D. Leaf	Yes	Home, American Manufacturers, Northwestern National	Unknown	Yes
"Kraemer's Glen Lake Shopping Center" 14731 Excelsior Blvd., Minnetonka	John Kraemer; Nancy Burke	John Kraemer	Yes	Policies provided post 1986 and outlined within assessment	Yes	Yes
"Central Cleaners" 601 E Howard St., Hibbing	B. Husted; D. Neary; D. Anderson	No	Yes	None	Yes	Likely
"Peter Pan Cleaners"; 120 N. 3rd Ave W, Duluth	S. Lichterman/Johnson	S. Lichterman/Johnson	Yes	Berkley Risk	Yes	Likely
"Shorty Cleaners" 121 Chestnut St. E., Stillwater	John Bourdaghs	John Bourdaghs	Yes	Home	Yes	Yes

Site Name/Address	Interviews Conducted	Willing Participants	Viable Carriers Identified	Post APE Covg/Defunct Carrier	Likely link CGL & Workers Comp	Direct Evidence of CGL Identified
"Prestige Cleaners" 724 W. 98th St., Bloomington	Kraus-Anderson	None	Yes	Manufacturers & Merchants, Mutual Service, Home	Unknown	No
"Gold Eagle Cleaners" 1537 E 66th St., Richfield	M. Dahl, Home of T. Warner	None	Yes	Northwestern National	Unknown	No
"Hallmark Cleaners" 8909 Penn Ave S, Bloomington	Robert Levine	Perhaps Mr. Levine	Yes	Manufacturers & Merchants, Mutual Service, Home	Unknown	Yes
"Colonial Square Shopping Center" 1042, 1161, 1163 Wayzata Blvd E, Wayzata	None	None	Yes	Manufacturers & Merchants, Mutual Service, Home, Central Reciprocal Exchange, American Manufacturers American Policyholders	Unknown	Yes

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INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

FALCONER'S CLEANERS & LAUNDERERS
1221/1229 E. LAKE STREET, MINNEAPOLIS



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

Executive Summary

Ownership, Operations, Corporate History. According to the Office of the Minnesota Secretary of State, the earliest entity connected to 1221-1229 East Lake Street, is Citizens State Bank of Minneapolis. This corporation is listed as “Inactive”, with an incorporation date of 1912. Lake Street Investment Company was deeded the property in 1919; it was incorporated in 1916 and Administratively Dissolved in November of 1991. Vogue Cleaners and Launderers, Inc. was incorporated in December of 1927 and Administratively Dissolved in November 1991. The earliest we find the 1229 Lake Street address associated with a business is documented under Vartdal Cleaners, Inc., which has an incorporation date of May of 1970 and was Administratively Dissolved in October 1991. Finally, Falconer’s Inc. was incorporated in 1946 and Administratively Dissolved in November of 1991.

Site/PRP Historical Information. In May of 1988, Lake Street Investment Company, a partnership, granted the property to Falconers-Vogue Inc (Myron Vaynshteyn/Raymond Jack). In 2003, Germa Partnership (Boris Gerber) purchased the Site. In 2018 GIF Properties LLC purchased the property and is listed as the current owner. During the 1920’s, George E Samels and Fred A Samels (both deceased) acquired dry cleaning licenses and were approved to operate a dry cleaning plant at 1227-1229 East Lake Street operating under the name “Vogue Cleaners and Dyers”. According to permit records provided by the Minneapolis Fire Department, the Samels were also approved to install underground gasoline storage tanks & pumps in the 1930s (removed in the 1970s). George Samels was elected president of the Twin Cities Cleaners & Dyers Association in 1929 and served in that capacity until at least the early 1950’s, when he was also the institute manager of The Cleaners and Launderers Institute. By 1970, the business was operating under Roger A Vartdal as Falconer’s-Vogue, Inc. Due to Mr. Vartdal’s inability to pay back payroll taxes, the IRS seized the business. Mr. Vartdal subsequently filed bankruptcy in the matter of *“Falconer’s-Vogue, Inc., Debtor”* (Roger A. Vartdal, Its President). The case was filed in the United States Bankruptcy Court District of Minnesota under case BKY 4-87-2446. PolicyFind located, ordered, and reviewed the portions of the case file that had not been destroyed as part of the court’s usual and customary document retention practices.

Fred A Samels and Donald W McGregor sold the property at 1229 East Lake Street to Myron Vaynshteyn and Raymond Jack dba Falconer’s Vogue Inc in 1988, following the IRS seizure. According to the Minnesota Department of Labor and Industry, no historical workers compensation is on file for Lake Street Investment Company; scant information was located regarding entities other than Falconer’s.

Insurance Agencies. Within the workers compensation insurance information cards provided by the Department of Labor and Industry, PolicyFind noted the following insurance agencies providing coverage for the Site:

- 1974-1977 Emmett L Moore Agency, Inc (St Paul) *no current information located*
- 1977-1980 “M. A. O’Brien & Associates, Inc. (St Paul) *“Michael A. O’Brien & Associates” was administratively dissolved in 1991 and is currently Inactive. Michael A. O’Brien Sr has passed; Michael A. (“Sandy”) O’Brien Jr. died in 2019 worked at his father’s firm, later becoming VP of Wells Fargo Insurance Services.*

- 1981-1981 Simmer Brokerage Agency (St Paul) *This is an Inactive corporation as of 1991. We located Simmer Insurance Agency on Lafayette Rd in St Paul; however, when we called the number associated, we were directed to personal voice messages.*
- 1983-1984 Bob McGowan Agency, Inc Agency was administratively dissolved in 1991 and is no longer in business. PolicyFind was not able to locate Mr. McGowan. It is possible McGowan is deceased.
- 1984 John H Crowther Inc *This firm eventually became a part of CRC Swett, a unit of Atlanta-based Swett & Crawford; BB&T Corp. acquired the wholesale insurance and reinsurance broker in 2016.*
- 1984-1985 Agency = North Central Risk Managers Inc. *This corporation was dissolved in 1990.*

Historical Records Requests. On September 2, 2020, PolicyFind submitted a data request through OpenCity Request Portal offered by Minneapolis regarding Fire, Health, and Building Departments' information from 1940 through 1987 re: 1221/1229 East Lake Street, Minneapolis, MN. Boiler permits, building permits, and licenses were provided and reviewed; no leads to historical insurance coverage information were discovered. However, within the index from the Inspector of Buildings, PolicyFind did note a *listing for "Repairs after fire-roof" in March of 1972.* No further information was procured/available related to this incident. Building permits also outlined a history of operations at the Site and provided dates for installation of USTs etc.

Court Records. Within the Minnesota Court Information Services (MNCIS) database, PolicyFind located several civil cases of interest involving property damage or personal injury. Through its efforts to acquire these case files, we learned all but one of the case files have been destroyed per the court's retention schedule. The only potentially relevant case that has not been destroyed is "**Olsen, Pauline v. Falconers-Vogue**" case no. 27-CV-000750636. This is a property damage civil matter filed in October of 1978. PolicyFind's request to order the case was submitted and accepted on 9/21/2020. To date, we have not received a copy of this case file from the courts.

Interviews

1. Interview with Roger Vartdal

September 18, 2020

Roger Vartdal shared that he is nearly 90 years old today. He was willing to speak with PolicyFind and was very cooperative. Roger Vartdal shared that he worked at Falconer's Inc. Cleaners and Launderers dating back to 1945, when his father, Arnold Vartdal, owned 51% of the business, operating at 201 Royalston Avenue, as well as various other locations within the Minneapolis area.

In 1970, Vartdal says he bought out his father's partner's share of the business and took over operations at Lake Street; Vartdal began there under the business name 'Falconer & Vogue, Inc'. Vartdal recalled he worked a total of 42 years in the laundry business. He recalled Fred Samels owned the property at Lake Street during his business ownership.

As it relates to general liability insurance during his tenure at the Site, Mr. Vartdal did not recall any carrier names. Employers Mutual, USF&G, C N A, et al., did not sound familiar to him. Further, Vartdal did not recall any insurance agents beyond Bob McGowan (we find Bob McGowan Agency, Inc. listed on the 1983 C N A worker's compensation insurance card). When asked if he would have procured workers compensation and general liability coverages within a 'package policy', or if he would have purchased coverages separately, Vartdal could not recall.

Mr. Vartdal shared that he filed bankruptcy in 1987 explaining that as his shop was union, he was unable to sell it otherwise. He said the IRS seized the business at the end of 1986. He recalled that Bill (William) Fox was his attorney at that time. He believed Mr. Fox was deceased; PolicyFind was unable to locate Mr. Fox.

Overall, Mr. Vartdal was friendly and cooperative; however, he simply did not recall more than his former insurance agent's name. He reported that he did not pay much attention to insurance; Bob McGowan handled those matters.

As for Mr. Vartdal's ability and willingness to file a claim, he stated he cannot imagine how filing a claim against these old policies could possibly help today. When the nature of CGL policies issued pre-dating 1986 was explained, he did not seem averse to the idea of pursuing this avenue.

2. Interview with Myron Vaynshteyn

September 18, 2020

Mr. Vaynshteyn shared that he did not recall anything more than the owner prior to him 'went bankrupt and left the state'. Further, Vaynshteyn expressed he did not have any knowledge about insurance matters and did not know 'anything more than everyone else knows', but he did say that the business was sold a year ago and he believed a clean-up 'had been done'.

Section II. EVIDENCE OF COVERAGE REVIEW & ANALYSIS

Analysis to include Insurer Responsibility & Contact Info

PolicyFind did not locate direct evidence of General Liability coverage, nor did we locate evidence of insurance for other former PRPs (beyond Falconer's Inc. and Falconer's-Vogue, Inc.) associated with the business or property pre-dating 1986. PolicyFind was able to locate evidence of Workers Compensation coverage during its investigation, which can be a key piece of information when attempting to garner liability coverage data. That said, the existence of workers compensation insurance coverage does not prove the existence of General Liability coverage. The acquisition of evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, *only if* the coverages were held within the same policy, issued by the same carrier, as procured as part of a 'package' policy.

A review of workers compensation evidence as provided by the Minnesota Department of Labor and Industry provided the following:

Employers Mutual Casualty. Falconers Laundry and/or Falconers Inc. held its workers compensation coverage through Employers Mutual Casualty from 10-01-1947 to 05-01-1981. Employers Insurance of Wausau was sold to Nationwide Insurance which, in turn, sold the company to Liberty Mutual Insurance. However, Nationwide retained liability for administering liability claims under policies issued 1986 and earlier. Within notices to Nationwide, the insurance cards provided by the Minnesota Department of Labor and Industry should be sent in support.

The claim can be tendered by the Named Insured or authorized representative to:
Nationwide Insurance Environmental Claims
500 North 3rd Street
Wausau, WI 54403

USF&G. USF&G had the workers compensation coverage from 05-01-81 to 05-01-83. USF&G *could have* written a stand-alone workers compensation policy. Liability policies written during this time would likely contain the sudden and accidental pollution exclusion. USF&G was acquired by St. Paul/Travelers. The claim can be tendered by the Named Insured or authorized representative to:

Travelers
Environmental Claims Reporting
One Tower Square
Hartford, CT 06183

C N A. There was a worker's compensation policy issued by CNA Insurance effective 05-01-83. CNA *could have* written a stand-alone workers compensation policy. CNA environmental claims are now handled by Resolute Management Inc. The policy declaration page should be sent with any tender.

The claim can be tendered by the Named Insured or authorized representative to:
Resolute Claims Management
100 Liberty Way
Dover, New Hampshire 03820

American Universal Insurance Company issued workers compensation to Falconer's for a 6-month period from 5-1-1984 to 11-1-1984. American Universal was placed into receivership and declared insolvent on January 8, 1991.

Forum. The final workers compensation policy, of which we have proof, was issued by Forum Insurance Company of Schaumburg, IL from 11-01-84 to 11-01-85. It appears Forum Insurance is not still in operation. Forum Insurance was not listed as an active property-casualty company in a 2007 database of companies. The information gathered through research is Forum Insurance Company merged into General Electric Group in 1985. We cannot be certain this carrier is actively responding to new claims.

Schedule of Insurance

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
10/1/1947 to 10/1/1969	Falconer's Inc.	Minneapolis	Employers Mutual Casualty	Workers Compensation
10/1/1969 to 5/1/1970	Falconer's Inc.	Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1970 to 5/1/1971	Falconer's-Vogue, Inc.	Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1971 to 5/1/1972	Falconer's-Vogue, Inc.	Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1972 to 5/1/1973	Falconer's-Vogue, Inc.	Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1973 to 5/1/1974	Falconer's-Vogue, Inc.	1227-29 East Lake Street, Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1974 to 5/1/1975	Falconer's-Vogue, Inc.	1227-29 East Lake Street, Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1975 to 5/1/1976	Falconer's-Vogue, Inc.	1227-29 East Lake Street, Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1976 to 5/1/1977	Falconer's-Vogue, Inc.	1227-29 East Lake Street, Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1977 to 5/1/1978	Falconer's-Vogue, Inc.	1227-29 East Lake Street, Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1978 to 5/1/1979	Falconer's-Vogue, Inc.	1227-29 East Lake Street, Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1979 to 5/1/1980	Falconer's-Vogue, Inc.	1227-29 East Lake Street, Minneapolis	Employers Mutual Casualty	Workers Compensation
5/1/1980 to 5/1/1981	Falconer's-Vogue, Inc.	1227-29 East Lake Street, Minneapolis	EMCASCO Insurance Company	Workers Compensation

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
5/1/1981 to 5/1/1982	Falconers, Inc.	1227-29 East Lake Street, Minneapolis	USF&G	Workers Compensation
5/1/1982 to 5/1/1983	Falconers, Inc.	1227-29 East Lake Street, Minneapolis	USF&G	Workers Compensation
5/1/1983 to 5/1/1984	Falconers, Inc.	1227-29 East Lake Street, Minneapolis	C N A	Workers Compensation
5/1/1984 to 11/1/1984	Falconers, Inc.	1227-29 East Lake Street, Minneapolis	American Universal Insurance Company	Workers Compensation
11/1/1984 to 11/1/1985	Falconers, Inc.	1229 East Lake Street, Minneapolis	Forum Insurance Company	Workers Compensation

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed evidence of workers compensation policies prior to 1986 and determined Named Insured information, insurers, effective dates of policies, and other pertinent information to include names of insurance agents/agencies. PolicyFind did not find information related to coverage terms, deductible amounts, umbrella policies, insurance riders, nor exclusions.

The purpose of reviewing evidence of coverage issued 1986 and earlier involves the Absolute Pollution Exclusion. The qualified pollution exclusion generally appeared on liability policies beginning in June and July, 1970. The Absolute Pollution Exclusion was added to general liability policies starting in, or shortly after, 1985. The language contained within the Absolute Pollution Exclusion has been upheld by most courts, including Minnesota, and bars coverage for releases such as those potentially involved with this Site.

It is important to note that Workers Compensation coverage information can be a key piece of information when attempting to garner liability coverage data. That said, the existence of workers compensation insurance coverage does not prove the existence of General Liability coverage. Rather, acquiring evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, only if the coverages were held within the same policy, issued by the same carrier as and procured as part of a 'package' policy.

Notice of Claim letters could be drafted and sent to Employers Mutual Casualty, USF&G, and C N A (vis a vis Nationwide, Travelers, and Resolute Management Inc, respectively), sent on behalf of Mr. Vartdal, as Named Insured/Authorized Representative of Falconer's Inc. and Falconer's-Vogue, Inc.; Mr. Roger Vartdal was associated with the Site from 1970 through 1986 as the business owner and operator, and his father before him.

It is possible carriers *may* still have copies of later general liability policies issued to Falconer's Inc. and Falconer's-Vogue, Inc. Given PolicyFind's brief interview with Mr. Vartdal, it appears he is able and willing to participate in the claims process with insurers; however, additional explanation of his role and the general process may be required before he proceeds.

Section IV. BARRIERS TO COST RECOVERY

Identification of Barriers

Assessment of Impact of Barriers

Barrier 1. Bankruptcy. *“Falconer’s-Vogue, Inc., Debtor”* (Roger A. Vartdal, Its President). The case was filed in the United States Bankruptcy Court District of Minnesota under case BKY 4-87-2446. Bankruptcy may be a bar to coverage, as bankruptcy could mean the end of life for a corporation, and, hence, the inability of any of its policies to provide coverage. However, it is possible the corporate officers and their appointed trustee may have abandoned the corporation after paying all debts and distributing its tangible assets to shareholders. The corporation may not have been properly “wound down” and dissolved. A shell of a corporation remains, and within it, those non-transferred assets: its insurance policies. The corporation’s trustee can act for the corporation to authorize a release of policies to accommodate the filing of long-tail claims. The Trustee, listed within the Falconer’s-Vogue, Inc. bankruptcy case 87-42446, is Kathryn Page.

Barrier 2. No Direct Evidence of GL Coverage. The best evidence of historical insurance coverage PolicyFind was able to acquire during its Insurance Archeology investigation is workers compensation information, which is contained within the Schedule of Insurance. PolicyFind did not locate direct evidence of General Liability coverage, nor did we locate evidence of insurance for other former PRPs (beyond Falconer’s Inc. and Falconer’s-Vogue, Inc.) associated with the business or property pre-dating 1985/1986. While workers compensation coverage could have been procured as part of a package policy containing a liability coverage part, there is a chance this coverage was issued as ‘stand-alone’ workers compensation coverage. Further, the evidence of coverage issued prior to 1970 may not be related to the 1221/1229 E. Lake Street Site and may have been procured for other locations.

Barrier 3. Carrier Archive Issues. It is possible that once tendered, carriers may not be able to locate evidence of coverage issued to the Named Insured within their respective archives. While carriers have the duty to defend policyholders, if sufficient evidence of the policy (contract) is not produced, the duty to defend is not triggered.

Barrier 4. Defunct Carriers. American Universal Insurance Company issued workers compensation to Falconer’s for a 6-month period, from 5-1-1984 to 11-1-1984. American Universal was placed into receivership and declared insolvent on 1-8-1991. From 11-01-84 to 11-01-85 Forum Insurance issued workers compensation to Falconers. It appears Forum Insurance is **not** still in operation; it is not listed as an active property-casualty company in a 2007 database of companies. The information we learned through research is Forum Insurance Company merged into General Electric Group in 1985. We cannot be certain this carrier is actively responding to new claims.

V. RECOMMENDATIONS

PolicyFind notes there are several potential paths forward regarding cost recovery using insurance assets identified through Insurance Archeology:

Corporate Administrative Dissolution. “Administratively dissolved” entities likely stopped filing annual papers/fees with the Secretary of State's office. More investigation would be needed to confirm whether the entity still exists--and if so, if it has the ability to make a claim against an insurance carrier.

- Lake Street Investment Company owned the Site from 1919 to 1988. The corporation was Administratively Dissolved in November of 1991.
- Vogue Cleaners and Launderers, Inc. was Administratively Dissolved in November 1991.
- Falconer’s Inc. was incorporated in 1946 and Administratively Dissolved in November of 1991.
- Vartdal Cleaners, Inc. which was Administratively Dissolved in October 1991.

Bankruptcy. There is one circumstance in which a corporation goes inactive after having been discharged in bankruptcy. In this situation, the corporate officers and their appointed trustee may have abandoned the corporation after paying all debts and distributing its tangible assets to shareholders. The corporation may not have been properly “wound down” and dissolved. A shell of a corporation remains, and within it, those non-transferred assets: its insurance policies. The corporation’s trustee can act for the corporation to authorize a release of policies to accommodate the filing of long-tail claims.” The Trustee listed within the Falconer’s-Vogue, Inc. bankruptcy case 87-42446 is listed as Kathryn Page.

PRPs. Roger Vartdal and the Administratively Dissolved corporations pre-dating 1986 are the best options in moving forward with cost recovery from liability insurance, due to the Absolute Pollution Exclusion. Given PolicyFind’s brief telephone interview, Mr. Vartdal seems willing to participate in this process.

Notices of Claim could be submitted on behalf of the Named Insured to the following Identified Carriers:

Employers Mutual Casualty. Care of Nationwide Insurance Environmental Claims.

USF&G. Care of Travelers.

C N A. Care of Resolute Claims Management.

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INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

Winona Groundwater Contamination
1405 Gilmore Avenue & 1155 Gilmore Avenue, Winona



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

Executive Summary – Insurance Archeology & Findings

1405 Gilmore.

Service Station. According to a 1991 Remediation Site Summary provided PolicyFind by the MPCA, “Beginning in 1931 or before, this location was run as a Standard Service Station. The records from 1931 indicate it was Hunkins Standard Service.” There is no record of Hunkins Standard Service within the Office of the Minnesota Secretary of State. According to a Warranty Deed filed in August 1930, the property is deeded to Stuart and Edna Hunkins (both deceased) from Harry and Anna Pickart (both deceased). The 1991 Remediation Site Summary indicates “From the early 1960s until 1966, Harris C. Baab was the owner of the building.” PolicyFind was not able to substantiate this claim.

Dry Cleaning Operations. Within the 1930 Warranty Deed record, ‘land record comments’ indicate a contract for deed from the Hunkins to Richard H. Dison and Lauren W. Dison was recorded in November 1969, but never fulfilled. According to a 1991 affidavit by Mr. Lauren Dison, “In December 1970, we owned a branch store at the Gilmore Street location in Winona. We operated a drycleaner at that location until the business was sold to Don and John Leaf or their corporation. That sale was completed on December 31, 1972. They took possession and ran the dry cleaning establishment beginning on January 1, 1973.” From a 1989 response to Request for Information and Production of Documents, we find the following on Leaf’s Services Inc.’s letterhead: “Donovan Leaf and John Leaf owned and operated a dry cleaning plant at 1405 Gilmore Ave., Winona, MN. Using the name Dison’s from 1973-1984.” Dison’s Cleaners & Launderers incorporated in 1979, is listed as an Inactive corporation, under name holder “Leaf’s Services Inc.”. Dison’s Cleaners and Launderers, Inc. established in 1959, with Richard H. Dison listed as CEO, was Administratively Dissolved in 1999. In 1982, deed to the property was transferred via Decree of Distribution to Joyce E. Lee and Judith M. Sievers from the Estate of Stuart G. Hunkins. In October of 1984, Don Leaf-John Leaf, a co-partnership, purchased the property from Lee and Sievers. Leaf Services, Inc. took over ownership in April of 1991 and is listed as the current owner of the Site today. Leaf Services, Inc. is an Active Corporation, In Good Standing with the State of Minnesota.

Historical Insurance. There is an indication that CNA provided insurance to Dison’s in effect until 11-15-1972.

From 1973 until 1984 the Leafs reported having liability insurance with Northwestern National through the Winona Insurance Agency. This coverage is confirmed from 1977-1983 within the case as described within the “Court Research” section of this Executive Summary. Starting in 1984, the Leafs were insured with Western National Insurance through the Wunderlich Agency.

Workers compensation historical coverage information as issued to the Disons and the Leafs was also discovered during PolicyFind’s Insurance Archeology efforts, as detailed later in this report.

Court Research. During Insurance Archeology efforts, research was conducted to locate civil court records involving persons and/or entities associated with the Site, during our time period of greatest interest (1986 and prior). In this instance, we located Richard H. Dison’s 2001 bankruptcy case. We reviewed several portions of the case, including the Claims Register, with no leads to insurance

identified during our time period of interest. Additionally, PolicyFind acquired the Complaint and other relevant documents filed within the 1996 case styled "Northwestern National Insurance Company v. Leaf's Services, Inc. et al.", (United States District Court District of Minnesota Fourth Division; 4:96-cv-00770-DSD-JM) and located the following:

During the policy period January 31, 1977, to January 31, 1980, plaintiff Northwestern National Insurance issued primary general liability policies to defendants Leaf Services, Inc., d/b/a Dison Cleaners & Launderers, Inc., and Donovan and John Leaf who are the actual named insureds or identified as insured throughout the policies.

During the period from January 31, 1980, through January 31, 1983, Northwestern National Insurance Company issued primary general liability policies to defendants Leaf Services, Inc., d/b/a Dison Cleaners & Launderers, Inc. and Donovan and John Leaf who are the actual named insureds or identified as the insured through the policies.

No physical copies of policies, nor policy numbers issued to Leaf Services, Inc. dba Dison Cleaners & Launderers, Inc., were provided within the portions of the case file provided to PolicyFind.

1155 Gilmore. According to Chain of Title records, Mary C. and Joseph Leo Losinski purchased the property in December of 1967 from James G. and Mary Ann Meier (both believed to be deceased).

American Dry Cleaning Co. From the 1979 case styled, "Losinski v. American Dry Cleaning Co." we find "American Dry Cleaning Company is a Minnesota corporation, incorporated on June 5, 1970. Joseph L. Losinski furnished the capital for the corporation. He, his wife, Mary, and their six children, Rosmary, Joseph D. (plaintiff herein), Robert, Daniel, James, and Marcina, were the incorporators and shareholders. Substantially all the corporate assets consist of the real estate known as the "Carriage House Cleaners."

"Joseph L. Losinski and Mary, his wife, operated the cleaners (Carriage House Cleaners) under a lease from the corporation (American Dry Cleaning Company) until April 1976, when Joseph became terminally ill... Joseph D. Losinski commenced operating the cleaners in June 1976." Joseph L. Losinski died in March of 1977, and in an article from the Winona Daily News from October 1978, we find Joseph D. Losinski has continued operations at the Site, with the aforementioned case ceasing operations at times, through 1978.

Lehenbauers. Within the Winona Daily News in January 1979, we find Jay L. and Bonita Lehenbauer operated Carriage House Cleaners at 1155 Gilmore; they purchased the equipment and leased the premises from the Losinski family. This arrangement lasted for 10 months.

L&M Enterprises/Mister Donut. After the aforementioned lawsuit was decided, American Dry Cleaning Co. was Voluntarily Dissolved and the property was sold to L & M Enterprises, John V. Leaf and James R. Morgan by American Dry Cleaning Co., In Dissolution, in 1980. The corporate assets were also distributed amongst the parties of the lawsuit. In 1980, John V. Leaf Incorporated the Dough Corporation, and from the early to mid-1980s, archived newspapers show a Mister Donut operating at the Site, follow by Grandma's Take'n Bake.

There is no listing for Carriage House Cleaners within the Office of the Minnesota Secretary of State and there is no workers compensation information on file with the Department of Labor and Industry for this entity. No evidence of insurance coverage was located during PolicyFind's investigation for American Dry Cleaning Co. nor the associated acronym for this company at *this address*: ADCO. L & M Enterprises (no listing for this entity within the Office of the Minnesota Secretary of State) owned the property until 1998, when they sold to Thomas C. & Debra L. Anderson. In 2020, Debra L. Henderson (fka Anderson) deeded the property to Ace Group Properties, LLC.

Interviews

Richard Dison. On 9/22/2020, PolicyFind contacted Mr. Richard H. Dison. Mr. Dison was very friendly and cooperative. Dison recalled Sentry sounded familiar as having provided liability insurance when he and his brother, Lauren Dison, owned and operated at 1405 Gilmore, Winona. Mr. Dison also recalled working with C O Brown Insurance Agency during our time period of interest. Richard Dison said he recalled that Dison's was a part of a dry cleaning organization (IFI or AIL), and possibly procured insurance through the organization in early years. Mr. Dison did not know if he would have procured workers compensation and liability coverages within a package policy during those years.

Dison did not recall anything more about liability coverage except to say that, years ago, they were not able to make claims against policies because the policies were missing and no policy numbers were known. He then recalled one of the missing policies was issued by Royal Globe. Mr. Dison said he located the missing Royal Globe policy about 25 years later, but never made a claim with Royal Globe. That policy has since been thrown away, as he explained he is 89 years old and lives in an independent living facility today.

When asked about any chemical spills, abrupt or sudden: "Nothing like that never happened. Even when we cleaned up the Site, all they found was Benzene." No accidents or spills were recalled.

Finally, Mr. Dison asked if costs are recouped from insurance, would there be any potential for compensation for he and his brother, as he recalled negotiating with the state and paying approximately \$40,000 toward the cleanup. It is our opinion that Mr. Dison seems willing to make a claim with insurance carriers.

Lauren Dison. On 9/22/2020, PolicyFind called Mr. Lauren Dison and left a message on Mr. Dison's answering machine. To date, PolicyFind has not received a return call from Mr. Dison.

Judith M. Sievers. Ms. Sievers shared half property ownership interest (with Joyce E. Lee) re: 1405 Gilmore. Received from the Estate of Stuart Hunkins in 1982 until the property was sold in 1984. The only phone number located for Ms. Sievers, 87, is a non-working number.

Donovan 'Don' Leaf. PolicyFind spoke with Mr. Leaf on 9/24/20. Mr. Leaf was very cooperative and friendly. Mr. Leaf advised he procured his auto/workers compensation/general liability coverage within a package policy, as far back as he can remember. He recalled always having worked with the Winona

Insurance Agency, save three or four years, in which he worked with the Wunderlich Agency. The names of the carriers located within workers compensation evidence sounded familiar to Mr. Leaf. Leaf advised he had tried to access coverage from carriers when environmental concerns first arose at the Site, back in 1986 or so. He said he was never able to get coverage from carriers due to occurrence issues. Mr. Leaf said the only insurance information in his possession currently are Allied and Milwaukee Insurance policies issued for the business in the 1990s.

When asked about any chemical spills, abrupt or sudden: Mr. Leaf said, "I cannot pinpoint a spill. Even when the [chemicals] were delivered and they put the hose to fill up, just like with a gas station, there might be a drip, but that evaporates."

John V. Leaf. PolicyFind spoke with Mr. Leaf on 9/22/20. Mr. Leaf was very cooperative and 'happy to help'. However, he directed us to his brother, Don, as he handled all insurance matters. John Leaf said he sold out to Don in 1984. He recalls the Site at 1405 was a Standard Oil location for many years prior to the Leafs involvement. He said Don led the charge in these matters and he just recalls a dry cleaning association used funds for the cleanup. He didn't recall any information regarding liability insurance at 1405 Gilmore. Regarding 1155 Gilmore, Mr. Leaf recalled owning the Site beginning in 1980 with James Morgan. No dry cleaning operations occurred at this location during his ownership. A donut shop and a State Farm insurance agency operated there. Mr. Leaf recalled a dry cleaner operated at the Site before his involvement, and recognized the Losinski name, but that is all he could offer in that regard.

James R. Morgan. PolicyFind sent a request for information related to 1155 Gilmore to Mr. Morgan on 9/22/20. To date, no response has been received.

Jay (and Bonita) Lehenbauer. PolicyFind spoke with Mr. Lehenbauer on 9/22/20. Mr. Lehenbauer was very cooperative and recalled leasing Carriage House Cleaners from the Losinskis for under a year at 1155 Gilmore in the late 1970s. He recalled ongoing litigation involving the Losinskis and expressed he and his wife felt uncomfortable with the arrangement, so they moved on. No paperwork exists from the Lehenbauer' operation of Carriage House Cleaners, and no insurance information was recalled.

Section II. EVIDENCE OF COVERAGE REVIEW & ANALYSIS

Analysis to include Insurer Responsibility & Contact Info

Dison's

C N A. Documentation shows CNA provided liability insurance to Dison's in effect until 11-15-72. Further, when PolicyFind spoke with Mr. Dison, he recalled having been a part of a dry cleaning organization, and having possibly procured insurance through the organization in 'early' years.

CNA environmental claims are now handled by Resolute Management Inc.

The documents from the American Institute of Launderers should be sent with any tender. The claim can be tendered by Richard Dison dba Dison's to:

Resolute Management Inc.
100 Liberty Way
Dover, NH 03820

PolicyFind was able to locate evidence of Workers Compensation coverage during its investigation, which can be a key piece of information when attempting to garner liability coverage data. That said, the existence of workers compensation insurance coverage does not prove the existence of General Liability coverage. The acquisition of evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, only if the coverages were held within the same policy, issued by the same carrier as procured as part of a 'package' policy.

A review of workers compensation evidence as provided by the Minnesota Department of Labor and Industry provided the following:

Sentry Insurance. Within copies of declarations pages, we find Sentry Insurance issued workers compensation coverage for Dison's Cleaners out of Rochester, Minnesota, effective 10-01-76 to 10-01-82. The 1405 Gilmore location in Winona was a covered location until 10-01-79. Coverage for that Site would not apply after that date. PolicyFind located and reviewed a specimen Sentry dry cleaning policy for 1974 from Michigan, and found the policy number format was the same within that policy as the workers compensation policy issued to Dison's.

The claim could be tendered to Sentry. The workers compensation records should be sent as supporting documents. The claim should be sent to:

Sentry Insurance a Mutual Company
1800 North Point Drive
Stevens Point, WI 54481

The Home Insurance Company & American Manufacturers. From 10-01-82 to 09-01-87 Dison's held its workers compensation coverage first through Home Insurance and then through American Manufacturers Insurance of the Kemper Group. Both of these companies have long since gone insolvent, and the deadline to file claims has long since passed. These leads cannot be pursued.

Home Insurance. Home Insurance has been liquidated. By way of background, here are the relevant dates involving the Home Insurance Liquidation:

May 2003 – Home enters rehabilitation
June 2003 – Home goes into receivership
September 2003 – Home is declared insolvent
June 2004 – Deadline for filing claims
September 2020 – Date to be set for Motion to Approve Claim Amendment Deadline

Regarding the proposed Motion for Claim Amendment Deadline, the language in that motion states that its purpose is not to extend the deadline for new claims, but rather to provide a mechanism to bring finality to existing claims that were already in the pipeline.

American Manufacturers Mutual Insurance Company. Orders of Liquidation with Findings of Insolvency were entered against American Manufacturers Mutual Insurance Company, in Liquidation by the Circuit Court of Cook County, Illinois effective May 10, 2013. The Proof of Claim Filing Deadline was November 10, 2014 and contingent claims could be filed until November 10, 2017.

Leaf's Services

Western National. Within the response to the 1989 information request, the Leafs said they were insured with Western National for general liability coverage and had been for years prior to that. Additionally, Leaf's Services was insured for workers compensation by the Western National Insurance Company from 01-31-85 to 01-31-87. Western National Insurance is still in operation. Any tender should include a copy of the response to the request for information and a copy of the workers compensation records. A claim could be tendered to:

Western National Insurance Company
P O Box 1463
Minneapolis, MN 55440-1463
info@nwnins.com

USF&G. Workers compensation records show coverage for Leaf Service, Inc. dba Dison's Launderers & Cleaners Inc. at 400 E 2nd St in Winona with USF&G from 03-01-73 to 03-01-74. The Leafs owned the business at this time. USF&G claims are now handled by Travelers. More than what is provided (within a single card) may be needed to tender a claim successfully.

Northwestern National provided coverage from 03-01-74 to 03-01-83 through the Winona Agency. Additionally, PolicyFind acquired the Complaint and other relevant documents filed within the 1996 case styled "*Northwestern National Insurance Company v. Leaf's Services, Inc. et al.*", (4:96-cv-00770-DSD-JM) and located the following:

During the policy period January 31, 1977, to January 31, 1980, plaintiff Northwestern National Insurance issued primary general liability policies to defendants Leaf Services, Inc., d/b/a Dison Cleaners & Launderers, Inc., and Donovan and John Leaf who are the actual named insureds or identified as insured throughout the policies.

During the period from January 31, 1980, through January 31, 1983, Northwestern National Insurance Company issued primary general liability policies to defendants Leaf Services, Inc., d/b/a Dison Cleaners & Launderers, Inc. and Donovan and John Leaf who are the actual named insureds or identified as the insured through the policies.

No physical copies of policies, nor policy numbers issued to Leaf Services, Inc. dba Dison Cleaners & Launderers, Inc., were provided within the portions of the case file provided to PolicyFind.

Northwestern National went into liquidation on May 2, 2019. The claims bar date was November 2, 2019. Their NAIC # is 23914. Any new claims must be with the [Minnesota Insurance Guaranty Association](#) (2020 Minnesota Statute information within link). It should be noted, the maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000.

Western Fire Insurance. Leaf's Services next held its workers compensation coverage through the Western Fire Insurance Company from 03-01-83 to 01-31-85. Western Fire Insurance was an associated company of Western Casualty and Surety Company of Fort Scott, Kansas. Notice of Claim could be submitted to Liberty Mutual Insurance as the successor to Western Insurance of Kansas (Western Casualty and Surety Company), by way of Resolute Management Inc. - whom handles claims for Liberty Mutual.

Resolute Management Inc.
100 Liberty Way
Dover, NH 03820

1155 Gilmore re: ADCO/Carriage House Cleaners

No site-relevant evidence of insurance was located during Insurance Archeology research for Losinski dba ADCO/American Dry Cleaning Co AND/OR Carriage House Cleaners circa 1940-1986. The Department of Labor and Industry produced workers compensation insurance cards with ADCO as the Named Insured, but none of the insurance cards related to any Minnesota sites. There is strong reason to believe the workers compensation information is for a different company of the same name. Further, when interviewed, Mr. Jay Lehenbauer had no recollection regarding insurance information when he was associated with the Site.

Schedule of Insurance

Dison's Launderers & Cleaners et al.

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
11/5/1971 to 11/5/1972	Dison Cleaners	none listed	C N A	GL
11/5/1972 to 10/1/1976	unknown	no information	gap	not provided
10/1/1976 to 10/1/1977	Disons Drive In Cleaners & Launderers/Dison's Cleaners & Launderers Inc	endorsement lists 1405 Gilmore	Sentry Insurance	workers comp
10/1/1977 to 10/1/1978	Dison's Launderers & Cleaners Inc	endorsement lists 1405 Gilmore	Sentry Insurance	workers comp
10/1/1978 to 10/1/1979	Dison's Launderers & Cleaners Inc	endorsement lists 1405 Gilmore	Sentry Insurance	workers comp
10/1/1979 to 10/1/1980	Dison's Launderers & Cleaners Inc	1405 Gilmore not listed	Sentry Insurance	workers comp
10/1/1980 to 10/1/1981	Dison's Launderers & Cleaners Inc	1405 Gilmore not listed	Sentry Insurance	workers comp
10/1/1981 to 10/1/1982	Dison's Launderers & Cleaners Inc	1405 Gilmore not listed	Sentry Insurance	workers comp
10/1/1982 to 10/1/1983	Dison's Launderers & Cleaners	1405 Gilmore not listed	The Home Insurance Company	workers comp
10/1/1983 to 10/1/1984	Dison's Launderers & Cleaners	1405 Gilmore not listed	The Home Insurance Company	workers comp
10/1/1984 to 10/1/1985	Dison's Launderers & Cleaners	1405 Gilmore not listed	The Home Insurance Company	workers comp
10/1/1985 to 1/1/1986	Dison's Launderers & Cleaners	1405 Gilmore NOT listed	The Home Insurance Company	workers comp
1/1/1986 to 9/1/1986	Dison's Launderers & Cleaners	1405 Gilmore not listed	American Manufacturers Mutual Insurance Co	workers comp
9/1/1986 to 9/1/1987	Dison's Launderers & Cleaners	1405 Gilmore not listed	American Manufacturers Mutual Insurance Co	workers comp

Schedule of Insurance

Leaf's Services, Inc. dba Dison's Launderers & Cleaners

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
3/1/1973 to 3/1/1974	Leaf Service, Inc. dba Dison's Launderers & Cleaners Inc	400 East 2nd Street	USF&G	Workers Compensation
3/1/1974 to 3/1/1975	Dison's Launderers & Cleaners	400 East 2nd Street	Northwestern National Casualty Company	Workers Compensation
3/1/1975 to 3/1/1976	Dison's Launderers & Cleaners	400 East 2nd Street	Northwestern National Casualty Company (presumed)	Workers Compensation
3/1/1976 to 3/1/1977	Dison's Launderers & Cleaners	400 East 2nd Street	Northwestern National Casualty Company	Workers Compensation
3/1/1977 to 3/1/1981	Leaf's Services, Inc dba Dison's Launderers & Cleaners		Northwestern National Casualty Company (presumed)	WC & GL (1/31/1977-1/31/1980)
3/1/1981 to 3/1/1982	Leaf's Services, Inc. dba Dison's Launderers & Cleaners		Northwestern National Insurance Company	WC & GL (1/31/1980-1/31/1983)
3/1/1982 to 3/1/1983	Leaf's Services, Inc dba Dison's Launderers & Cleaners		Northwestern National Casualty Company	WC & GL (1/31/1980-1/31/1983)
3/1/1983 to 1/31/1984	Leaf's Services, Inc.	400 East 2nd Street	Western Fire Insurance Company	Workers Compensation
1/31/1984 to 1/31/1985	Leaf's Services, Inc.	400 East 2nd Street	Western Fire Insurance Company	Workers Compensation
1/31/1985 to 1/31/1986	Leaf's Services, Inc.	164 Main St., Winona	Western National Mutual Insurance Co	Workers Compensation/Business Owners
1/31/1986 to 1/31/1987	Leaf's Services, Inc.	164 Main St., Winona	Western National Mutual Insurance Co	Workers Compensation/Business Owners

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed anecdotal evidence of general liability insurance, as well as evidence of workers compensation prior to 1987 and determined Named Insured information, insurers, effective dates of policies, and other pertinent information to include names of insurance agents/agencies. PolicyFind did not find information related to coverage terms, deductible amounts, umbrella policies, insurance riders, nor exclusions. The Leafs and Mr. Dison spoke with PolicyFind and all seemed able and willing to tender claims to carriers.

It is important to note that in this case, PolicyFind has identified historical General Liability coverage and Workers Compensation coverage information. Generally speaking, workers compensation can be a key piece of information when attempting to garner liability coverage data. That said, the existence of workers compensation insurance coverage does not prove the existence of General Liability coverage. Rather, acquiring evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, only if the coverages were held within the same policy, issued by the same carrier as and procured as part of a 'package' policy.

Notice of Claim letters could be drafted and submitted to: **Arrowpoint Capital**, whom acquired the US insurance operation of Royal & Sun Alliance Insurance Group plc in 2007. Since then, they have been handling the old Royal Globe policy claims. A notice letter to them regarding Mr. Dison's recollection of historical coverage issued by Royal Globe; **C N A** (Resolute Management Inc); and, **Sentry Insurance** by Mr. Richard Dison, formerly of Dison's Launderers and Cleaners Inc re: 1405 Gilmore, Winona.

Notices of Claim could be sent to **Western National Insurance Company**, **USF&G** (Travelers), **Western Fire Insurance** (Resolute Management Inc), and the [Minnesota Insurance Guaranty Association](#) (2020 Minnesota Statute information within link). It should be noted, the maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000. These notices should be sent by John Leaf and Donovan Leaf re: Leaf Service, Inc. dba Dison's Launderers & Cleaners Inc.

It is possible carriers may still have copies of later general liability policies issued to Dison's and Leaf's Services. Given PolicyFind's brief interviews with Donovan and John Leaf and Richard Dison, it appears all are able and willing to participate in the claims process with insurers; however, additional explanation of roles and an additional explanation of the general process may be required.

Section IV. BARRIERS TO COST RECOVERY

Identification of Barriers

Barrier 1. Voluntary Dissolution of ADCO/Carriage House. As a result of years-long litigation involving the Losinski family, the corporation was dissolved and dissolution and assets were distributed. By all accounts, nothing remains of the American Dry Cleaning Co. (ADCO), and, thereby, of Carriage House Cleaners. No evidence of insurance coverage was located during PolicyFind's historical insurance coverage investigation into Carriage House Cleaners, American Dry Cleaning Co. nor the associated acronym for this company at *this address*: ADCO. According to the Minnesota Secretary of State's Office, this corporation was Voluntarily Dissolved in June of 1980. Further, there were no verified dry cleaning operations at the 1155 Gilmore Site after 1980, when Mr. Leaf purchased the Site.

Barrier 2. Carrier Archive Issues. It is possible that once tendered, carriers may not be able to locate evidence of coverage issued to the Named Insured within their respective archives. While carriers have the duty to defend policyholders, if sufficient evidence of the policy is not produced, the duty to defend is not triggered.

Barrier 3. Defunct Carriers. The Home Insurance Company & American Manufacturers. From 10-01-82 to 09-01-87 Dison's held its workers compensation coverage first through Home Insurance and then through American Manufacturers Insurance of the Kemper Group. Both of these companies are insolvent, and the deadline to file claims has passed. **Northwestern National** provided general liability coverage to Leaf's Services dba Dison's Launderers & Cleaners from 03-01-74 to 01-31-83 as referenced within workers compensation evidence and "*Northwestern National Insurance Company v. Leaf's Services, Inc. et al.*", (4:96-cv-00770-DSD-JM). Northwestern National went into liquidation on May 2, 2019. The claims bar date was November 2, 2019. Claims for this carrier need to be submitted to the [Minnesota Insurance Guaranty Association](#) (2020 Minnesota Statute information within link). The maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000.

Barrier 4. Absolute Pollution Exclusion. Some of the coverage evidence located and reviewed for this Site was issued after 1986. The purpose for reviewing evidence of coverage issued 1986 and earlier involves the Absolute Pollution Exclusion. The insurance industry added the Absolute Pollution Exclusion to general liability policies starting in or shortly after 1985. That language has been upheld by most courts, including Minnesota, and does bar coverage for releases such as those potentially involved with this Site.

V. RECOMMENDATIONS

PolicyFind notes there are several potential paths forward regarding cost recovery using insurance assets identified through Insurance Archeology:

Active Corporations. Active corporations may have insurance assets that are available to be leveraged against claims for property damage or bodily injury. In this instance, Leaf Services, Inc. is listed as an Active Corporation/In Good Standing with the State of Minnesota.

PRPs. As it relates to 1405 Gilmore, The Leafs and Mr. R. Dison and the corporations operating at the Site pre-dating 1986 are the best options in moving forward with cost recovery from liability insurance, due to the Absolute Pollution Exclusion. Given PolicyFind's brief telephone interviews, Donovan and John Leaf and Richard Dison seem willing to participate in this process. All other entities and/or individuals associated with the Site have been identified, along with status and contact information as available, within earlier portions of this report. As it relates to 1155 Gilmore, Mr. Leaf acknowledged his involvement with the Site, however, explained no dry cleaning operations took place at the Site during his ownership. From 1980-1986, Mr. Leaf's insurance coverage may be the same as coverages identified for the 1405 location.

Corporate Administrative Dissolution. "Administratively dissolved" entities likely stopped filing annual papers/fees with the Secretary of State's office. More investigation would be needed to confirm whether the entity still exists--and if so, if it has the ability to make a claim against an insurance carrier.

Notices of Claim could be submitted by to the following identified carriers by Mr. Richard Dison, formerly of Dison's Launderers and Cleaners Inc:

- A notice of claim could be submitted to Arrowpoint Capital, whom acquired the US insurance operation of Royal & Sun Alliance Insurance Group plc in 2007. Since then, they have been handling the old Royal Globe policy claims. We would submit our notice letter to them regarding Mr. Dison's recollection of historical coverage issued by Royal Globe.
- C N A care of Resolute Management Inc.
- Sentry Insurance

Notices of Claim could be submitted by to the following identified carriers by John Leaf and Donovan Leaf re: Leaf Service, Inc. dba Dison's Launderers & Cleaners Inc.:

- Western National Insurance Company
- USF&G. Care of Travelers
- Western and Fire Insurance (Resolute Management Inc)
- Northwestern National - Claims for this carrier need to be submitted to the [Minnesota Insurance Guaranty Association](#) (2020 Minnesota Statute information within link).

POLICYFIND™

INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

Kraemer's Glen Lake Shopping Center
14731 Excelsior Boulevard, Minnetonka



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

Executive Summary – Insurance Archeology Findings

Ownership, Operations, Corporate History. Sir Knights Glen Lake Cleaners (“Sir Knight”) operated at 14731 Excelsior Boulevard in Minnetonka, MN, dating back to the mid-1950s. The first business owner/operator was Mr. Leo Senesac (d. 1982), followed, in 1969, by Earl M. (d. 2016) and Marian Radziej. The Radziej’s son, Gary, and his business partner, Scott Smith, started working at the shop in 1981. Mr. Gary Radziej is currently listed as Sir Knight’s CEO within official documents. Within an article published in 2010 on swnewsmedia.com, Gary Radziej stated:

Sir Knight Cleaners opened with one location in Glen Lake in 1957; Radziej’s parents bought the business in 1969, and it’s been family-owned ever since. Radziej and Smith started working for his folks in 1981. Though his parents are now retired, they’re still interested in what goes on with the business. Radziej’s own children are continuing the family tradition as they now help manage the stores.

According to the Office of the Minnesota Secretary of State, Sir Knight was incorporated in 1981 and is currently an Active corporation, In Good Standing.

While property records acquired during this assessment show the Kraemer family has owned the Site since at least 1940, John Kraemer stated in his interview within the 2016 Phase I report, “the Kraemer family has owned and operated the Site for over 100 years.” While members of the Kraemer family involved in property ownership pre-dating 1979 are deceased, Mr. John Kraemer currently lives in Minneapolis. Further, Kraemer Brothers LLC and Kraemer Brothers Partnership LLP are both still listed as Active Corporations according within the Office of the Minnesota Secretary of State. Additionally, Kraemer’s Hardware, Inc. owned and operated within the shopping center, and was incorporated in 1959 at 14730 Excelsior; this entity is also currently listed as an Active Corporation, In Good Standing.

Evidence of Insurance. An American Hardware Mutual liability Memorandum of Insurance issued in 1969 is included within this report. This document provides information regarding limits of liability, coverage provided, Named Insureds, covered locations, et. al. The document outlines multi-peril policy coverage and combined with evidence of workers compensation coverage issued to Kraemer Brothers at 14731 Excelsior Boulevard, a history of coverage with American Hardware is established, spanning from 1969 through 1987.

Further, workers compensation records were located as issued to Sir Knight Cleaners, which could provide leads to liability carriers, if workers compensation coverage was procured as part of package policies.

Finally, Sir Knight historically worked with at least one client whom may have required proof of the business’ general liability insurance via a Certificate of Insurance. PolicyFind believed this client might still have record of those COIs within archived records, in the aforementioned swnewsmedia.com article we found the following:

Radziej's company used to clean the uniforms for the Twins' visiting teams at one time, and said he'll never forget being in the Twins clubhouse before Game 7 in the 1987 World Series.

However, PolicyFind's outreach efforts with the organization did not yield historical Certificates of Insurance provided by Sir Knight.

Leases. Leases entered into between Kraemer Brothers and Sir Knights Inc dba Sir Knights Cleaners from 1957 forward were reviewed for this assessment. Within the leases, PolicyFind notes an agreement by the tenant to procure and maintain policies "insuring the Landlord and Tenant". The leases set forth requirements regarding types of coverages and policy limits.

Court Records. Mr. Gary Radziej is currently named as a defendant (as is Sir Knight), in case number [27-CV-20-9495](#) brought by current property owners SouthMetro Centers X, LLC. The case was filed in July of 2020, and the only detail providing context is the Case Type which is listed as "Contract". Within the "Interviews" section of this report, we learned some potentially relevant information related to this case. In addition, we located another civil case brought against Mr. Radziej, dba Sir Knight, on 9/10/2020 by Lindstrom Cleaning & Construction, Inc.

Interviews/Outreach Efforts

Gary Radziej. On 9/22/20, PolicyFind attempted to make contact with Gary Radziej via phone and email. To date, an email and voicemail messages left at two numbers listed for Mr. Radziej have gone unanswered. A business line was listed, but when called, the line just rang – no voicemail box was attached.

Christopher Daniels. On October 2, 2020, PolicyFind sent a request to Mr. Radziej’s attorney, Christopher Daniels at Parker Daniels Kibort. Within the request, PolicyFind requested a discussion with Mr. Radziej and/or Mr. Daniels. To date, PolicyFind has not received a response from Mr. Daniels.

John Kraemer. On 9/22/2020 PolicyFind spoke with Mr. Kraemer; he nearly immediately directed us to his attorney, Nancy Q. Burke at Saul Ewing Arnstein & Lehr.

Nancy Burke. On October 2, 2020, PolicyFind spoke with Ms. Burke. It was Ms. Burke’s understanding that the lawsuit filed against Mr. Radziej by SouthMetro Centers X, LLC alleges Mr. Radziej defaulted on his lease, removed equipment from the shop, and, did not make repairs following a recent fire at the premises.

Ms. Burke stated her client, John Kraemer, had provided his attorney old leases between Kraemer Brothers and Sir Knights Inc dba Sir Knights Cleaners, as well as liability policies. Ms. Burke provided the leases and evidence of liability insurance as issued by American Hardware Mutual Insurance Company, Nationwide, and Federated Insurance, to PolicyFind. Ms. Burke shared that her client indicated a long history of having held its liability coverage through American Hardware Mutual. All records shared with PolicyFind by Ms. Burke re: Kraemer Bros/Kraemer Brothers Partnership can be found within this assessment report.

Section II. EVIDENCE OF COVERAGE REVIEW & ANALYSIS

Analysis to Include Insurer Responsibility & Contact Information

PolicyFind reviewed a Memorandum of Insurance provided by American Hardware Mutual Insurance Company, issued to Named Insured, Kraemer Bros, issued from 5/15/1969 through 5/15/1972. The locations of the insured premises are "14625 Excelsior Blvd", "14731 Excelsior Blvd" and "14805 Excelsior Blvd". Policy limits are listed as follows:

<u>Limits of Liability:</u>		
Bodily Injury Liability	\$ 200,000	Each Person
	\$ 500,000	Each Occurrence
	\$ 500,000	Aggregate
Property Damage Liability		
	\$	Each Occurrence - Automobile
	\$ 50,000	Each Occurrence - Other than Automobile
	\$ 50,000	Aggregate - Other than Automobile

In addition, PolicyFind reviewed evidence of Workers Compensation coverage during its investigation. Acquisition of evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, only if the coverages were held within the same policy, issued by the same carrier, as procured as part of a 'package' policy. A review of workers compensation evidence as provided by the Minnesota Department of Labor and Industry provided the following:

American Hardware Mutual Insurance Company. According to insurance cards, Kraemers Hardware Inc (14731 Excelsior Blvd) held its workers compensation coverage from at least 1977 (1978 was a renewal) through 1987 under various policy #s, which changed each policy period. Given the aforementioned 1972 Memorandum of Insurance, coverage issued to Kraemers Hardware and/or Kraemer Bros by this carrier likely spanned at least back to 1969.

Research re: American Hardware Mutual Insurance Company:

Ins. Company Search

Company Detail

[Company Search](#) [Print or Save details](#)

NAIC#: 13331	DOM: Ohio	Group: MOTORISTS MUTUAL GROUP	Phone: 612-935- 1400
CPAF: 46	ORG: PC	Group#: 291	Spl Risk:
DMV#:	WebSite: MOTORISTSGROUP.COM	Admitted Dt: 06/05/1916	Fld: 410299900

Motorists Commercial Mutual Insurance Company
471 East Broad Street
Columbus, OH 43215-3861

[Company Name History:](#)

[Change Dt](#)

American Hardware Mutual Insurance Company	11/15/2011
Hardware Mutual Insurance Company of Minnesota	05/11/1955
Hardware Mutual Fire Insurance Company of Minnesota	06/04/1938
Retail Hardware Mutual Fire Insurance Company of Minnesota	07/31/1934

Best's Insurance News & Analysis subscription required - March 21, 1994 04:22 PM (EST)

American Hardware, Motorists Mutual Merge Claims

American Hardware Insurance Group (Ohio), Minnetonka, Minn., and Motorists Mutual Insurance Co., Columbus, Ohio, have consolidated their claims functions, resulting in the elimination of 19 positions

[Motorists Insurance, BrickStreet Mutual Rebrand as Encova](#): Motorists Insurance Group and BrickStreet Mutual Insurance Co. have rebranded as Encova Mutual Insurance Group. The move comes two years after the companies affiliated to become a super-regional property/casualty carrier.

“ ...

Date: July 16, 2019 Source: [BestWire News](#)

PolicyFind's research did not unequivocally lead to Encova Insurance regarding notices of long-tail environmental claims. If Encova is not handling claims of this type, then they could be asked to whom should these types of claims be tendered.

Encova Insurance
471 E. Broad Street
Columbus, Ohio 43215

PolicyFind was provided the following evidence/policies re: Kraemer Brothers Partnership:

- 5/15/2012 to 5/15/2013: Federated Insurance
- 5/15/2012 to 5/15/2013: Nationwide Mutual Ins
- 5/15/2013 to 5/15/2014: Federated Mutual Ins
- 5/15/2015 to 5/15/2016: Nationwide Mutual Ins
- 5/15/2015 to 5/15/2016: Allied Insurance, Nationwide
- 5/15/2016 to 5/15/2017: Nationwide Mutual Ins policy

Truck Insurance Exchange. Earl M. Radziej dba Sir Knight Cleaners was insured by Truck Insurance Exchange for workers compensation under a stand-alone policy effective 11-01-71 to 11-15-76. Truck Insurance Exchange is one of the insurers comprising Farmers Insurance Group. Truck Insurance Exchange along with Farmers Insurance Exchange and Fire Insurance Exchange, and their subsidiaries and affiliates, provide automobile, homeowners, personal umbrella and business owners insurance. Should the claim be tendered to Farmers Insurance, it could be tendered by the Named Insured,

successor or authorized representative. The workers compensation records should be sent as supporting documents. The claim should be tendered to:

Farmers Insurance Group
4750 Wilshire Blvd.
Los Angeles, CA 90010

Sentry Insurance. Earl M. Radziej dba Sir Knight Cleaners was insured by Sentry Insurance for workers compensation from 11-15-76 to 10-01-80. This was a stand-alone workers compensation policy.

Sentry could have partial records of policies issued during this time. PolicyFind reviewed a specimen Sentry dry cleaning policy for 1974 from Michigan; however, this specimen policy does not need to be submitted to Sentry at this point. If Sentry can confirm coverage, but cannot find a policy, we can produce a specimen policy at that point, to prove terms and conditions and policy language. Sentry policies issued during this time period would contain the qualified pollution exclusion. The claim could be tendered to Sentry. The workers compensation records should be sent as supporting documents. The claim could be tendered to Sentry by the Named Insured, a successor or an authorized representative. The claim should be sent to:

Sentry Insurance a Mutual Company
1800 North Point Drive
Stevens Point, WI 54481

Liberty Mutual. Earl M. Radziej dba Sir Knight Cleaners held its workers compensation coverage with Liberty Mutual Insurance, effective 10-01-80 to 10-01-88. We are unable to assess whether or not this workers compensation policy was issued as part of a 'package policy' containing a general liability coverage part.

Liberty Mutual environmental claims are now handled by Resolute Management. The claim could be tendered to Resolute by the Named Insured, successor or an authorized representative. The workers compensation records should be sent as supporting documents. The claim should be sent to:

Resolute Management Inc
Liberty Mutual
100 Liberty Way
Dover, NH 03820

Schedule of Insurance

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
1/1/1971 to 1/1/1972	Earl M. Radziej dba Sir Knight Cleaners	14731 Excelsior Blvd, Minnetonka	Truck Insurance Exchange	Workers Compensation
1/1/1972 to 1/1/1973	unknown	not provided	gap	Workers Compensation
1/1/1973 to 1/1/1974	Earl M. Radziej dba Sir Knight Cleaners	14731 Excelsior Blvd, Minnetonka	Truck Insurance Exchange	Workers Compensation
1/1/1974 to 1/1/1975	Earl M. Radziej dba Sir Knight Cleaners	14731 Excelsior Blvd, Minnetonka	Truck Insurance Exchange	Workers Compensation
1/1/1975 to 1/1/1976	Earl M. Radziej dba Sir Knight Cleaners	14731 Excelsior Blvd, Minnetonka	Truck Insurance Exchange	Workers Compensation
11/15/1976 to 10/1/1977	Earl Radziej dba Sir Knight Cleaners	14731 Excelsior Blvd, Minnetonka	Sentry Insurance	Workers Compensation
10/1/1977 to 10/1/1978	Earl Radziej dba Sir Knight Cleaners	14731 Excelsior Blvd, Minnetonka	Sentry Insurance	Workers Compensation
10/1/1978 to 10/1/1979	Earl Radziej dba Sir Knight Cleaners	14731 Excelsior Blvd, Minnetonka	Sentry Insurance	Workers Compensation
10/1/1979 to 10/1/1980	Earl Radziej dba Sir Knight Cleaners	14731 Excelsior Blvd, Minnetonka	Sentry Insurance	Workers Compensation
10/1/1980 to 10/1/1981	Earl Radziej dba Sir Knight Cleaners	14731 Excelsior Blvd, Minnetonka	Liberty Mutual	Workers Compensation

Schedule Continues on Next Page

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
10/1/1981 to 10/1/1982	Sir Knights, Inc.	14731 Excelsior Blvd, Minnetonka	Liberty Mutual	Workers Compensation
10/1/1982 to 10/1/1983	Sir Knights, Inc.	14731 Excelsior Blvd, Minnetonka	Liberty Mutual	Workers Compensation
10/1/1983 to 10/1/1984	Sir Knights, Inc.	14731 Excelsior Blvd, Minnetonka	Liberty Mutual	Workers Compensation
10/1/1984 to 10/1/1985	Sir Knights, Inc.	14731 Excelsior Blvd, Minnetonka	Liberty Mutual	Workers Compensation
10/1/1985 to 10/1/1986	Sir Knights, Inc.	14731 Excelsior Blvd, Minnetonka	Liberty Mutual	Workers Compensation
10/1/1986 to 10/1/1987	Sir Knights, Inc.	14731 Excelsior Blvd, Minnetonka	Liberty Mutual	Workers Compensation
10/1/1987 to 10/1/1988	Sir Knights, Inc.	14731 Excelsior Blvd, Minnetonka	Liberty Mutual	Workers Compensation

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed evidence of general liability and workers compensation coverages issued prior to 1986 and determined Named Insured information, insurers, effective dates of policies, policy limits, and other pertinent information.

Coverage issued post-1986 was also reviewed. However, as standard general liability insurance policies were issued containing the Absolute Pollution Exclusion beginning in or around 1985; and because the courts find the Absolute Pollution Exclusion to be a bar to coverage in Minnesota, our focus is on earlier policies.

It is important to note that Workers Compensation coverage does not prove the existence of General Liability coverage. Rather, acquiring evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, only if the coverages were held within the same policy, issued by the same carrier as and procured as part of a 'package' policy.

Notice of Claim letters could be drafted and sent to Encova Insurance re: American Hardware Mutual Insurance on behalf of Kraemer Bros and/or Kraemers Hardware.

Additionally, Truck Insurance Exchange, Sentry, and Liberty Mutual (vis a vis Farmers Insurance Group, Sentry, and Resolute Management Inc., respectively), could be placed on notice of a claim and sent on behalf of Mr. Gary Radziej dba Sir Knight. The liability insurance policies Mr. Earl Radziej procured for the business could have been assets transferred upon sale or transfer of the business to Mr. Gary Radziej when he incorporated in October 1981. Further, Gary Radziej (or Marian Radziej) may be the Executor of Earl Radziej's Estate or a Trustee of a Trust (Authorized Representative). This is information not known at this time, as no estate record was located re: Earl Radziej. In any event, policies issued post 1981, after Gary Radziej's incorporation of the business, would need to be tendered by him/on his behalf, as the corporation is Active and In Good Standing, with Mr. Gary Radziej listed as the Chief Executive Officer.

Within leases between Kraemer and Sir Knight, PolicyFind did not find language requiring Kraemer Bros and/or Kraemers Hardware to be named as an Additional Insured within policies procured by Sir Knights or its officers. However, it is possible Kraemers and its associated entities, were named as Additional Insureds within policies issued to Sir Knights. If this is the case, Kraemers would have the right to make claims against these policies.

Given PolicyFind's inability to speak with Mr. Radziej, we are unable to determine his willingness to participate in the claims process with insurers.

Section IV. BARRIERS TO COST RECOVERY

Identification of Barriers

Barrier 1. Workers Compensation Coverage. Some of the historical coverage PolicyFind acquired during its Insurance Archeology investigation was workers compensation coverage. While workers compensation coverage could have been procured as part of a package policy containing a liability coverage part, it is possible this coverage was issued as ‘stand-alone’ workers compensation coverage.

Barrier 2. Carrier Archive Issues. It is possible that once tendered, carriers may not be able to locate evidence of coverage issued to the Named Insured within their respective archives. While carriers have the duty to defend policyholders, if sufficient evidence of the policy is not produced, the duty to defend is not triggered.

Barrier 3. American Hardware Mutual Insurance. PolicyFind’s research did not unequivocally lead to Encova Insurance as handling notices of long-tail environmental claims under policies issued to American Hardware Mutual Insurance Company. If Encova is not handling claims of this type, perhaps they can advise to whom these types of claims be tendered.

Barrier 4. Absolute Pollution Exclusion. Some of the coverage evidence located and reviewed for this Site was issued after 1986. The purpose for reviewing evidence of coverage issued 1986 and earlier involves the Absolute Pollution Exclusion. The insurance industry added the Absolute Pollution Exclusion to general liability policies starting in, or shortly after, 1985. That language has been upheld by most courts, including Minnesota, and bars coverage for certain releases.

Section V. Recommendations

All aforementioned carriers could be tendered in this matter by Named Insureds, Additional Insureds and/or Authorized Representatives. Specifically, regarding the American Hardware Mutual coverage dating from 1969 through 1987, as Landlord, Kraemer Bros could have been named as an Additional Insured within policies issued to, Tenant, Sir Knight Cleaners. While this was not delineated within the leases PolicyFind reviewed - we did not view *all* leases. If additional Insured information was specified in leases we did not review, this could provide the Kraemer entities with proper authority to make claims against Sir Knight's policies.

Active Corporations. Active corporations may have insurance assets that are available to be leveraged against claims for property damage or bodily injury. In this instance, the following entities are listed as Active corporations/In Good Standing with the State of Minnesota:

- **Sir Knights, Inc.** was incorporated in 1981 and is currently an Active corporation, In Good Standing.
- While members of the Kraemer family involved in property ownership pre-dating 1979 are deceased, Mr. John Kraemer currently lives in Minneapolis. **Kraemer Brothers LLC** and **Kraemer Brothers Partnership LLP** are both still listed as Active Corporations according within the Office of the Minnesota Secretary of State.
- **Kraemer's Hardware, Inc.** was incorporated in 1959 at 14730 Excelsior, and currently an Active Corporation, In Good Standing.

Living PRPs/Named Insureds. While PolicyFind was unable to make proper contact with Gary Radziej, it is strongly recommended to get participation from this individual.

Gary Radziej. Owned and operated Sir Knights, Inc. since 1981. Mr. Radziej could be the executive representing the Named Insured from 1981 forward. It is possible he is the Authorized Representative and is able to make claims under policies issued to his father doing business at the Site dating back to the 1950s.

Notices of Claim could be submitted on behalf of the Named Insured, authorized representative, or additional insured to the following Identified Carriers:

- **Encova Insurance** re: American Hardware Mutual Insurance/Motorists Insurance Group
- **Truck Insurance Exchange.** Care of Farmers Insurance Group
- **Sentry Insurance.**
- **Liberty Mutual.** Care of Resolute Management Inc

POLICYFIND™

INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

CENTRAL CLEANERS
601 E HOWARD STREET, HIBBING



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

Executive Summary – Insurance Archeology Findings

Ownership/Operational/Corporate History. The building at 601 E Howard Street in Hibbing was built ca. 1920 and, from the 1920s forward, it operated as Central Laundry & Dry Cleaner/Central Laundering and Cleaning Company/Central Laundry & Cleaning Co. (“Central Laundry”). The Site was owned prior to 1972 by Hibbing Laundering and Cleaning Company. Within the Office of the Minnesota Secretary of State, we find Hibbing Laundering and Cleaning Company (formerly Hibbing Laundry Company) was incorporated in 1920, and was administratively dissolved in November of 1991. In 1972, Central Laundry purchased the Site, and its ownership continued until 1985. According the Office of the Minnesota Secretary of State, Central Laundry was incorporated in 1972 and was administratively dissolved in 1991. The Central Laundry entity believed to have operated at the Site dating back to the 1920s was incorporated in 1920 and has a current status of Inactive. In October of 1985, Central Laundry sold the property to American Linen Supply Company; American Linen Supply’s ownership lasted until December of 1986. American Linen Supply later became known as AmeriPride Services, Inc. and according to its website, in 2020, AmeriPride Services, Inc. is now an Aramark Company. Victor R. Anderson purchased the Site from American Linen Supply in December of 1986; Mr. Anderson died in 2016. Mr. Anderson and his wife, Marlene F. Anderson, sold the property to Wells Fargo Bank in 2005.

Hibbing Laundering and Cleaning. According to property documents filed in 1972, James R. Holker was listed as president, and David M. Heskett, vice president, of Hibbing Laundering and Cleaning Company. We also find the instrument was drafted by Bruce F. Burton, Faegre & Benson of 1300 Northwestern Bank Bldg, Minneapolis, MN. Mr. Holker died in 2003, as did Mr. Heskett. PolicyFind was unable to locate Mr. Burton.

Central Laundry & Cleaning Co. Within the Warranty Deed filed October 1985 between Central Laundry & Cleaning Co. and American Linen Supply Co., we find the names Wallace Wolff, Jr., President, and Dianna Neary, Secretary of Central Laundry & Cleaning Co. PolicyFind made attempts to reach Mr. Wolff; to date, no responses have been received.

American Linen Supply. Within the Warranty Deed filed January 1987 between American Linen Supply Co. and Victor R. Anderson, we find the name of Bruce M. Steiner, Vice President, of American Linen Supply Co. We also find the instrument was drafted by Peter J. Mulvahill of Naughtin, Mulvahill & Minton, Ltd. Of 2007 Fourth Avenue East in Hibbing, MN. American Linen Supply Co., headquartered today in Minnetonka, is now known as AmeriPride Services, Inc. and has 45 plants and 70 service centers throughout the U.S. and Canada. Bruce Steiner is the former CEO and is a co-chair on the company board. According to its website, in 2020, AmeriPride Services, Inc. is now an Aramark Company.

People Formerly Associated. Research efforts yielded information dating back to 1929 regarding former operators at the Site, to include Fred Smith and Russell C. Sapp, of Central Laundry. Sapp was associated with Central Laundry, in the capacity of shop manager, in 1971. While efforts to find Mr. Smith did not yield relevant results, it is believed he is deceased. Mr. Sapp died in 1972. Within city directories in 1972, we next find William Colvin listed as manager. Mr. Colvin’s management lasted only one year;

PolicyFind was not able to speak with Mr. Colvin, as he died in 1986. In 1973, Joseph M. Stukel and June H. Stukel were managing operations at the Site; they are both deceased. From 1974-1985, we found Mr. James C. Husted and Barbara A. Husted were managing operations at the Site. While Mr. James Husted died in 1985, Mrs. Husted spoke with PolicyFind in October of 2020. Mrs. Husted said Central Laundry was sold to American Linen and any information about insurance would have to be addressed by Wally (Wallace) Wolff. However, Mrs. Husted was able to share some potentially relevant details with PolicyFind, as outlined within the Interviews section of this report. By 1986, Mr. Victor R. Anderson bought the business and he owned the property by December of the same year. Mr. Anderson's daughter, Dawn, was interviewed as part of this assessment.

Civil Court Records: PolicyFind reviewed and received the following:

- Statement of Case and Summons re: civil case styled "Rossow v. American Linen Supply Company" filed 8/29/1980. Within the Statement of Case, we find C N A Insurance Company listed as a co-defendant (27-CV-000770443).
- Certain documents re: civil case styled "Moen v. American Linen Supply" filed June 17, 1981. Within the Defendants' Statement of Case, we find "C N A listed as a co-defendant and "C N A insures defendant..." (27-CV-000780141).
- Select records re: civil case styled "Bakken v. American Linen Supply Company and Minnesota Teamsters Building, Inc." filed July 28, 1982. Within the Plaintiff's Statement of the Case we find: "Name of insurance carriers involved. American Linen Supply Company – C N A"
- Select documents re: civil case styled "Dalene Skinaway v. American Linen Supply et al.", filed July 29, 1986, no insurance carrier was referenced (27-CV-86-013450)

Interviews/Outreach Efforts.

Barbara Husted. Husted was associated with the Site from at least 1974 through 1985. Workers Compensation coverage was in place with State Farm Insurance during this time period (according to the Department of Labor and Industry). PolicyFind spoke with Mrs. Husted on September 30, 2020. Mrs. Husted indicated she was the receptionist and bookkeeper at Central Cleaners for about 8 years, working for/with her late husband, James C. Husted, who managed the store. Mrs. Husted said Central Laundry was sold to American Linen Supply and any information about insurance would have to be addressed by its president, “Wally” Wolff. Mrs. Husted said she didn’t know anything about historical liability insurance coverage related to the cleaners, but she reported that Mr. Wolff owned his own State Farm agency in addition to Central Laundry & Cleaning. Mrs. Husted did not have any paperwork from her time at the shop, she again directed us to Mr. Wolff – ‘if anything was kept, he would have it’.

Wallace Wolff. Mr. Wolff was the president of Central Laundry & Cleaning Co. One phone number we found for Mr. Wolff has been disconnected and another was a wrong number. We also sent an email, which was returned as undeliverable. Finally, we sent a letter to Mr. Wolff, requesting information on 10/1/2020. To date, we have not received a response to our letter. As of the date of this assessment, PolicyFind notes that both of Mr. Wolff’s sons, Tim Wolff and Dan Wolff, are State Farm Insurance agents in Hibbing.

Dianna Neary. PolicyFind spoke with Ms. Neary on October 29, 2020. At that time, she advised she was a secretary with Central Laundry & Cleaning Co. in 1985. She did not recall any information regarding liability insurance as it relates to Central Laundry & Cleaning Co. Ms. Neary did recall that Wally Wolff was a State Farm Insurance agent.

Dawn Anderson & Marlene Anderson. Victor Anderson’s daughter and wife, respectively. On 10/2/2020, PolicyFind spoke with Dawn Anderson. Ms. Anderson said she didn’t know much information about historical liability insurance held by her father. She confirmed he has passed. When asked about State Farm, she said it sounded familiar. She said there was a Tim Wolff State Farm Agency and Roger Larson State Farm. PolicyFind called Marlene Anderson and left a voice message; to date, we have not received a response. However, when asked if Marlene Anderson might have any information, Dawn Anderson indicated that her mother would not have any information, nor did she ever know anything about the business and/or operations.

AmeriPride Services, Inc. fka American Linen Supply Co. According to its website, today AmeriPride Services, Inc. is now an Aramark Company. As of the date this assessment was drafted it is unknown whether or not AmeriPride (Aramark) is aware it is a PRP as it relates to this Site. Additional questions to be addressed: 1. Did AmeriPride take on American Linen Supply Co.’s assets and liabilities. 2. Does the same hold true for Aramark in relation to AmeriPride?

Section II. EVIDENCE OF COVERAGE REVIEW & ANALYSIS

Analysis to Include Insurer Responsibility & Contact Information

In addition to the C N A coverage re: American Linen Supply Company (referenced within the Civil Court Records portion of Section I of this assessment), evidence of historical liability coverage is contained within the Schedule of Insurance. PolicyFind located evidence of Workers Compensation coverage during its investigation (which can prove the existence of other coverage parts, namely General Liability, *only if* the coverages were held within the same policy, issued by the same carrier, as procured as part of a 'package' policy).

A review of workers compensation evidence as provided by the Minnesota Department of Labor and Industry provided the following:

Employers Mutual of Wisconsin. Hibbing Laundering and Cleaning Co. ("Hibbing") had verified workers compensation coverage in effect from 02/01/1940 to 02/01/1970 with Employers Mutual of Wisconsin. There is no policy number or address for the business listed on the records. Employers Mutual of Wisconsin is most likely Employers Insurance of Wausau.

A new workers compensation policy was issued by Employers Insurance of Wausau to Central Laundry at the Howard Street address effective 02/01/1971.

This claim could be tendered to Employers Mutual/Employers Insurance of Wausau on behalf of Hibbing and the listed owners under the policies in effect through 02/01/1970, and also under the policy effective in 1971.

Employers Insurance of Wausau was sold to Nationwide Insurance which in turn sold the company to Liberty Mutual Insurance. However, Nationwide retained liability for administering liability claims under policies issued 1986 and earlier. The Insurance cards from the Minnesota Rating Bureau should be sent in support. Wausau Insurance was known for keeping copies of older policies longer than most other carriers. The claim can be tendered to:

Nationwide Insurance Environmental Claims
500 North 3rd Street
Wausau, WI 54403

State Farm Fire & Casualty Company. A new workers compensation policy was issued by State Farm to Central Laundry and Dry Cleaning, Inc. at the Howard Street address effective 09/01/1972. There was continuous coverage in effect under changing policy numbers until 09-01-86. According to those interviewed for this assessment, Mr. Wolff owned a State Farm Insurance agency during this time period. Mrs. Anderson also recalled State Farm as the carrier.

Within its library, PolicyFind located a State Farm dry cleaner Specimen Policy issued for 1977-1978. This specimen policy shows policy language and exclusions typically included within standard form State Farm policies during our time period of interest. Further, the specimen shows a similar policy number format as the workers compensation policy information issued to Central Laundry and Dry Cleaning, Inc. The claim tendered by the Named Insured or an Authorized Representative should include all relevant

background information, the workers compensation evidence, and the specimen policy. All documents can be submitted to:

State Farm
Environmental Claims
One State Farm Plaza
Bloomington, IL 61710

Schedule of Insurance

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
2/1/1940 to 2/1/1970	Hibbing Laundering & Cleaning Co.	Hibbing	Employers Mutual	Workers Compensation
2/1/1970 to 2/1/1971	unknown	Hibbing	gap	Workers Compensation
2/1/1971 to 2/1/1972	Central Laundry	601 E. Howard St., Hibbing	Employers Insurance of Wausau	Workers Compensation
2/1/1972 to 9/1/1972	unknown	no information	gap	Workers Compensation
9/1/1972 to 9/1/1973	Central Laundry and Dry Cleaning Co., Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty Company	Workers Compensation
9/1/1973 to 9/1/1974	Central Laundry and Dry Cleaning Co., Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty Company	Workers Compensation
9/1/1974 to 9/1/1975	Central Laundry and Dry Cleaning Co., Incorporated	601 East Howard, Hibbing	State Farm Fire & Casualty Company	Workers Compensation
9/1/1975 to 9/1/1976	Central Laundry and Dry Cleaning Company, Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty	Workers Compensation
9/1/1976 to 9/1/1977	Central Laundry and Dry Cleaning Company, Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty	Workers Compensation
9/1/1977 to 9/1/1978	Central Laundry and Dry Cleaning Company, Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty	Workers Compensation
9/1/1978 to 9/1/1979	Central Laundry and Dry Cleaning Company, Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty	Workers Compensation
9/1/1979 to 9/1/1980	Central Laundry and Dry Cleaning Company, Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty	Workers Compensation
9/1/1980 to 9/1/1981	Central Laundry and Dry Cleaning Company, Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty	Workers Compensation
9/1/1981 to 9/1/1982	Central Laundry and Dry Cleaning Company, Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty	Workers Compensation

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
9/1/1982 to 9/1/1983	Central Laundry and Dry Cleaning Company, Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty	Workers Compensation
9/1/1983 to 9/1/1984	Central Laundry and Dry Cleaning Company, Inc.	601 E. Howard St., Hibbing	State Farm Fire & Casualty	Workers Compensation
9/1/1984 to 9/1/1985	Central Laundry and Dry Cleaning Co, Inc.	601 E. Howard, Hibbing	State Farm Fire & Casualty Company	Workers Compensation
9/1/1985 to 9/1/1986	Central Laundry and Dry Cleaning Co, Inc.	601 E. Howard, Hibbing	State Farm Fire & Casualty Company	Workers Compensation

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed evidence of workers compensation policies prior to 1986 and determined Named Insureds, insurers, effective dates of policies. PolicyFind also conducted a search of its specimen policy library and located a relevant State Farm-issued General Liability policy from our time period of interest (providing standard form policy language, terms, and conditions). PolicyFind did not find evidence pertaining to terms or conditions of policies however, insurance evidence obtained did indicate that certain standard form policy language was in place within the policies issued.

It is important to note that Workers Compensation coverage information can be a key piece of information when attempting to prove liability coverage. That said, determining the existence of workers compensation insurance coverage does not exclusively prove the existence of General Liability coverage. However, proof of workers compensation coverage can be valuable if it is procured as part of a package policy, also containing a general liability coverage part. While the evidence PolicyFind discovered could be stand-alone workers compensation coverage, both Employers and State Farm could have issued these coverages within package policies.

Hibbing Laundering & Cleaning Co. is an Administratively Dissolved corporation; and, a claim may still be able to be made. However, PolicyFind is not able to speak to the willingness of the Named Insured to file claims as it has not determined a living authorized representative to present the claim to Employers Insurance of Wausau, care of Nationwide Insurance.

Regarding the coverage issued to Central Laundry and Dry Cleaning Co., Inc., by State Farm Insurance, PolicyFind has not yet received a response from its outreach efforts with Mr. Wolff. Therefore, we cannot speak to willingness to participate in the process of notifying carriers of a claim against these former policies. Mr. Wolff's participation, or that of an authorized representative may be required in order to make a claim.

References to C N A having issued General Liability coverage to American Linen Supply Company were located within certain historical civil matters. American Linen owned the Site from October of 1985 until December of 1986. American Linen Supply later became known as AmeriPride Services, Inc. and according to its website, in 2020, AmeriPride Services, Inc. is now an Aramark Company. Outreach efforts could be made to Aramark to learn if American Linen Supply's historical coverage information is known and if there is evidence that exists today regarding C N A 's alleged coverage to American Linen Supply during our time period of interest.

Section IV. BARRIERS TO COST RECOVERY

Identification of Barriers

Barrier 1. Ability & Willingness of Named Insured to File Claims. Evidence of workers compensation coverage has been discovered for two entities historically associated with the Site in an ownership/operational capacity (Hibbing Laundering & Cleaning Co. and Central Laundry and Dry Cleaning Co., Inc.). However, PolicyFind has not been able to make successful contact with Named Insureds, nor Authorized Representatives of either entity. To date, no general liability insurance information has been located as issued to American Linen Supply Company. American Linen owned the Site from October of 1985 until December of 1986. American Linen Supply later became known as AmeriPride Services, Inc. and according to its website, in 2020, AmeriPride Services, Inc. is now an Aramark Company. Outreach efforts could be made to Aramark to learn if American Linen Supply's historical coverage information is known.

Barrier 2. No Direct Evidence of GL Coverage. Except for reference to potential coverage by C N A to American Linen Supply Company (located within historical civil suits), the best evidence of historical insurance coverage PolicyFind was able to acquire during its Insurance Archeology investigation is workers compensation information, which is contained within the Schedule of Insurance. PolicyFind did not locate direct evidence of General Liability coverage associated with the business or property pre-dating 1986. While workers compensation coverage could have been procured as part of a package policy containing a liability coverage part, there is a chance this coverage was issued as 'stand-alone' workers compensation coverage. Further, the evidence of coverage issued to Hibbing Laundering & Cleaning Co. prior to 1971 may have been issued for a location other than 601 E. Howard Street in Hibbing.

Barrier 3. Carrier Archive Issues. It is possible that once tendered, carriers may not be able to locate evidence of coverage issued to the Named Insured within their respective archives. While carriers have the duty to defend policyholders, if sufficient evidence of the policy (contract) is not produced, the duty to defend is not triggered.

V. Recommendations

Participation from Named Insureds/Authorized Representatives. In order to tender claims to the aforementioned carriers, the ability and willingness of Named Insureds or Authorized Representatives of Hibbing Laundering & Cleaning Co. and Central Laundry and Dry Cleaning Co., Inc. needs be determined. Further, outreach efforts could be made to Aramark to learn whether more is known or if documentation exists re: American Linen Supply's historical coverage, as believed to have been issued by C N A.

Corporate Administrative Dissolution. "Administratively dissolved" entities likely stopped filing annual papers/fees with the Secretary of State's office. More investigation would be needed to confirm whether the entity still exists--and if so, if it has the ability to make a claim against an insurance carrier.

- Hibbing Laundering and Cleaning Company (formerly Hibbing Laundry Company) owned the Site prior to 1972. Hibbing Laundering and Cleaning Company was Administratively Dissolved in November of 1991.
- From 1972-1985, Central Laundry owned the Site; Central Laundry was Administratively Dissolved in 1991.

Notices of Claim. Should Notices of Claim be generated and submitted to Nationwide and State Farm, it is possible carriers *may* still have copies of later general liability policies issued to Hibbing Laundering & Cleaning Co. and Central Laundry and Dry Cleaning Co.

POLICYFIND™

INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

PETER PAN CLEANERS
120 N. 3RD AVENUE WEST, DULUTH



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

Executive Summary – Insurance Archeology Findings

Ownership, Operations & Corporate History. From the Phase I report by Twin Ports Testing, Inc. we find Mr. Phil Lichterman began dry cleaning operations at the Site in 1950. Further, according to property records, Mr. Herman Pegler, whom died in 1966, sold the Site to Mr. Phillip M. Lichterman in 1964. In January of 1985, deed contract documents show Mr. Lichterman sold the property to Mr. Elliott T. Johnson, whom continued ownership and operations through PolicyFind's time period of interest. In 1992, Mr. Johnson experienced financial difficulties, and ownership of the property conveyed back to Phillip M. and Annette B. Lichterman (died 2008, 2016 respectively), whom ultimately sold the Site to Philip & Karen Rosar in June of 1994. The Rosars sold the Site to Gospel Mission of India in 2005.

According to the Office of the Minnesota Secretary of State, Peter Pan Cleaners of Duluth, Inc was incorporated in 1981 and has a current status of 'Inactive'. We find the Registered Agent is listed as Phillip M. Lichterman; the business was Administratively Dissolved in October of 1991.

As a part of this assessment, PolicyFind conducted interviews with Steven C. Lichterman, Phillip M. and Annette B. Lichterman's son, whom we learned was affiliated with operations in the 1980s – in the capacity of assistant director of Peter Pan Cleaners after Elliott T. Johnson's acquisition. PolicyFind also spoke with Mr. Elliott T. Johnson, former owner of Peter Pan Cleaners, whom resides in Sturgeon Lake, Minnesota. Annette Lichterman's probate records were located under Case No. 69DU-16-114.

Insurance Agents/Agencies. The earliest record of historical workers compensation records provided to PolicyFind from the Minnesota Department of Labor and Industry is January 1975. We do not see reference to Mr. Lichterman's (dba Peter Pan Cleaners) insurance agency until 1976 (through 1985), in which Liscomb-Hood-Mason, of Duluth, is noted. Northern Minnesota Operations, Marsh & McLennan, Duluth, MN acquired Liscomb-Hood-Mason in 2013. PolicyFind sent an email request for records to Marsh & McLennan, with no response to date. When we spoke with Steven Lichterman, he recalled his father, Philip worked with Sidney 'Sid' Mason at the aforementioned agency. Mr. Mason died in 2009.

Duluth Fire Department. PolicyFind requested historical incident/inspection reports from the Duluth Fire Department. On September 14, 2020, Ellen Kreidler, Executive Assistant provided, *"We have very little information from this time frame – beyond the attached record of response in 1972 and 1963. The reference to a book and page is not very helpful, because those books no longer exist. I have no way of telling you whether the incidents were minor or major in nature."*

Source: Duluth FD

LOCATION 120 North 3rd Ave. West						
BOOK	PAGE	LINE	DATE	OCCUPANT	OWNER	CAUSE
H	592	9	5/6/63	Graham, Janet - Owner of clothes	Liethirmin - Laundermat owner	Clothes burning in dryer
LOCATION 120 N. Third Ave. W.						
BOOK	PAGE	LINE	DATE	OCCUPANT	OWNER	CAUSE
H	917	2	8/30/72	Peter Pan Cleaners	Phillip Lichterman	Vandalism

Interviews

Mr. Elliott T. Johnson. PolicyFind called Mr. Johnson and spoke with him on 9/25/2020. Mr. Johnson, 84, stated he bought the Site on contract in 1985 from the Lichtermans. As it relates to insurance, Mr. Johnson doesn't recall any information relating to his, nor the Lichterman's liability insurance from the mid-1980s or earlier. No carriers sounded familiar to him. Mr. Johnson shared that he purchased the property on contract for deed, but that he 'gave up' the land contract after just 2 years. Further, he stated he didn't use the location as an operating dry cleaner. He used the Site as a dry store for pickup only. Johnson says he had another store in Duluth in which he did the cleaning; no machines were in operation at this Site during his tenure. When asked if he was aware of any spills or incidents involving chemicals, he stated "I closed the shop off to cleaning when I started there and did the cleaning at another location. There might have been some chemicals in the dry cleaning machines left from [the former operator] but I didn't touch them or ever turn them on." No other information related to insurance was shared with PolicyFind by Mr. Johnson, however, he was courteous and willing to speak with our representatives.

Steven C. Lichterman: We spoke with Mr. Lichterman on 9/25/2020 on the phone. Mr. Lichterman shared that he recalled Travelers provided general liability coverage to his father for the shop, although he was unsure of the dates of coverage. Mr. Lichterman recalled the name of the insurance agency his father worked with as Liscomb-Hood-Mason, and, more specifically, his father's agent was Mr. Sid Mason (died in 2009). Mr. Lichterman inquired about whether contact had been made with Mr. Elliott Johnson, and mentioned Mr. Johnson's ownership and bankruptcy filing. Mr. Lichterman seemed certain about Travelers, however, did not recall Great American Insurance. That said, he expressed that if Liscomb-Hood-Mason was listed on documentation, it was likely procured by his father for the business. In light of his father's passing, PolicyFind asked about whom might have the rights to make a claim with carriers. Mr. Lichterman explained his brother in law was the Trustee of Mr. Philip Lichterman's Trust. Through research, we found Mr. Lichterman's brother in law is Dr. Douglas Warsett, 72, of North Palm Beach, Florida. Overall, Mr. Lichterman was forthright with PolicyFind and expressed he was more than willing to share information or assist in any way possible.

Section II. POLICY AND EVIDENCE OF COVERAGE REVIEW

Analysis to Include Insurer Responsibility & Contact Information

The best evidence of historical coverage PolicyFind was able to acquire during its Insurance Archeology investigation is the workers compensation information contained within the Schedule of Insurance. While PolicyFind did not locate direct evidence of General Liability coverage, Mr. Steven Lichterman stated it was his recollection that Travelers provided liability coverage to his father when he owned and operated at the Site.

A review of workers compensation evidence as provided by the Minnesota Department of Labor and Industry provided the following:

Travelers. Provided workers compensation coverage to Phillip M. Lichterman dba Peter Pan Cleaners in Duluth, under various policy numbers, effective 01-01-1975 until coverage was cancelled on 01-01-82 at insured's request. There is a gap in coverage during the 1977 to 1978 policy period, but surrounding years' coverage provides reason to believe the Named Insured continued with Travelers.

Within PolicyFind's specimen policy library, we located a Travelers-issued policy form of the same era. We note there is a line to list supporting business, such as workers compensation. This claim could be tendered to Travelers Insurance. The workers compensation records should be provided as support. The claim can be tendered by an authorized representative to:

Travelers
Environmental Claims Reporting
One Tower Square
Hartford, CT 06183

American National Fire. Workers compensation records indicate coverage was provided by American National Fire Insurance Company and/or Great American Insurance Company of New York to Peter Pan Cleaners of Duluth, Inc. effective 01-01-82, under various policy numbers, through 01-01-85. American National Fire Insurance is part of Great American Insurance Group. Peter Pan's other lines of coverage (i.e. general liability) could have also been written with American National Fire. This claim could be tendered to Great American Insurance Group. The workers compensation records should be provided as support. The claim can be tendered by an authorized representative to:

Great American Insurance Group
PO Box 5450
Cincinnati, Ohio 45201-5450

Berkley Risk. The workers compensation insurance issued to Peter Pan Cleaners Duluth FNA was carried as an assigned risk and administered through Berkley Risk Administration from 01-01-86 to 01-01-88. The insured location listed within these policies is not our site of interest (120 North 3rd Ave West, Duluth). As this address is not at issue for this assignment, no action can be taken under these policies for the Site at issue for this assessment.

Schedule of Insurance

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
01-01-1975 TO 01-01-1976	Phillip M. Lichterman dba Peter Pan Cleaners	120 North 3rd Ave West, Duluth	The Travelers Insurance Co	Workers Compensation
01-01-1976 TO 01-01-1977	Phillip M. Lichterman dba Peter Pan Cleaners	120 North 3rd Ave West, Duluth	The Travelers Insurance Company	Workers Compensation
01-01-1977 TO 01-01-1978	Phillip M. Lichterman dba Peter Pan Cleaners	120 North 3rd Ave West, Duluth	gap	gap
01-01-1978 TO 01-01-1979	Peter Pan Cleaners, Phillip M Lichterman DBA	120 North 3rd Ave West, Duluth	The Travelers Insurance Companies	Workers Compensation
01-01-1979 TO 01-01-1980	Peter Pan Cleaners, Phillip M Lichterman DBA	120 No 3rd Ave West, Duluth	The Travelers Insurance Companies	Workers Compensation
01-01-1980 TO 01-01-1981	Peter Pan Cleaners, Phillip M Lichterman DBA	120 No 3rd Ave West, Duluth	The Travelers Insurance Companies	Workers Compensation
01-01-1981 TO 01-01-1982	Phillip M. Lichterman dba Peter Pan Cleaners	120 No 3rd Ave West, Duluth	Travelers Insurance Co.	Workers Compensation
01-01-1982 TO 01-01-1983	Peter Pan Cleaners of Duluth, Inc.	120 North 3rd Ave West, Duluth	American National Fire Insurance Company (Great American)	Workers Compensation
01-01-1983 TO 01-01-1984	Peter Pan Cleaners of Duluth	120 North 3rd Ave West, Duluth	American National Fire Insurance Company (Great American)	Workers Compensation
01-01-1984 TO 01-01-1985	Peter Pan Cleaners of Duluth	120 North 3rd Ave West, Duluth	American National Fire Insurance Company (Great American)	Workers Compensation

Schedule of Insurance continued on next page...

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
01-01-1985 TO 01-01-1986	Peter Pan Cleaners of Duluth FNA	120 North 3rd Ave West, Duluth	Great American Insurance Company of New York	Workers Compensation
01-01-1986 TO 01-01-1987	Peter Pan Cleaners Duluth FNA	1826 E 8th St, Duluth	Assigned Risk - c/o Berkeley Risk Admin.	Workers Compensation
01-01-1987 TO 01-01-1988	Peter Pan Cleaners Duluth FNA	1826 E 8th St, Duluth	Assigned Risk - c/o Berkeley Risk Admin.	Workers Compensation

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed evidence of workers compensation policies prior to 1988 and determined Named Insureds, insurers, effective dates of policies. PolicyFind also conducted a search of its specimen policy library and located a relevant Travelers-issued General Liability policy from our time period of interest (proving policy language, terms, and conditions). During its review, PolicyFind did not find information related to deductible amounts, umbrella policies, insurance riders, nor exclusions.

Standard general liability insurance policies issued with “sudden and accidental” language were replaced by those with the Absolute Pollution Exclusion beginning in or around 1985. Because the courts find the Absolute Pollution Exclusion to be a bar to coverage in Minnesota, our focus is on policies issued prior to this date.

For this Site, PolicyFind located evidence of insurance by way of workers compensation evidence. Workers compensation may have been procured as part of a package policy, also containing a general liability coverage part. Mr. Lichterman recalled his father having procured his liability insurance through Travelers. This recollection, coupled with the evidence of workers compensation, leads to an assumption that Travelers provided General Liability coverage to Philip Lichterman dba Peter Pan Cleaners.

Peter Pan Cleaners of Duluth, Inc is an Administratively Dissolved corporation; and, a claim may still be able to be made. However, due to Elliott Johnson’s reported bankruptcy, focus may need to be placed on coverage issued prior to his contract purchase date in January 1985. If the corporation, under Mr. Johnson’s ownership, was not dissolved properly as a result of his reported bankruptcy, assets (including insurance) may still be accessed. During its investigation, PolicyFind was unable to locate a copy of Mr. Johnson’s bankruptcy filing. For coverages issued 1985 and earlier, Dr. Douglas Warsett, 72, of North Palm Beach, Florida, may be able to successfully place carriers on Notice of Claim in this matter – acting in the capacity of an authorized representative (as Trustee of Mr. Philip Lichterman’s Trust).

Section IV. BARRIERS TO COST RECOVERY

Identification of Barriers

Barrier 1. Ability & Willingness of Named Insured to File Claims. Evidence of workers compensation coverage has been discovered for Peter Pan Cleaners, the historically associated corporation with this Site. Further, during its interview with Mr. Lichterman, he confirmed Travelers provided General Liability coverage to his father for the Site. For coverages issued 1985 and earlier, Dr. Douglas Warsett, 72, of North Palm Beach, Florida, may be able to successfully place carriers on Notice of Claim in this matter – acting in the capacity of an authorized representative (as Trustee of Mr. Philip Lichterman’s Trust).

Barrier 2. Bankruptcy. *Re: Elliott T. Johnson* This case was likely filed in the United States Bankruptcy Court District of Minnesota; however, no record of this filing was located within PolicyFind’s research. Bankruptcy may be a bar to coverage, as bankruptcy could mean the end of life for a corporation, and, hence, the inability of any of its policies to provide coverage. However, it is possible the corporate officers and their appointed trustee may have abandoned the corporation after paying all debts and distributing its tangible assets to shareholders. The corporation may not have been properly “wound down” and dissolved. A shell of a corporation remains, and within it, those non-transferred assets: its insurance policies. The corporation’s trustee can act for the corporation to authorize a release of policies to accommodate the filing of long-tail claims. Further discussions with Mr. Johnson could lead to the discovery of the name of the Trustee in this matter.

Barrier 3. Carrier Archive Issues. It is possible that once tendered, carriers may not be able to locate evidence of coverage issued to the Named Insured within their respective archives. While carriers have the duty to defend policyholders, if sufficient evidence of the policy (contract) is not produced, the duty to defend is not triggered.

V. Recommendations

Notices of Claim. Based on PolicyFind's interview with Mr. Lichterman, and given the evidence of workers compensation coverage as issued by Travelers provided within this assessment, the likelihood the carrier provided General Liability coverage to Peter Pan Cleaners of Duluth is regarded as likely. Notices of Claim should be submitted on behalf of an authorized representative of the Named Insured to Travelers and American National Fire, care of Great American Insurance Group.

Corporate Administrative Dissolution. "Administratively dissolved" entities likely stopped filing annual papers/fees with the Secretary of State's office. More investigation would be needed to confirm whether the entity still exists--and if so, if it has the ability to make a claim against an insurance carrier.

Elliott Johnson & Steven C. Lichterman. Due to Elliott Johnson's reported bankruptcy, focus may need to be placed on coverage issued prior to his contract purchase in January 1985. If the corporation, under Mr. Elliott's ownership, was not dissolved properly as a result of his reported bankruptcy, assets (including insurance) may still be accessed. During its investigation, PolicyFind was unable to locate a copy of Mr. Johnson's bankruptcy filing; thereby, we were unable to find a Trustee to speak with about the matter. For coverages issued 1985 and earlier, Dr. Douglas Warsett, 72, of North Palm Beach, Florida, may be able to successfully place carriers on Notice of Claim in this matter – acting in the capacity of an authorized representative (as Trustee of Mr. Philip Lichterman's Trust).

POLICYFIND™

INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

SHORTY CLEANERS

121 CHESTNUT STREET EAST, STILLWATER



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

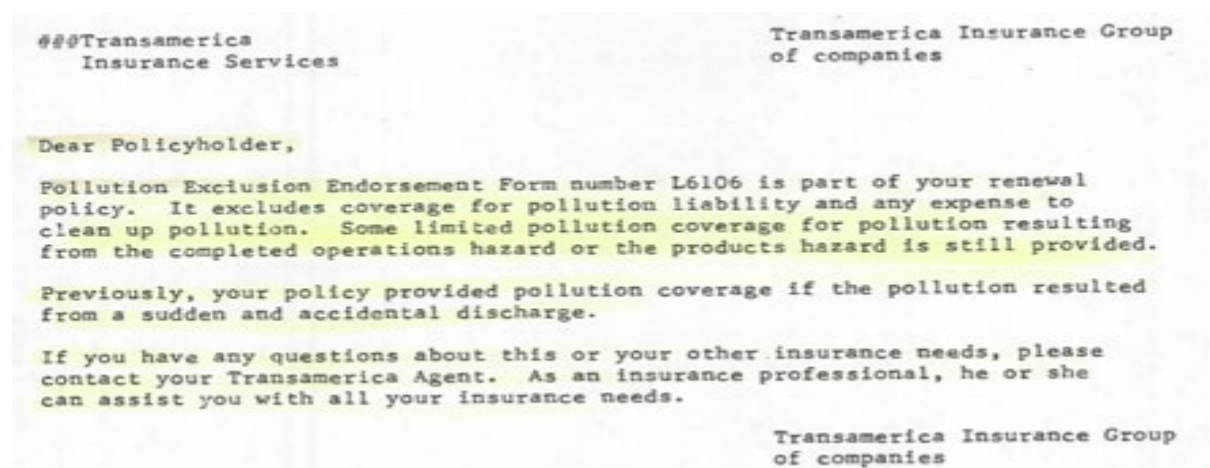
Executive Summary – Insurance Archeology Findings

Ownership, Operational & Corporate History. According to Delta Environmental Consultants' 1995 Phase I, Stillwater Laundry conducted dry cleaning operations on the Site prior to 1943. In 1943, Clarence Bourdaghs purchased the business and changed the name to Shorty Cleaner Tailor Launderer. Mr. Bourdaghs purchased the property from Thomas H. Maher, Mary Maher, Lyman Sutton and Marie Sutton in December of 1946 (all deceased). In June of 1966, Clarence Bourdaghs (d. 1967) sold the property to his son, John J. Bourdaghs. At that time, John J. Bourdaghs changed the name of the business from Shorty Cleaner, Tailor, Launderer to Shorty Cleaner, Launderer Inc. The business and property stayed within the Bourdaghs family from 1946 forward. Within Westlaw Company Investigator reports, we find Joleen Bourdaghs listed as the business owner and Caroline Eggers as Chief Executive Officer in November of 1990. John J. Bourdaghs sold the property to daughters Joleen Bourdaghs and Carol Eggers in April 2014. The City of Stillwater purchased the Site by eminent domain in 2019 and is the current property owner. Stillwater Laundry, Incorporated, is listed as an Inactive business within the Minnesota Secretary of State Business Records, Shorty Cleaner Launderer, Inc. is listed as an Active corporation, In Good Standing.

General Liability Coverage. During interviews with Mr. John J. Bourdaghs, PolicyFind learned he had retained evidence of general liability coverage issued to 'John J. Bourdaghs dba Shorty the Cleaner'. Evidence of coverage as well as full policies were furnished to PolicyFind.

We first reviewed general liability coverage referenced within insurance agency invoices as having been issued by Transamerica Insurance Company beginning 4/1/1976 through 4/1/1979.

Full insurance policies were provided to PolicyFind spanning 4/1/1979 through 6/30/1996. Within the general liability policy issued by Transamerica Insurance Company on 7/1/1985, we note the following:



(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

LIABILITY

GL 21 33 (Ed. 02 85)

L 6186
Ed. 2 85

POLLUTION EXCLUSION

This endorsement modifies such insurance as is afforded by the provisions of the policy relating to the following:

COMPREHENSIVE GENERAL LIABILITY INSURANCE
CONTRACTUAL LIABILITY INSURANCE
MANUFACTURERS' AND CONTRACTORS' LIABILITY INSURANCE
OWNERS' AND CONTRACTORS' PROTECTIVE LIABILITY INSURANCE
OWNERS', LANDLORDS' AND TENANTS' LIABILITY INSURANCE
SMP LIABILITY INSURANCE
STOREKEEPERS INSURANCE

This endorsement, effective

(12/01 A.M., standard time)

, forms a part of Policy No.

issued to

by

P.D. M...
Authorized Representative

It is agreed that the exclusion relating to the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants is replaced by the following:

- (1) to **bodily injury or property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
 - (a) at or from premises owned, rented or occupied by the **named insured**;
 - (b) at or from any site or location used by or for the **named insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the **named insured** or any person or organization for whom the **named insured** may be legally responsible; or
 - (d) at or from any site or location on which the **named insured** or any contractors or subcontractors working directly or indirectly on behalf of the **named insured** are performing operations:
 - (i) if the pollutants are brought on or to the site or location in connection with such operations; or
 - (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
- (2) to any loss, cost or expense arising out of any governmental direction or request that the **named insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.



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Policy Limits

1979-1980 Transamerica Insurance

SECTION II – GENERAL LIABILITY

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all of the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES		LIMITS OF LIABILITY	
Divided Limits Plan		Each Occurrence	Aggregate
A. Bodily Injury Liability	\$ 300 ,000	\$ 300 ,000	
B. Property Damage Liability	\$ 25 ,000	\$ 25 ,000	

1980-1981 Transamerica Insurance

SECTION II – GENERAL LIABILITY

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all of the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES		LIMITS OF LIABILITY	
Divided Limits Plan		Each Occurrence	Aggregate
A. Bodily Injury Liability	\$,000	\$,000	
B. Property Damage Liability	\$,000	\$,000	
Combined Limits Plan			
A. and B. Combined Bodily Injury and Property Damage Liability	\$ 300 ,000	Each Occurrence	

1981-1982 Transamerica Insurance

SECTION II – GENERAL LIABILITY

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all of the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES		LIMITS OF LIABILITY	
Divided Limits Plan		Each Occurrence	Aggregate
A. Bodily Injury Liability	\$,000	\$,000
B. Property Damage Liability	\$,000	\$,000
Combined Limits Plan			
A. and B. Combined Bodily Injury and Property Damage Liability	\$	300 ,000	Each Occurrence

1983-1984 Transamerica Insurance


Section II – General Liability Additional Declarations

Policy Number _____ Schedule **B**

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all of the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES		LIMITS OF LIABILITY	
Divided Limits Plan		Each Occurrence	Aggregate
A. Bodily Injury Liability	\$,000	\$,000
B. Property Damage Liability	\$,000	\$,000
Combined Limits Plan			
A. and B. Combined Bodily Injury and Property Damage Liability	\$	1,000 ,000	Each Occurrence

1985 to 1986 Transamerica Insurance

	Transamerica Insurance Group
Section II – General Liability Additional Declarations	

Insurance is provided only for those coverages for which limits of liability are stated in the place provided in this schedule. The limit of the company's liability on account of each such coverage shall be as stated herein, subject to all of the forms of the policy and coverage supplement attached having reference thereto.

COVERAGES	LIMITS OF LIABILITY	
Divided Limits Plan	Each Occurrence	Aggregate
A. Bodily Injury Liability	\$,000	\$,000
B. Property Damage Liability	\$,000	\$,000
Combined Limits Plan		
A. and B. Combined Bodily Injury and Property Damage Liability	\$ 1,000 ,000	Each Occurrence

Interview with John J. Bourdaghs

John J. Bourdaghs. Owner/Operator 1966-1990. PolicyFind spoke with Mr. Bourdaghs on October 1, 2020. Mr. Bourdaghs was friendly and very cooperative. Mr. Bourdaghs shared that, as it relates to historical insurance coverage, he had turned over all of his policies to an environmental attorney some years ago, and it was determined no claims could be made at that time. When asked the approximate age of those policies, he said coverage referenced was issued some time from the mid-to-late 1980s.

Further discussion of PolicyFind's interest in information spanning 1986 and earlier was held, and then Mr. Bourdaghs said TransAmerica sounded like a familiar carrier, while Home Insurance did not. Further, he acknowledged McGarry-Kearney in Stillwater was and still is, his insurance agency.

Mr. Bourdaghs did not recall any spills, leaks, or incidents of any type having occurred at the Site.

Mr. Bourdaghs explained that the City of Stillwater purchased the Site and 'absorbed all liability for future incidents.' See District Court file No. 82-CV-19-2394 styled "City of Stillwater v. Joleen M. Bourdaghs et al.", re: Findings of Fact, Conclusions of Law and Order Granting Petition, Authorizing Payment or Deposit, and Transfer of Title and Right of Possession. Further, he shared with PolicyFind that he had retained his insurance policies, perhaps dating back to the 1970s; Mr. Bourdaghs shared a banker's box full of evidence of insurance, along with full policies to PolicyFind/the MPCA, for the purpose of inclusion within this assessment.

Section II. POLICY AND EVIDENCE OF COVERAGE REVIEW

Analysis to Include Insurer Responsibility & Contact Info

During its investigation, PolicyFind reviewed evidence of general liability policies, full policies, as well as workers compensation coverage issued prior to 1986.

Transamerica Insurance issued general liability coverage at least dating back to 4/1/1976 through 7/1/1990. Notice of claim regarding policies issued prior to 1985 could be tendered by the Named Insured to Transamerica with supporting documentation at this address:

Transamerica Insurance Company
6400 C Street West
Cedar Rapids, IA 52404

Workers Compensation Carriers

Home Indemnity. Within insurance cards provided by the Minnesota Department of Labor and Industry we find Home Indemnity issued workers compensation coverage effective 04-04-1966. Coverage with Home Indemnity remained in effect under various policy numbers until 04-04-1976. Some insurance cards missing for certain years, but PolicyFind believes the coverage was continuous. Home Indemnity was part of the Home Insurance Group. Home Insurance is not a viable source of Insurance recovery. By way of background, here are the relevant dates involving the Home Insurance Liquidation:

May 2003 – Home enters rehabilitation

June 2003 – Home goes into receivership

September 2003 – Home is declared insolvent

June 2004 – Deadline for filing claims

September 2020 – Date to be set for Motion to Approve Claim Amendment Deadline

**Regarding the proposed Motion for Claim Amendment Deadline, the language in that motion states that its purpose is not to extend the deadline for new claims, but rather to provide a mechanism to bring finality to existing claims that were already in the pipeline.*

Premier Insurance Company issued a workers compensation policy to John Bourdaghs dba Shorty the Cleaner effective 04-04-1976. This is a stand-alone workers compensation policy based on the policy number. Premier Insurance Company was part of Transamerica Insurance Company.

TIG Insurance of Michigan issued workers compensation policies to John J. Bourdaghs effective 07-01-1983 to 07-01-1988. These are stand-alone workers compensation policies. However, TIG was more likely than Transamerica to write other lines of business in addition to workers compensation. The policies issued 1985 and later likely contain the Absolute Pollution Exclusion, which bars coverage. TIG claims have been handled by RiverStone for many years. The address for TIG is the same as for RiverStone. The claim could be tendered to:

RiverStone Group on behalf of TIG Insurance
250 Commercial Street, Suite 5000
Manchester, NH 03101
Phone: 603-656-2200

Schedule of Insurance

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>	<u>Limits</u>
4/4/1966 to 4/4/1967	John J. Bourdaghs	Stillwater	Home Indemnity	Workers Compensation	
4/4/1967 to 4/4/1968	unknown	no information	gap	Workers Compensation	
4/4/1968 to 4/4/1969	John J. Bourdaghs	Stillwater	Home Indemnity	Workers Compensation	
4/4/1970 to 4/4/1971	John J. Bourdaghs	121 East Chestnut Street, Stillwater	Home Indemnity	Workers Compensation	
4/4/1971 to 4/4/1972	unknown	no information	gap	Workers Compensation	
4/4/1972 to 4/4/1973	unknown	no information	gap	Workers Compensation	
4/4/1973 to 4/4/1974	John J. Bourdaghs	121 E. Chestnut Street, Stillwater	Home Insurance	Workers Compensation	
4/4/1974 to 4/4/1975	unknown	no information	gap	Workers Compensation	
4/4/1975 to 4/4/1976	John J. Bourdaghs	121 E. Chestnut Street, Stillwater	Home Insurance	Workers Compensation	
4/4/1975 to 4/4/1976	John J. Bourdaghs	121 E. Chestnut Street, Stillwater	Home Insurance	Workers Compensation	
4/1/1976 to 4/1/1977	John J. Bourdaghs dba Shorty the Cleaner	121 E. Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	unknown
4/1/1977 to 4/1/1978	John J. Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	unknown

4/4/1978 to 4/4/1979	John J. Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	unknown
4/1/1978 to 4/1/1979	John Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	unknown
4/1/1979 to 4/1/1980	John J. Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	25,000 property damage limits/aggregate limits
4/1/1980 to 4/1/1981	John J. Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	\$300K/ occurrence
4/1/1981 to 4/1/1982	John J. Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	\$300K/ occurrence
4/1/1982 to 4/1/1983	John J. Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	unknown
7/1/1983 to 7/1/1984	John J. Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	\$1M/ occurrence
7/1/1984 to 7/1/1985	John J. Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	unknown
7/1/1985 to 7/1/1986	John J. Bourdaghs dba Shorty the Cleaner	121 East Chestnut Street, Stillwater	Transamerica Insurance Company	CGL	\$1M/ occurrence

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed evidence of workers compensation coverage and general liability policies issued to John J. Bourdaghs dba Shorty the Cleaner 1986 and earlier. PolicyFind determined Named Insureds, insurers, effective dates of policies, and terms and conditions of policies. General Liability policies issued by Transamerica Insurance contain standard form policy language. Standard general liability insurance policies issued with the qualified pollution exclusion, containing “sudden and accidental” language, were replaced by those with the Absolute Pollution Exclusion beginning in 1985. Because the courts find the Absolute Pollution Exclusion to be a bar to coverage in Minnesota, our focus is on these earlier policies.

Mr. Bourdaghs has willingly shared historical general liability policies with PolicyFind. Further, he fully participated in the process of Insurance Archeology and allowed PolicyFind to take possession of the policies.

Notice of Claim could be drafted and sent to Transamerica Insurance re: General Liability coverage it issued to John Bourdaghs dba Shorty the Cleaner prior to 1985. Tenders should be sent on behalf of Mr. Bourdaghs, as Named Insured. Mr. Bourdaghs was associated with the Site from 1966 through (and beyond) 1986 as business owner and operator, and his father (Clarence D. Bourdaghs) before him.

The Notice of Claim should include evidence of General Liability coverage (agency invoices) as well as the full policies provided by Mr. Bourdaghs, as included within this report. Given PolicyFind’s discussions with Mr. Bourdaghs, it appears he is able and willing to participate in the claims process with insurers; however, additional explanation of his role and the general process may be required.

IV. Recommendations

Participation from Named Insured. Mr. John J. Bourdaghs owned and operated at the Site during PolicyFind's time period of greatest interest 1966 through 1986. Prior to his ownership, his father, Mr. Clarence D. Bourdaghs owned and operated at the Site, beginning in 1943. Mr. Bourdaghs has willingly shared historical general liability policies with PolicyFind. Further, he fully participated in the process of Insurance Archeology and allowed PolicyFind to take possession of the policies. Given PolicyFind's discussions with Mr. Bourdaghs, it appears he is able and very willing to participate in the claims process with insurers; however, additional explanation of his role and the general process may be required.

Notices of Claim. Letters should be drafted and sent to carriers issuing General Liability coverage to Shorty Cleaner, Launderer, Inc. regarding policies issued 1986 and earlier, sent on behalf of Mr. Bourdaghs - as Named Insured/Authorized Representative of the entity.

Within the Notices of Claim, the Named Insured should include full policies provided by Mr. Bourdaghs, as included within this report. During policy periods in which policies were not procured as a part of this Assessment, workers compensation evidence should be provided to carriers. Enclosed within the Notices should be a demand letter requiring remedial action at the Site from the MPCA.

POLICYFIND™

INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

Prestige Cleaners
724 WEST 98TH STREET, BLOOMINGTON



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

Executive Summary – Insurance Archeology Findings

Site Ownership/Corporate History. Within an April 1929 deed, we find Marie Hoeger sells the Site to John and Bessie Hancock; all parties involved in this transaction are deceased. In May of 1954 the Site was deeded to Homes Realty Co by Bessie Hancock, widow. PolicyFind was unable to locate information related to Homes Realty Co and/or its corporate history/current standing within the State of Minnesota business entity records. In 1955, Homes Realty Co deeded the Site to the Knutson Co. The Knutson Company was incorporated in 1947 and was Voluntarily Dissolved in 1977. In January of 1956, Red Owl Stores Inc purchased the Site, however, its ownership was short-lived, as it sold the Site to Clover Building Construction Corp in June of the same year. Through a series of mergers and acquisitions, Red Owl Stores today is owned by Super Valu Inc.; this corporation is an Active Corporation according to state records. Clover Building Construction Corp. was incorporated in 1955, and was Administratively Dissolved in 1991. In 1965, Mr. Lloyd Engelsma purchased the Site from Clover Building Construction Corp, and in 1990, Lloyd and Frances A. Engelsma added Englesma Investment Limited Partnership to the deed via Quit Claim. Engelsma Investment Limited Partnership was formed in 1990 and has a current status of Inactive; dissolved in 1993. A Kraus-Anderson Realty “Space for Lease” sign can be seen near the shopping center entrance today. In 1997, Lloyd Engelsma died, but his son, Bruce Engelsma, succeeded him as chairman and CEO of the parent company, Kraus-Anderson, Incorporated. The Javelin Group’s Phase I ESA report in 2016 for the Site was prepared for and approved by Kraus Anderson Realty.

Operations/Corporate History. Within the Star Tribune, in June 1957, we find an ad for G&K at the Clover Shopping Center at 724 W. 98th Street. This is the earliest date we see Gross Brothers-Kronicks Cleaners & Launderers operations at the Site. This occupant was not found in the 1956 city directory researched. According to Polk’s City Directories PolicyFind reviewed, Gross Brothers-Kronicks Cleaners & Launderers’ (G&K) dry cleaning operations continued at the Site through 1972. We find the names Donald & Marion Magnuson and Richard K Rustad listed as shop managers at various times from 1964 to 1973. Donald Magnuson died in 2002, Marion Magnuson in 1989, and Richard K Rustad died in 04/1991. G&K Services was incorporated in 1934 and was merged into Cintas Corporation in 2017. Within the filing history of G&K Services, PolicyFind ordered the Articles of Incorporation and all listed mergers to include: G&K Inc into G&K LLC. This 2017 activity was a part of Cintas Corporation’s acquisition of G&K Services, Inc., in which G&K Services LLC now operates as a wholly-owned subsidiary of Cintas, and retains its existing brand name (Sources: Nasdaq.com March 22, 2017 and [Cintas.com/press-releases/cintas-corporation-completes-acquisition-of-g-k-services-inc/](https://www.cintas.com/press-releases/cintas-corporation-completes-acquisition-of-g-k-services-inc/))

According to various sources, Elwood and Jane Heitzman owned and operated Clover Cleaners at the Site from 1973 to 1999. According to the Minnesota Office of the Secretary of State, Clover Cleaners of Bloomington has a current status of Inactive (Elwood & Jane Heitzman are Name holders). John (Jack) Heitzman operated other locations of Clover Cleaners during this time period and may have information pertinent to our Site. PolicyFind attempted, unsuccessfully, to make contact with Mr. Heitzman.

Prestige Cleaners began operations at the Site in 1987 and was incorporated the same year. This entity’s involvement at the Site is too late in time for applicable CGL coverage to be applicable. No further investigation was done into this business for this reason.

Archived Newspaper Research. In 1956, we find an article from the Star Tribune stating *“Construction has begun on the second phase of Clover shopping center. Ninety-eighth Street and Lyndale Avenue S., Bloomington, according to Kraus-Anderson, Inc., prime contractors on the project.... James Ridgeway is president of Clover Shopping Center, Inc. (not listed in SOS) owner of the center.”*

Fire Incidents/Health Dept/Building Permits. Bloomington Fire Department was contacted on 9/15/2020 and PolicyFind submitted a data request. On 9/15/2020, PolicyFind submitted a data request for fire, health and building records. On 9/30/2020, PolicyFind received a “no records” response from all departments.

Insurance Agencies. The earliest workers compensation records provided from the Department of Labor and Industry begin in 1976 through 1987. There, we find Elwood L. Heitzman’s Insurance Agency listed as the Price-Prickler Agency, Inc. of Minneapolis. No contact information could be located for this agency.

MPCA Records. In 2019, property owner, Shawn Wiski, submitted a Drycleaner Fund Application for Reimbursement Form to the MPCA. PolicyFind reviewed this form, as well as the included CNA claim response, MPCA cost report, and Javelin Group remediation plan for the ongoing cleanup.

Within CNA’s response, they refer to many policies, spanning from 2004 through 2012, provided by CNA and National Fire Insurance of Hartford. Also referenced within the response: Transportation Insurance Company provided coverage in 2012 to 2019 to Engelsma Limited Partnership and Kraus- Anderson Companies, Inc. properties in Texas and Hawaii. CNA indicated the aforementioned policies would not provide coverage for the Site.

Civil Court Records. Within the Minnesota Case Information System, cases were located for The Knutson Company (voluntarily dissolved) spanning 1975-1983, and while this falls within our desired time frame for insurance archeology purposes, their ownership of the Site was in the 1950s, so this information is too late to provide pertinent insurance coverage for this assessment. Similar to The Knutson Company, Red Owl Stores, Inc owned the Site for a short time in the 1950s and was involved in 63 cases spanning 1976-1986, which are also after the time of ownership.

Lloyd Engelsma’s ownership of the Site began in 1965, and thirteen (13) cases were located spanning 1979-1986 naming Mr. Engelsma dba various shopping centers. Most of those cases involved contract matters unrelated to our Site; however, PolicyFind ordered and reviewed case number 27-CV-000761638 styled *“Murphy v Engelsma dba Heritage Hills Apartments”*. This personal injury case filed in 1979 did not provide any leads to Mr. Engelsma’s liability carrier.

Interviews/Outreach Efforts

John (Jack) Heitzman. PolicyFind sent email requests to John (Jack) Heitzman to two email addresses on 9/25/2020. The emails bounced back as ‘undeliverable’. To date, PolicyFind has not received a response. On October 1, 2020, PolicyFind called what turned out to be a non-working number. PolicyFind then called once again, and left a detailed voice message.

Kraus-Anderson, Incorporated: PolicyFind sent an email request to Shawn Wiski explaining our efforts and the type of insurance information that would most assist for inclusion within the assessment. Mr. Wiski was friendly and helpful and at last report said, *“I would have to ask someone.... that’s in charge of document archives. I will get back to you.”* On November 17, 2020, Mr. Wiski followed up, *“...We would need verification from the MPCA that they require this. If you can provide a formal request from that agency I will take it to building ownership for approval to provide you with this information.”*

Next steps, including contact, are pending review of this report and feedback from the legislature.

Section II. POLICY AND EVIDENCE OF COVERAGE REVIEW

Analysis to Include Insurer Responsibility & Contact Information

The best evidence of historical liability coverage PolicyFind was able to acquire during its Insurance Archeology investigation is contained within the Schedule of Insurance. PolicyFind was able to locate evidence of Workers Compensation coverage, which can be a key piece of information when attempting to garner liability coverage data. That said, the existence of workers compensation insurance coverage does not prove the existence of General Liability coverage. The acquisition of evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, *only if* the coverages were held within the same policy, issued by the same carrier, as procured as part of a ‘package’ policy.

A review of workers compensation evidence as provided by the Minnesota Department of Labor and Industry provided the following:

G&K/Gross Brothers & Kronicks et al. First and foremost, it is important to note the 724 West 98TH Street, Bloomington, location is not listed within any of the evidence received for this Site re: workers compensation information procured from the Minnesota Department of Labor and Industry. Because we cannot link this evidence of coverage to our Site from the up-to nine locations listed per policy on the declarations pages, none of these leads to historical insurance coverage information are viable at this point. Some of the information may be viable in the future, if it can be proven that this coverage applies to 724 W 98th Street, Bloomington.

1950-1970. Evidence of workers compensation coverage from 01-19-50 to 10-01-70 was issued by **American Mutual, Manufacturers and Merchants, Bituminous, Liberty Mutual, Iowa Mutual, Mutual Service** and then American Mutual again. Of these companies, all but Manufacturers and Merchants and Mutual Service, are still viable. These leads, however, are considered weak, as policy numbers are not known. Additional proof of coverage would need to be located in order to place these carriers on notice.

1970-1975. There is a gap in coverage from 10-01-70 to 10-01-75; no evidence of insurance was located.

Home Insurance. From 10-01-75 to 12-01-80, coverage was provided by Home Insurance. Home Insurance has been liquidated. By way of background, here are the relevant dates involving the Home Insurance Liquidation:

May 2003 – Home enters rehabilitation
June 2003 – Home goes into receivership
September 2003 – Home is declared insolvent
June 2004 – Deadline for filing claims
September 2020 – Date to be set for Motion to Approve Claim Amendment Deadline

Regarding the proposed Motion for Claim Amendment Deadline, the language in that motion states that its purpose is not to extend the deadline for new claims, but rather to provide a mechanism to bring finality to existing claims that were already in the pipeline.

Employers Insurance of Wausau. From 12-01-80 to 12-01-85, G&K Services, Inc., procured its workers compensation coverage through Employers Insurance of Wausau. Nationwide Insurance now handles claims for Employers Insurance of Wausau. This lead may be viable in the future if additional evidence of coverage becomes known, linking the coverage to the Site. Employers Insurance of Wausau generally kept copies of policies longer than other insurance carriers. Should additional evidence materialize, proving coverage for the Site, claims can be tendered to:

Nationwide Indemnity
P O Box 1801
Wausau, WI 54402-8101

C N A. From 12-01-85 to 12-01-87, G&K Services, Inc. held its workers compensation coverage through Transportation Company, which was part of CNA. CNA claims are now handled by Resolute Management Inc. Any general liability policies issued during this time may or may not have had the more restrictive Absolute Pollution Exclusion which would bar coverage. This lead may be viable in the future if additional evidence of coverage is located which links it to the Site. Should additional evidence be found, the claim could be tendered to:

Resolute Management Inc
100 Liberty Way
PO Box 1525
Dover, NH 03820

Elwood Heitzman dba Clover Cleaners.

St. Paul Fire & Marine issued a stand-alone workers compensation policy to Elwood Heitzman as an individual doing business at the Site effective 11-01-76. The policy was a renewal of another policy, so it is likely that coverage extended back at least 11-01-75. Coverage remained in effect with St. Paul until 11-01-84. Each successive policy period was assigned a new policy number. St. Paul is now part of Travelers. The claim could be tendered to Travelers by the Named Insured, a successor or an authorized representative. The workers compensation records should be included as supporting documents, and sent to:

Travelers
One Tower Square
Hartford, CT 06183

American Economy Insurance Company issued a workers compensation policy to Elwood Heitzman dba Clover Cleaners at the Site effective 11-01-84 until 11-01-87. PolicyFind located a dry cleaners' 1984-1985 specimen policy within its Specimen Policy Library to show standard form policy language during this time period. American Economy was part of American States, which was acquired by Safeco; then, Safeco was acquired by Liberty Mutual. Resolute Management Inc. now handles environmental claims for Liberty Mutual. The claim could be tendered to Resolute Management Inc. by the Named Insured, a successor or an authorized representative. Successor rights to insurance coverage may transfer with the

sale of business assets. The workers compensation records should be included as supporting documents. The aforementioned pages of the specimen policy could be included.

Resolute Management Inc
100 Liberty Way
PO Box 1525
Dover, NH 03820

The most recent workers compensation records indicate CAK investment procured coverage through the assigned risk pool for a business at the Site from 01-10-88 to 03-20-88. CAK Investment was then insured with SFM Insurance out of Minneapolis from 03-20-88 to 03-20-89. As SFM Insurance writes only workers compensation coverage, therefore, this is not a viable lead to pursue. These carriers would not have offered general liability coverage. Additionally, policies issued during this time period would have the Absolute Pollution Exclusion which would bar coverage.

Schedule of Insurance

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
2/1/1950 to 2/1/1951	G&K corp. et al	Minneapolis	American Mutual	Workers Compensation
2/1/1951 to 2/1/1953	G&K corp. et al	Minneapolis	Manufacturers & Merchants	Workers Compensation
2/1/1953 to 2/1/1955	Gross Bros, Kronicks et al	Minneapolis	Bituminous	Workers Compensation
2/1/1955 to 2/1/1956	G&K Corporation et al	Minneapolis	Liberty	Workers Compensation
2/1/1956 to 2/1/1959	G&K Corporation et al	Minneapolis	Iowa Mutual	Workers Compensation
2/1/1959 to 2/1/1962	G&K Corporation	Minneapolis	Mutual Service Casualty	Workers Compensation
2/1/1962 to 2/1/1965	G&K Corp. et al	Minneapolis	Bituminous Casualty	Workers Compensation
2/1/1965 to 2/1/1966	G&K Corp et al		Employers Mutual Casualty	Workers Compensation
2/1/1966 to 10/1/1968	G&K Corp and Affiliates etal.		American Mutual Liability	Workers Compensation
10/1/1968 to 10/1/1969	G&K Services, Inc. etal.	621 Olson Hwy, Minneapolis	American Mutual Liability Ins. Co.	Workers Compensation
10/1/1969 to 10/1/1970	G. & K. Services, Inc.	621 Olson Hwy, Minneapolis	American Mutual Insurance Company of Boston	Workers Compensation
10/1/1970 to 10/1/1975	unknown	gap	no info provided	Workers Compensation
10/1/1975 to 10/1/1976	G & K Services, Inc.		The Home Insurance Company	Workers Compensation

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
10/1/1976 to 10/1/1977	G & K Services, Inc.	Site location not listed within endorsement	The Home Insurance Company	Workers Compensation
10/1/1977 to 10/1/1980	G & K Services, Inc.	Site location not listed within endorsement	The Home Indemnity Company	Workers Compensation
10/1/1980 to 12/1/1980	G & K Services, Inc.	Site location not listed within endorsement	The Home Indemnity Company	Workers Compensation
12/1/1980 to 12/1/1981	G & K Services, Inc.	Site location not listed within endorsement	Wausau Insurance Companies	Workers Compensation
12/1/1981 to 12/1/1982	G & K Services, Inc.	Site location not listed within endorsement	Wausau Insurance Companies	Workers Compensation
12/1/1982 to 12/1/1983	G & K Services, Inc.	Site location not listed within endorsement	Wausau Insurance Companies	Workers Compensation
12/1/1983 to 12/1/1984	G & K Services, Inc.	Site location not listed	Wausau Insurance Companies	Workers Compensation
12/1/1984 to 12/1/1985	G & K Services, Inc.	Site location not listed	Wausau Insurance Companies	Workers Compensation
12/1/1985 to 12/1/1986	G & K Services, Inc.	Site location not listed	Transportation Insurance Company (C N A)	Workers Compensation
12/1/1986 to 12/1/1987	G & K Services, Inc.	Site location not listed	Transportation Insurance Company (C N A)	Workers Compensation

Clover Cleaners Schedule of Insurance

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
11/01/1976 to 11/01/1977	Elwood L. Heitzman	724 West 98th St., Bloomington	St Paul Fire & Marine	Workers Compensation
11/01/1977 to 11/01/1978	Elwood L. Heitzman	724 West 98th St., Bloomington	St Paul Fire & Marine	Workers Compensation
11/01/1978 to 11/01/1979	Elwood L. Heitzman	724 West 98th St., Bloomington	St Paul Fire & Marine	Workers Compensation
11/01/1979 to 11/01/1980	Elwood L. Heitzman	724 West 98th St., Bloomington	St Paul Fire & Marine	Workers Compensation
11/01/1980 to 11/01/1981	Elwood L. Heitzman	724 West 98th St., Bloomington	St Paul Fire & Marine	Workers Compensation
11/01/1981 to 11/01/1982	Elwood L. Heitzman	724 West 98th St., Bloomington	St Paul Fire & Marine	Workers Compensation
11/01/1982 to 11/01/1983	Elwood L. Heitzman	724 West 98th St., Bloomington	St Paul Fire & Marine	Workers Compensation
11/01/1983 to 11/01/1984	Elwood L. Heitzman	724 West 98th St., Bloomington	St Paul Fire & Marine	Workers Compensation
11/01/1984 to 11/01/1985	Elwood L. Heitzman dba Clover Cleaners	724 West 98th St., Bloomington	American Economy	Workers Compensation

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
11/01/1985 to 11/01/1986	Elwood L. Heitzman dba Clover Cleaners	724 West 98th St., Bloomington	American Economy	Workers Compensation
11/01/1986 to 1/10/1987	Elwood L. Heitzman dba Clover Cleaners	724 West 98th St., Bloomington	American Economy	Workers Compensation
1/10/1987 to 11/01/1988	Clover Cleaners	724 West 98th St., Bloomington	Berkley Risk Admin.	Workers Compensation
1/10/1988 to 1/1/1989	Prestige Cleaners	724 West 98th St., Bloomington	Berkley Risk Admin.	Workers Compensation

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed evidence of workers compensation policies prior to 1989 and determined Named Insureds, insurers, effective dates of policies. PolicyFind did not find evidence pertaining to terms or conditions of policies however, insurance evidence obtained did indicate that certain standard form policy language was in place within the policies issued. This gives us some confidence that the policies identified will have language supporting coverage for environmental property damage claims.

Standard general liability insurance policies containing the qualified pollution exclusion with “sudden and accidental” language, were replaced by those with the Absolute Pollution Exclusion beginning in or around 1985. Because the courts find the Absolute Pollution Exclusion to be a bar to coverage in Minnesota, our focus is on the earlier policies.

It is important to note that Workers Compensation coverage information can be a key piece of information when attempting to prove liability coverage. That said, determining the existence of workers compensation insurance coverage does not exclusively prove the existence of General Liability a package policy, also containing a general liability coverage part. While the evidence PolicyFind discovered could be stand-alone workers compensation coverage, carriers providing coverage to Clover Cleaners were known to issue these coverages within package policies.

Within the workers compensation evidence provided re: G&K, at issue is 724 W. 98th Street, Bloomington, location is not listed as an insured location. Because we cannot link this evidence of coverage to the Site from the up-to nine locations listed per policy listed within the declarations pages, none of the following leads to historical insurance coverage information are viable at this point. Since 2017 G&K Services LLC has operated as a wholly-owned subsidiary of Cintas (Sources: Nasdaq.com March 22, 2017 and [Cintas.com/press-releases/Cintas-corporation-completes-acquisition-of-g-k-services-inc/](https://www.cintas.com/press-releases/cintas-corporation-completes-acquisition-of-g-k-services-inc/); therefore, Cintas should be made aware of its potential involvement in this matter. If Cintas acquired G&K’s assets and liabilities, it may have rights to make claims against historical liability policies issued to G&K regarding long tail liability issues at the Site. PolicyFind has not made contact with Cintas regarding this Assessment, nor this Site.

Dating back to 1975 through 1984, St. Paul Fire & Marine (Travelers) provided workers compensation coverage to Elwood Heitzman dba Clover Cleaners. American Economy Insurance (Resolute Management Inc.) issued workers compensation to the same Named Insured from 1984 until 1987. While PolicyFind has not been able to successfully make contact with former owners of Clover Cleaners, as Mr. Elwood Heitzman died in 2002, and Doris “Jane” Heitzman died in 2016; we did attempt to reach Mr. Jack Heitzman, to no avail. Jack Heitzman was involved with other Clover Cleaners locations in Minnesota, and he is believed to be one of the Heitzmans’ heirs. ‘Clover Cleaners of Bloomington’s’ current status as listed with the Office of the Minnesota Secretary of State as “Inactive” – there is no detail provided regarding dissolution. Corporations not properly dissolved may have insurance assets

that are available to be leveraged against claims for property damage or bodily injury. A properly dissolved corporation in most circumstances has no such assets. Its historical insurance policies cannot respond to claims when the insured itself no longer exists. Jack Heitzman could be a Successor or an Authorized Representative, with rights to file claims with carriers on Clover Cleaners' behalf. PolicyFind is unable to speak to Mr. Jack Heitzman's willingness or ability to participate in the Insurance Recovery process, as we have not been successful in our attempts to speak with him.

In 1965, Mr. Lloyd Engelsma purchased the Site from Clover Building Construction Corp, and in 1990, Lloyd and Frances A. Engelsma added Englesma Investment Limited Partnership to the deed via Quit Claim. Engelsma Investment Limited Partnership was formed in 1990 and has a current status of Inactive; dissolved in 1993. A Kraus-Anderson Realty "Space for Lease" sign can be seen near the shopping center entrance today. In 1997, Lloyd Engelsma died, but his son, Bruce Engelsma, succeeded him as chairman and CEO of the parent company, Kraus-Anderson, Incorporated. The Javelin Group's Phase I ESA report in 2016 for the Site was prepared for and approved by Kraus Anderson Realty. Historical liability nor workers compensation coverages issued to Lloyd Engelsma and/or Engelsma Investment Limited Partnership were not located during PolicyFind's investigation. That said, Kraus Anderson is a PRP in this matter, by way of historical ownership. In addition to making claims against its own historical general liability policies spanning 1965-1986, Kraus Anderson Realty may have rights to make claims against policies issued to Elwood Heitzman dba Clover Cleaners. This effort would be possible if Mr. Lloyd Engelsma was named as an Additional Insured within Clover Cleaners' liability policies set forth as a requirement, agreed upon by both parties, as part of historical lease agreements. At this time, PolicyFind does not have historical leases to confirm this may be a viable path forward, and, to date, we wait to learn if Kraus-Anderson, Incorporated, has documents within its archives that might be of assistance in this matter.

Section IV. BARRIERS TO COST RECOVERY

Identification of Barriers

Barrier 1. Ability & Willingness of Named Insured to File Claims. Evidence of workers compensation coverage has been discovered for two entities historically associated with the Site in an ownership/operational capacity (G&K and Clover Cleaners). However, PolicyFind has not been able to make successful contact with Named Insureds, nor Authorized Representatives of either entity (to include Mr. Jack Heitzman). To date, no general liability insurance information has been located as issued to Lloyd Engelsma, Engelsma Investment Limited Partnership and contact has not yet yielded insurance information from Kraus-Anderson, Inc. Outreach efforts could be made with Cintas. If Cintas acquired G&K's assets and liabilities in 2017, it may have rights to make claims against historical liability policies issued to G&K regarding long tail liability issues at the Site.

Barrier 2. No Direct Evidence of GL Coverage. The best evidence of historical insurance coverage PolicyFind was able to acquire during its Insurance Archeology investigation is workers compensation information, which is contained within the Schedule of Insurance. PolicyFind did not locate direct evidence of General Liability coverage pre-dating 1986. While workers compensation coverage could have been procured as part of a package policy containing a liability coverage part, there is a chance this coverage was issued as 'stand-alone' workers compensation coverage. Further, the evidence of coverage issued to G&K does not list our Site as an insured location.

Barrier 3. Carrier Archive Issues. It is possible that once tendered, carriers may not be able to locate evidence of coverage issued to the Named Insured within their respective archives. While carriers have the duty to defend policyholders, if sufficient evidence of the policy is not produced, the duty to defend is not triggered.

V. Recommendations

Participation from Named Insureds/Additional Insureds/Authorized Representatives/Successors. In order to tender claims to the aforementioned carriers, the ability and willingness of Named Insureds and/or Additional Insureds re: Clover Cleaners should be determined. To that end, follow up attempts to reach Mr. Jack Heitzman is recommended. Regarding Lloyd Engelsma and/or Engelsma Investment Limited Partnership, it would be prudent to learn if the entity was named as an Additional Insured within Clover Cleaners' liability policies issued 1985 and earlier; and, what insurance may have been in place during this time period.

Corporate Administrative Dissolution. "Administratively dissolved" entities likely stopped filing annual papers/fees with the Secretary of State's office. More investigation would be needed to confirm whether the entity still exists--and if so, if it has the ability to make a claim against an insurance carrier.

Notices of Claim. If Mr. Heitzman participates in the process, Notices of Claim be could be generated and submitted to St. Paul Fire & Marine (Travelers) and American Economy (Resolute Management) regarding workers compensation evidence that has been uncovered.

POLICYFIND™

INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

GOLD EAGLE CLEANERS
1537 EAST 66TH STREET, RICHFIELD



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

Executive Summary – Insurance Archeology Findings

According to the Office of the Minnesota Secretary of State, Gold Eagle Corporation (fka Eagle Wash – no listings for this entity) was incorporated in July of 1960 and its Registered Office Address was 5300 Lyndale Ave S in Minneapolis. The corporation was Administratively Dissolved in 1991. Richfield Gold Eagle, Inc. incorporated in 1981, with John C. Ericson Listed as CEO, the business address is 1537 E 66th Street. Richfield Gold Eagle, Inc. was Administratively Dissolved in 2003.

Within newspaper archives, in March 1961, Thomas L Warner was named president of Eagle Wash Corp. In November 1961, we note Eagle Wash opened a supercenter at 66th Street and 16th Avenue in Richfield “this week”. In January of 1962, Thomas L. Warner, president, announced that Eagle Wash Corp. changed its name to Gold Eagle Corp.; further, the company’s retail centers will be called ‘Gold Eagle Wash Stores.’

PolicyFind reached out to the Richfield Fire Department in order to learn if records still exist from two large incidents located during Insurance Archeology research. We found In September of 1962, there was a 4-alarm fire at the Site, and in November of 1963 ‘dry cleaning fluid’ poured out of a machine and onto an employee with such force, the incident was believed at first to have been an explosion. According to Kelly Wynn of the City of Richfield, the Richfield Fire Department does not have record of these incidents.

Throughout the operation of the business at the Site, we note various burglaries, smashed windows, and other petty crimes – in which claims were likely not filed with carriers. Within evidence of workers compensation coverage, PolicyFind located Traff & Associates, Inc as the agent providing coverage to Gold Eagle Corporation through St Paul Fire & Marine Insurance Co. 1970-1973. This firm was known as 7511 Tower Corporations and filed in 1935, according to MN SOS, and is inactive since 1974. Within deeds PolicyFind noted bank and attorney names. In order for successful contact to be made with the aforementioned, PolicyFind would need to be give permission for outreach by the Named Insured or an Authorized Representative.

PolicyFind’s searches for historical civil court records (1986 and earlier) potentially containing leads to historical General Liability policy information produced the following result of interest:

REGISTER OF ACTIONS
Case No. 27-CV-85-002813

HEGGE, JIM VS ERICKSON, JOHN, C

10/15/1985

Case Type: Contract
Date Filed: 02/15/1985
Location: Hennepin Civil
Judicial Officer: Kane, Stanley D.

PARTY INFORMATION

Defendant	ERICKSON, JOHN C	Lead Attorneys
Defendant	RICHFIELD GOLD EAGLE	
Plaintiff	HEGGE, JIM	
Plaintiff	JIM'S ROOFING	

EVENTS & ORDERS OF THE COURT

DISPOSITIONS	
10/15/1985	Court Trial Concluded (Judicial Officer: Clerk, Administrative)
OTHER EVENTS AND HEARINGS	
14/01/1985	Converted Activities
14/01/1985	Converted Results
10/15/1985	Converted Activities
11/01/1989	Converted Documents
08/30/2011	Physical Case File Destroyed Per Retention Schedule

*Note: Case file has been destroyed

PolicyFind makes routine searches within 'unclaimed funds' listings, as premium refunds regarding old policies can be found within the database. Within our search we located a listing in which Travelers Indemnity owes a refund to Roseville Gold Eagle. The address listed with the unclaimed account matches the Principal Executive Officer's Address (John C. Ericson) as listed within the Richfield Gold Eagle listing within the Secretary of State's office.

Add	4674999	ROSEVILLE GOLD EAGLE	1233 LARPEN TEUR AVE W	ROSEVILLE	MN	55113	Under 1000	
Reported By: TRAVELERS INDEMNITY COMPANY								
Description: PREMIUM REFUNDS								

As a result of PolicyFind's investigation, we learned that the following are the only living PRPs associated with the Site: Thomas L. Warner, John Ericson, and Marjolaine Dahl. Two of the corporations associated with the Site have been Administratively Dissolved. PolicyFind located and reviewed workers compensation coverage information as provided to Richfield Gold Eagle and Gold Eagle Corporation.

Interviews

9/24/20 Marjolaine Dahl. Associated with the Site as a former property owner (with William Dahl, deceased) ca. 1959-1961. PolicyFind's research showed Mrs. Dahl is 98 years old and lives in Edina. When we called, we spoke with Mrs. Dahl. At first, she did not recall the Site, nor having owned anything other than a home in Richfield for a time. When asked about William W. Dahl, she said that was her husband whom has passed. Upon speaking specifically about Eagle Wash, Mrs. Dahl recalled her husband having 'an interest then in some property involving Eagle Wash'. Mrs. Dahl did not recall any additional information; she just knew her husband's interest in the property was brief. She didn't not recall any insurance-related information.

9/24/2020 Thomas L. Warner. Mr. Warner was the president of Eagle Wash, later Gold Eagle Corporation. Today, Mr. Warner is 92 and lives with his wife, Barbara, in Spring Park, MN. We reached whom we presume to be Mrs. Warner when we called. We asked for Mr. Warner and were asked whom we were. After describing the information we were looking for, we were simply told "I'm sorry, we can't be involved, thank you."

9/24/2020 John C. Ericson. Mr. Ericson is a former owner and operator at the Site, dating back to at least 1984. We reached the Ericson home by phone; and left a detailed message on the Ericson answering machine. To date, no response has been received. Members of the MPCA team also attempted to reach Mr. Ericson for this Insurance Cost Recovery Assessment, to no avail.

Section II. EVIDENCE OF INSURANCE COVERAGE REVIEW

Analysis to include Insurer Responsibility & Contact Information

The best evidence of historical liability coverage PolicyFind was able to acquire during its Insurance Archeology investigation is contained within the Schedule of Insurance. PolicyFind did not locate direct evidence of General Liability coverage. However, PolicyFind was able to locate evidence of Workers Compensation coverage during its investigation. The acquisition of evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, only when the coverages were held within the same policy, issued by the same carrier, as procured as part of a “package” policy.

A review of workers compensation evidence as provided by the Minnesota Department of Labor and Industry provided the following:

Richfield Gold Eagle.

Sentry Insurance. Workers compensation records show Sentry Insurance provided workers compensation coverage to Myrtle Mitchell dba Richfield Gold Eagle from 05-01-76 to 10-01-76, which was rewritten into another policy. That policy expired 11-01-77. Sentry also had coverage for a month spanning 10-01-77 to 11-01-77. Finally, we see Sentry issued coverage to Richfield Gold Eagle, Inc. from 09-01-87 to 09-01-88. The later policy, effective in 1987, likely includes the Absolute Pollution Exclusion which would bar coverage.

The claim could be tendered to Sentry. The workers compensation records should be sent as supporting documents. The claim could be tendered to Sentry by the Named Insured, successor, or an authorized representative to:

Sentry Insurance a Mutual Company
1800 North Point Drive
Stevens Point, WI 54481

Aetna Casualty and Surety provided workers compensation coverage to Myrtle V. Mitchell dba Richfield Gold Eagle and/or Richfield Gold Eagle under various policy numbers from 11-01-77 to on or about 04-05-82 when the policy was cancelled for non-payment.

Aetna Casualty and Surety was acquired by Travelers. The claim could be tendered to Travelers by the Named Insured, successor or an authorized representative, to include workers compensation records to:

Travelers
Environmental Claims Reporting
One Tower Square
Hartford, CT 06183

American Family Insurance. Richfield Gold Eagle, Inc. held workers compensation through American Family Insurance from 04-05-82 to 11-11-82. The claim would be tendered to American Family Insurance by the Named Insured, a successor, or an authorized representative; with workers compensation records sent as supporting documents to:

American Family Insurance
6000 American Parkway
Madison, WI 53783

Gold Eagle Corp.

St. Paul Fire & Marine. According to insurance cards provided by the Minnesota Department of Labor and Industry, Gold Eagle Corporation held its workers compensation coverage through St. Paul Fire & Marine for a period of one year and two months – March 1969 to May of 1970 – under two different policies. Within this evidence of insurance, we do not find 1537 E 66th Street in Richfield as an insured location. We find the insurance agency listed on the insurance cards as Traff and Associates, Inc. of Minneapolis. St. Paul Fire & Marine is today a part of Travelers. If a connection can be made, perhaps through additional evidence of insurance, between this coverage and our Site, the claim could be tendered to Travelers by the Named Insured, a successor or an authorized representative, with workers compensation records submitted as supporting documents to:

Travelers
Environmental Claims Reporting
One Tower Square
Hartford, CT 06183

Northwestern National Insurance Co. We find that Gold Eagle Corporation next held its workers compensation coverage through Northwestern National Insurance Co from 10/1/1970 to 5/1/1970 and again during the policy period spanning 10/1/1970 to 10/1/1971. Within this evidence of insurance, **we do not find 1537 E. 66th Street in Richfield listed as an insured location.** Northwestern National went into liquidation on May 2, 2019. The claims bar date was November 2, 2019. Their NAIC # is 23914. If a connection can be made, perhaps through additional evidence of insurance, between this coverage and our Site, new claims must now be with the [Minnesota Insurance Guaranty Association](#) (2020 Minnesota Statute information within link). It should be noted, the maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000.

Sentry Insurance. Beginning on 10/1/1971 Sentry Insurance issued workers compensation coverage to the Gold Eagle Corporation. This coverage continues through 10/1/1978. Within nearly all of the Sentry-issued coverage, we find 1537 E. 66th Street in Richfield listed as an insured location. The claim could be tendered to Sentry, to include workers compensation records could be tendered to Sentry by the Named Insured, a successor or an authorized representative to:

Sentry Insurance a Mutual Company
1800 North Point Drive
Stevens Point, WI 54481

Schedule of Insurance

Schedule of Insurance: 1537 E 66th St., Richfield, MN				
POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
5/15/1976 to 10/1/1976	Myrtle Mitchell dba Richfield Gold Eagle	1537 E 66th St., Richfield, MN	Sentry Insurance	Workers Compensation
10/1/1976 to 10/1/1977	Murtle V. Mitchell dba Richfield Gold Eagle	1537 E 66th St., Richfield, MN	Sentry Insurance	Workers Compensation
10/1/1977 to 11/1/1977	Myrtle V. Mitchell dba Richfield Gold Eagle	1537 E 66th St., Richfield, MN	Sentry Insurance	Workers Compensation
11/1/1977 to 11/1/1978	Murtle V. Mitchell dba Richfield Gold Eagle	1537 E 66th St., Richfield, MN	Aetna Casualty & Surety	Workers Compensation
11/1/1978 to 11/1/1979	Myrtle V. Mitchell dba Richfield Gold Eagle	1537 E 66th St., Richfield, MN	Aetna Casualty & Surety	Workers Compensation
11/1/1979 to 11/1/1980	Richfield Gold Eagle	1537 E 66th St., Richfield, MN	Aetna Casualty & Surety	Workers Compensation
11/1/1980 to 11/1/1981	Richfield Gold Eagle	1537 E 66th St., Richfield, MN	Aetna Casualty & Surety	Workers Compensation
11/1/1981 to 4/5/1982	Richfield Gold Eagle	1537 E 66th St., Richfield, MN	Aetna Casualty & Surety	Workers Compensation
4/5/1982 to 11/11/1982	Richfield Gold Eagle, Inc.	1537 E 66th St., Richfield, MN	American Family Mutual Insurance Company	Workers Compensation
11/11/1982 to 09/01 1987	Richfield Gold Eagle, Inc.	1537 E 66th St., Richfield, MN	no information	Workers Compensation
9/1/1987 to 9/1/1988	Richfield Gold Eagle, Inc.	1537 E 66th St., Richfield, MN	Sentry Insurance	Workers Compensation

Schedule of Insurance

Schedule of Insurance: Gold Eagle Corporation				
POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
03/1/1969 to 03/1/1970	Gold Eagle Corporation	5300 Lyndale Ave S, Mpls, MN; Richfield not listed	St. Paul Fire & Marine Insurance Company	Workers Compensation
03/01/1970 to 05/01/1970	Gold Eagle Corporation, et al.	5300 Lyndale Ave S, Mpls, MN; Richfield not listed	St. Paul Fire & Marine Insurance Company	Workers Compensation
05/01/1970 to 10/01/1970	Gold Eagle Corporation	5300 Lyndale Ave S, Mpls, MN	Northwestern National Insurance Co	Workers Compensation
10/01/1970 to 10/01/1971	Gold Eagle Corporation	5300 Lyndale Ave S, Mpls, MN	Northwestern National Insurance Co	Workers Compensation
10/01/1971 to 10/01/1972	Gold Eagle Corporation	5300 Lyndale S, Mpls, MN & additional	Sentry Insurance	Workers Compensation
10/01/1972 to 10/01/1973	Gold Eagle Corporation	5300 Lyndale S, Mpls, MN; 90A W 77 1/2 St, Richfield, MN; 6924 56th Ave N, Crystal, MN; 8105 Minnetonka Blvd, St. Louis Park, MN; 1537 E 66th Street, Richfield, MN et al.	Sentry Insurance	Workers Compensation
10/01/1973 to 10/01/1974	Gold Eagle Corporation	5300 Lyndale S, Mpls, MN; 90A W 77 1/2 St, Richfield, MN; 6924 56th Ave N, Crystal, MN; 8105 Minnetonka Blvd, St Louis Park, MN; 4315 Central NE, Mpls, MN; 1233 W Larpenteur, St. Paul, MN; 1537 E 66th Street, Richfield, MN; et al.	Sentry Insurance	Workers Compensation
10/01/1974 to 10/01/1975	Gold Eagle Corporation	5300 Lyndale S, Mpls, MN; 90A W 77th St, Richfield, MN; 6924 56th Ave N, Crystal, MN; 8105 Minnetonka Blvd, St Louis Park, MN; 4315 Central NE, Mpls, MN; 1233 W Larpenteur, St Paul, MN; 1537 E 66th Street, Richfield, MN; et al	Sentry Insurance	WC & Employers Liability

<u>POLICY PERIOD</u>	<u>NAMED INSURED</u>	<u>LOCATION</u>	<u>CARRIER</u>	<u>TYPE OF COVG</u>
10/01/1975 to 10/01/1976	Gold Eagle Corporation	5300 Lyndale S, Mpls, MN; 1537 E 66th Street, Richfield; MN & additional	Sentry Insurance	Workers Compensation
10/01/1976 to 10/01/1977	Gold Eagle Corporation	5609 Lyndale S, Mpls, MN; 1537 E 66th Street, Richfield, MN & additional	Sentry Insurance	Workers Compensation
10/01/1977 to 10/01/1978	Gold Eagle Corporation	4908 W Bywood Lane, Edina, MN, 1537 E 66th Street, Richfield, MN & additional	Sentry Insurance	Workers Compensation

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed evidence of workers compensation policies issued prior to 1986 and determined Named Insureds, insurers, effective dates of policies. PolicyFind did not find evidence pertaining to terms or conditions of policies however, but insurance evidence obtained did indicate that certain standard form policy language was in place within the policies issued. This gives us some confidence that the policies identified will have language supporting coverage for environmental property damage claims.

Standard general liability insurance policies issued with “sudden and accidental” language were replaced by those with the Absolute Pollution Exclusion beginning in or around 1985. Because the courts find the Absolute Pollution Exclusion to be a bar to coverage in Minnesota, our focus is on the earlier policies.

It is important to note that Workers Compensation coverage information can be a key piece of information when attempting to prove liability coverage. That said, determining the existence of workers compensation insurance coverage does not exclusively prove the existence of General Liability coverage. However, proof of workers compensation coverage can be valuable if it is procured as part of a ‘package’ policy, also containing a general liability coverage part.

Richfield Gold Eagle, Inc. is an Administratively Dissolved corporation according to the Office of the Minnesota Secretary of State; and, a claim may still be able to be filed with carriers issuing coverage, to include Sentry Insurance, Aetna C&S (Travelers), and American Family Insurance. The corporation listed as “administratively dissolved” is one which has simply stopped communicating with the Secretary of State and is being treated as apparently having gone out of existence, when in fact it may not have. The significance of this difference is that “administratively dissolved” corporations may have insurance assets that are available to be leveraged against claims for property damage or bodily injury. However, PolicyFind is not able to speak to the willingness of the Named Insured to file claims as it has not determined a living authorized representative to present the claim pre-dating Mr. John Ericson’s involvement in 1984. To date, PolicyFind has attempted, unsuccessfully to reach Mr. Ericson, as have MPCA representatives - to no avail.

According to the Office of the Minnesota Secretary of State, Gold Eagle Corporation (fka Eagle Wash – no listings for this entity) was incorporated in July of 1960 and its Registered Office Address was 5300 Lyndale Ave S in Minneapolis. The corporation was Administratively Dissolved in 1991. Richfield Gold Eagle, Inc. incorporated in 1981, with John C. Ericson Listed as CEO, the business address is 1537 E 66th Street. Richfield Gold Eagle, Inc. was Administratively Dissolved in 2003.

Regarding the workers compensation coverage issued to Gold Eagle Corporation by St. Paul Fire & Marine and Northwestern National, within this evidence of insurance issued by both carriers, we do not find 1537 E 66th Street in Richfield as an insured location. If a connection can be made, perhaps through additional evidence of insurance, linking this coverage to our Site, the claim could be tendered to

Travelers. Northwestern National went into liquidation on May 2, 2019. New claims must now be filed with the [Minnesota Insurance Guaranty Association](#).

From 1971 through 1978, Sentry Insurance issued workers compensation to Gold Eagle Corporation, and our Site is listed within the evidence of insurance as an insured location. The claim could be tendered to Sentry by a Named Insured or Authorized Representative. Mr. Thomas L. Warner was the president of Eagle Wash, later Gold Eagle Corporation. When PolicyFind contacted the Warner residence to learn about Mr. Warner's ability and/or willingness to participate in the filing of claims with carriers, we were simply told, "I'm sorry, we can't be involved, thank you." According to the Office of the Minnesota Secretary of State, Gold Eagle Corporation (fka Eagle Wash – no listings for this entity) was Administratively Dissolved in 1991. The corporation listed as "administratively dissolved" is one which has simply stopped communicating with the Secretary of State and is being treated as apparently having gone out of existence, when in fact it may not have. The significance of this difference is that "administratively dissolved" corporations may have insurance assets that are available to be leveraged against claims for property damage or bodily injury.

Section IV. BARRIERS TO COST RECOVERY

Identification of Barriers

Barrier 1. Ability & Willingness of Named Insured to File Claims. Evidence of workers compensation coverage has been discovered for two entities historically associated with the Site in an ownership/operational capacity (Gold Eagle Corporation and Richfield Gold Eagle). However, PolicyFind has not been able to make successful contact with Named Insureds, nor Authorized Representatives of either entity.

Barrier 2. No Direct Evidence of GL Coverage. The best evidence of historical insurance coverage PolicyFind was able to acquire during its Insurance Archeology investigation is workers compensation information, which is contained within the Schedule of Insurance. PolicyFind did not locate direct evidence of General Liability coverage associated with the business or property pre-dating 1986. While workers compensation coverage could have been procured as part of a 'package' policy containing a liability coverage part, there is a chance this coverage was issued as 'stand-alone' workers compensation coverage. Further, the evidence of coverage issued to Gold Eagle Corporation prior to 1971 may have been issued for locations other than 1537 E. 66th Street in Richfield.

Barrier 3. Carrier Archive Issues. It is possible that once tendered, carriers may not be able to locate evidence of coverage issued to the Named Insured within their respective archives. While carriers have the duty to defend policyholders, if sufficient evidence of the policy (contract) is not produced, the duty to defend is not triggered.

V. RECOMMENDATIONS

Participation from Named Insureds/Authorized Representatives. In order to tender claims to the aforementioned carriers, the ability and willingness of Named Insureds or Authorized Representatives of Gold Eagle Corporation and Richfield Gold Eagle should be determined.

Corporate Administrative Dissolution. “Administratively dissolved” entities likely stopped filing annual papers/fees with the Secretary of State's office. More investigation would be needed to confirm whether the entity still exists--and if so, if it has the ability to make a claim against an insurance carrier.

- Gold Eagle Corporation (fka Eagle Wash) owned the Site from 1961 to 1984 was Administratively Dissolved in 1991.
- Richfield Gold Eagle, Inc. operated at the Site from 1980 to beyond PolicyFind’s time period of greatest interest, 1986. The corporation was Administratively Dissolved in 2003.

Notices of Claim. Should Notices of Claim be generated and submitted Sentry Insurance, Aetna Casualty and Surety c/o Travelers, American Family Insurance, St. Paul Fire and Marine c/o Travelers and Northwestern National Insurance Co. c/o Minnesota Insurance Guaranty Association, it is possible carriers *may* still have copies of later general liability policies issued to Gold Eagle Corporation and/or Richfield Gold Eagle.

POLICYFIND™

INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

Hallmark Cleaners
8909 Penn Avenue South, Bloomington



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

Executive Summary – Insurance Archeology Findings

Within the Office of the Minnesota Secretary of State, we find Hallmark Services, Inc. was incorporated in May of 1972, has a status of Inactive, and was Administratively Dissolved in 2019. The Chief Executive Officer is listed as Wayne Bebeau of 8909 Penn Ave S, Minneapolis, MN. We also find Penn Lake Shopping Center, LLC, incorporated in November of 2002, is listed as an Active Corporation, In Good Standing with the state of Minnesota. Penn Lake Shopping Center purchased the Site in 2003, the Registered Agent, Robert Levine, inherited and/or purchased the Site from, Marion S. Levine aka Levine Investments LLC (Active Corporation as of 2020). Marion S. and her husband, George, originally purchased the Site in 1966. George died in 1974, Marion in 2009.

Within archived newspapers, we learned in January of 1959, G&K Cleaners was operating within the “new Penn-Lake Shopping Center”. From Polk’s City Directory listings, we find Mr. Donald M. Preston (deceased) dba Gross Bros Kronicks operated at the Site from at least 1964 to 1972. This information is anecdotally corroborated within a 1968 ad listing “Don Preston” as the contact at G&K Cleaners at 8909 Penn Av S. According to the Secretary of State’s office, G&K Services was incorporated in 1934 and was merged into Cintas Corporation in 2017. Within the filing history of G&K Services, PolicyFind ordered the Articles of Incorporation and all listed mergers to include: G&K Inc into G&K LLC. This 2017 activity was a part of Cintas Corporation’s acquisition of G&K Services, Inc., in which G&K Services LLC now operates as a wholly-owned subsidiary of Cintas, and retains its existing brand name (Sources: Nasdaq.com March 22, 2017 and Cintas.com/press-releases/Cintas-corporation-completes-acquisition-of-g-k-services-inc/)

In March of 1973, Wayne A. Bebeau, president, announced Hallmark Services Inc. had acquired and was currently operating eight (8) formerly owned and operated G & K Services’ cleaning outlets in the metropolitan area. Further, in 1973, we found Hallmark was wholly owned by three former G&K executives: Bebeau, Jack E. Wright, and Richard J. Henchal. Further, in a March 5, 1973 ad within The Minneapolis Star, we find the name of the cleaners at 8909 Penn Av S, is now “Hallmark Cleaners”.

From the Minnesota Department of Labor and Industry, historical workers compensation information issued to Hallmark Services Inc. & B.H.W. Inc. spans back to 1976 as the earliest available information. Within the Office of the Minnesota Secretary of State, we find B.H.W., Inc is an Inactive entity with an incorporation date of 2/1973. The corporation was Administratively Dissolved in January of 2007. The CEO listed within the SOS filing is a Mr. Bernard L. Brodkons, listed currently as a CPA. Additionally, within historical workers compensation records, we find reference to Hallmark Services’ broker, Alexander and Alexander in Minneapolis, beginning in 1983 and continuing through 1987. Finally, we find a change in the Named Insureds to Hallmark Services, Inc., which was Administratively Dissolved in 2019 and Cliffview Cleaners, Inc. was Administratively Dissolved in April of 2005. In 1986 there is a Policy Revision Endorsement document which includes Named Insureds to include: Hallmark Services, Inc., Cliff View Cleaners, Inc. and Bebeau & Henchal, Inc.; Bebeau & Henchal, Inc was incorporated in February 1987, CEO is listed as Wayne Bebeau and was Administratively Dissolved in June 2002. Due to the

incorporation date, this entity was formed too late in time for PolicyFind's scope, which focuses on insurance assets issued 1986 and earlier, due to the Absolute Pollution Exclusion language.

During its historical civil court research, PolicyFind located multiple cases of interest via Pacer and Westlaw, however, most were filed outside of our scope of interest. The two cases listed below are those for which PolicyFind submitted requests to retrieve case files, as we believed information pertaining to historical insurance and/or lease information might be contained within. However, on 10/5/2020, the Court Operations Supervisor of Hennepin County District Court, Centralized Records Center, advised both case files have been destroyed per usual and customary retention schedules.

REGISTER OF ACTIONS

CASE NO. 27-CV-86-005996

WIEMANN,DANIEL,L VS SANNAN,GREGORY,S

§
§
§
§
§
§

Case Type: **Personal Injury**
Date Filed: **04/07/1986**
Location: **- Hennepin Civil**
Judicial Officer: **Lindberg, Peter**

PARTY INFORMATION

Lead Attorneys

Defendant HALLMARK SERVICES INC

Defendant SANNAN, GREGORY S

Plaintiff WIEMANN, DANIEL L

EVENTS & ORDERS OF THE COURT

06/27/1986	DISPOSITIONS Settled (Judicial Officer: Clerk, Administrative)
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REGISTER OF ACTIONS

CASE NO. 27-CV-93-002410

LEVINE,MARION, VS HALLMARK SERVICES INC

§
§
§
§
§
§

Case Type: **Contract**
Date Filed: **02/11/1993**
Location: **- Hennepin Civil**
Judicial Officer: **Larson, Gary R.**

PARTY INFORMATION

Lead Attorneys

Defendant HALLMARK SERVICES INC Doing *Business as* HALLMARK CLEANERS

TIMOTHY THOMAS NIPPER
Retained
612-998-9002(W)

Plaintiff LEVINE, MARION *Doing Business As* LEVINE INVESTMENTS

MICHAEL L PERLMAN
Retained
952-544-3400(W)

Interviews/Outreach Efforts

Bob Levine. Mr. Levine is listed as the current owner of the Penn Lake Shopping Center. His late parents, George and Marion Levine, purchased the Site in 1966 and said it was developed in 1959. Mr. Levine spoke with PolicyFind's Kristen Brown on 10/5/2020 with a call. Mr. Levine advised that Hallmark Cleaners had not been a tenant at the Site for 15 years. Mr. Levine explained the Site has been cleaned up with assistance from Hallmark. When asked about Hallmark Cleaners' former coverage and/or leases (business records) that might still exist, Mr. Levine advised 'anything older than 7 years is gone'. When asked about incidents involving potential spills or incidents involving chemicals, Mr. Levine expressed that he wouldn't have had any involvement with operations, and directed us to Hallmark Cleaners' owner. Regarding willingness, PolicyFind found Mr. Levine to be willing to participate in conversation. We were unable to accurately assess Mr. Levine's future willingness and/or participation.

Wayne Bebeau. PolicyFind sent a request by email on 9/25/2020, after getting an answering machine by phone. PolicyFind attempted to reach Mr. Bebeau once more, by phone, and left a voicemail message. To date, we have not received a response to our request.

Rick J. Serwa. PolicyFind called on both 9/25/2020 and 10/1/2020, the phone rang with no voicemail or answering machine pick up. Serwa's name was located within city directories as part of G&K in the 1970s at the Site.

Section II. EVIDENCE OF COVERAGE REVIEW

Analysis to Include Insurer Responsibility & Contact Information

The best evidence of historical liability coverage PolicyFind was able to acquire during its Insurance Archeology investigation is contained within the Schedule of Insurance. PolicyFind was able to locate evidence of Workers Compensation coverage. The acquisition of evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, when the coverages were held within the same policy, issued by the same carrier, as procured as part of a 'package' policy.

A review of workers compensation evidence as provided by the Minnesota Department of Labor and Industry provided the following:

G&K/Gross Brothers & Kronicks et al. Within the workers compensation evidence provided re: G&K, the 8909 Penn Avenue South, Bloomington location is not listed as an insured location. Because we cannot link this evidence of coverage to the Site from the up-to nine locations listed per policy listed within the declarations pages, none of the following leads to historical insurance coverage information are viable at this point. Some of the information may be viable in the future, if it can be proven that this coverage applies to 8909 Penn Avenue South.

1950-1970. Evidence of workers compensation coverage from 01-19-50 to 10-01-70 was issued by **American Mutual, Manufacturers and Merchants, Bituminous, Liberty Mutual, Iowa Mutual, Mutual Service** and then American Mutual again. Of these companies, all but Manufacturers and Merchants and Mutual Service, are still viable. These leads, however, are considered weak, as policy numbers are not known. Additional proof of coverage would need to be located in order to place these carriers on notice.

1970-1975. There is a gap in coverage from 10-01-70 to 10-01-75; no evidence of insurance was located.

Home Insurance. From 10-01-75 to 12-01-80, workers compensation coverage was provided by Home Insurance. Home Insurance has been liquidated. By way of background, here are the relevant dates involving the Home Insurance Liquidation:

May 2003 – Home enters rehabilitation
June 2003 – Home goes into receivership
September 2003 – Home is declared insolvent
June 2004 – Deadline for filing claims
September 2020 – Date to be set for Motion to Approve Claim Amendment Deadline

Regarding the proposed Motion for Claim Amendment Deadline, the language in that motion states that its purpose is not to extend the deadline for new claims, but rather to provide a mechanism to bring finality to existing claims that were already in the pipeline.

Employers Insurance of Wausau. From 12-01-80 to 12-01-85, G&K Services, Inc., procured its workers compensation coverage through Employers Insurance of Wausau. Nationwide Insurance now handles claims for Employers Insurance of Wausau. This lead may be viable in the future if additional evidence of coverage becomes known, linking the coverage to the Site. Employers Insurance of Wausau generally kept copies of policies longer than other insurance carriers. Should additional evidence materialize, proving coverage for the Site, claims can be tendered to:

Nationwide Indemnity
P O Box 1801
Wausau, WI 54402-8101

C N A. From 12-01-85 to 12-01-87, G&K Services, Inc. held its workers compensation coverage through Transportation Company, which was part of CNA. CNA claims are now handled by Resolute Management Inc. Any general liability policies issued during this time may or may not have had the more restrictive Absolute Pollution Exclusion which would bar coverage. This was about the time that language changed. This lead may be viable in the future if additional evidence of coverage is located which links it to the Site. Should additional evidence be found, the claim could be tendered to:

Resolute Management Inc
100 Liberty Way
PO Box 1525
Dover, NH 03820

Hallmark Services, Inc.

Pacific Employees Insurance Company (an INA company) issued a workers compensation policy to Hallmark Services, Inc. at 8909 Penn Ave. South in Bloomington, MN effective 09-01-76 to 09-01-77. On March 31, 1982, INA Corporation and [Connecticut General Corporation](#) (CGC) combined to form CIGNA Corporation. INA became CIGNA's lead property and casualty (P&C) insurer, integrating its business with CGC's smaller P&C firm Aetna Insurance Company. Effective July 2, 1999, ACE Limited acquired CIGNA's international and U.S. property and casualty businesses, including INA. (ACE adopted the name "Chubb" upon its acquisition of [Chubb Corp.](#) in 2016.). The claim could be tendered to Chubb by the named insured, a successor, or an authorized representative. Successor rights to insurance coverage may transfer with the sale of business assets. The workers compensation records should be included as supporting documents. The claim could be tendered to:

Chubb
436 Walnut Street
Philadelphia, PA 19106

Sentry Insurance issued stand-alone workers compensation policies to Hallmark Services, Inc. for the 8909 Penn Ave. South location effective 09-01-77 to 10-01-83. The claim could be tendered to Sentry by

the named insured, a successor or an authorized representative. Successor rights to insurance coverage may transfer with the sale of business assets. The claim should be sent to:

Sentry Insurance a Mutual Company
1800 North Point Drive
Stevens Point, WI 54481

US Insurance Group (a Crum & Forster Company) issued a stand-alone workers compensation policy to Hallmark Services effective 10-01-83 to 10-01-84. North River Insurance (another Crum & Forster Company) then provided coverage under various policy numbers effective 10-01-84 to 10-01-88. Given the number of years at issue, the claim could be tendered to Crum & Forster. The RiverStone Group administers claims for Crum & Forster. The claim could be tendered to RiverStone by the named insured, a successor or an authorized representative. The workers compensation records should be included as supporting documents. The claim could be tendered to:

The RiverStone Group
250 Commercial Street
Suite #5000
Manchester NH 03101

Western National Insurance Company provided workers compensation coverage to Hallmark Services, Inc. for the 8909 Penn Ave. South location effective 10-01-88 to 10-01-89. A policy issued as new business to a dry cleaner in October of 1988 would likely contain the Absolute Pollution Exclusion, which would bar coverage. The prefix of the policy number indicates this could have been a business owner's policy that would include general liability coverage. The claim could be tendered to Western National by the named insured, a successor or an authorized representative. The workers compensation records should be included as supporting documents. The claim could be tendered to:

Western National Insurance Company
P O Box 1463
Minneapolis, MN 55440-1463

Schedules of Insurance

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
2/1/1950 to 2/1/1951	G&K corp. et al	Minneapolis	American Mutual	Workers Compensation
2/1/1951 to 2/1/1953	G&K corp. et al	Minneapolis	Manufacturers & Merchants	Workers Compensation
2/1/1953 to 2/1/1955	Gross Bros, Kronicks et al	Minneapolis	Bituminous	Workers Compensation
2/1/1955 to 2/1/1956	G&K Corporation et al	Minneapolis	Liberty	Workers Compensation
2/1/1956 to 2/1/1959	G&K Corporation et al	Minneapolis	Iowa Mutual	Workers Compensation
2/1/1959 to 2/1/1962	G&K Corporation	Minneapolis	Mutual Service Casualty	Workers Compensation
2/1/1962 to 2/1/1965	G&K Corp. et al	Minneapolis	Bituminous Casualty	Workers Compensation
2/1/1965 to 2/1/1966	G&K Corp et al		Employers Mutual Casualty	Workers Compensation
2/1/1966 to 10/1/1968	G&K Corp and Affiliates etal.		American Mutual Liability	Workers Compensation
10/1/1968 to 10/1/1969	G&K Services, Inc. etal.	621 Olson Hwy, Minneapolis	American Mutual Liability Ins. Co.	Workers Compensation
10/1/1969 to 10/1/1970	G. & K. Services, Inc.	621 Olson Hwy, Minneapolis	American Mutual Insurance Company of Boston	Workers Compensation
10/1/1970 to 10/1/1975	unknown	gap	no info provided	Workers Compensation
10/1/1975 to 10/1/1976	G & K Services, Inc.		The Home Insurance Company	Workers Compensation

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
10/1/1976 to 10/1/1977	G & K Services, Inc.	Site location not listed within endorsement	The Home Insurance Company	Workers Compensation
10/1/1977 to 10/1/1980	G & K Services, Inc.	Site location not listed within endorsement	The Home Indemnity Company	Workers Compensation
10/1/1980 to 12/1/1980	G & K Services, Inc.	Site location not listed within endorsement	The Home Indemnity Company	Workers Compensation
12/1/1980 to 12/1/1981	G & K Services, Inc.	Site location not listed within endorsement	Wausau Insurance Companies	Workers Compensation
12/1/1981 to 12/1/1982	G & K Services, Inc.	Site location not listed within endorsement	Wausau Insurance Companies	Workers Compensation
12/1/1982 to 12/1/1983	G & K Services, Inc.	Site location not listed within endorsement	Wausau Insurance Companies	Workers Compensation
12/1/1983 to 12/1/1984	G & K Services, Inc.	Site location not listed	Wausau Insurance Companies	Workers Compensation
12/1/1984 to 12/1/1985	G & K Services, Inc.	Site location not listed	Wausau Insurance Companies	Workers Compensation
12/1/1985 to 12/1/1986	G & K Services, Inc.	Site location not listed	Transportation Insurance Company (C N A)	Workers Compensation
12/1/1986 to 12/1/1987	G & K Services, Inc.	Site location not listed	Transportation Insurance Company (C N A)	Workers Compensation

Hallmark Services Schedule

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
9/01/1976 to 9/01/1977	Hallmark Services, Inc. & B.H.W. Inc.	8909 Penn Ave. S., Bloomington	Pacific Employers Insurance Company (INA)	Workers Compensation
9/01/1977 to 10/01/1977	Hallmark Services, Inc.	8909 Penn Ave. S., Bloomington	Sentry Insurance	Workers Compensation
9/01/1977 to 10/01/1978	Hallmark Services, Inc.	8909 Penn Ave. S., Bloomington	Sentry Insurance	Workers Compensation
10/01/1978 to 10/01/1979	Hallmark Services, Inc.	8909 Penn Ave. S., Bloomington	Sentry Insurance	Workers Compensation
10/01/1979 to 10/01/1980	Hallmark Services, Inc.	8909 Penn Ave. S., Bloomington	Sentry Insurance	Workers Compensation
10/01/1980 to 10/01/1981	Hallmark Services, Inc.	8909 Penn Ave. S., Bloomington	Sentry Insurance	Workers Compensation
10/01/1981 to 10/01/1982	Hallmark Services, Inc.	8909 Penn Ave. S., Bloomington	Sentry Insurance	Workers Compensation
10/01/1982 to 10/01/1983	Hallmark Services, Inc.	8909 Penn Ave. S., Bloomington	Sentry Insurance	Workers Compensation
10/01/1983 to 10/01/1984	Hallmark Services, Inc.	8909 Penn Ave. S., Bloomington	The North River Insurance Company	Workers Compensation

10/01/1984 to 10/01/1985	Hallmark Services, Inc.	8909 Penn Ave. S., Bloomington	The North River Insurance Company	Workers Compensation
10/01/1985 to 10/01/1986	Hallmark Services, Inc.; Cliffview Cleaners Inc.	8909 Penn Ave. S., Bloomington	The North River Insurance Company	Workers Compensation

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
10/01/1986 to 10/01/1987	Hallmark Services, Inc.; Cliffview Cleaners Inc.; Bebeau & Henchal, Inc.	8909 Penn Ave. S., Bloomington	The North River Insurance Company	Workers Compensation
10/01/1987 to 10/01/1988	Hallmark Services Inc	8909 Penn Ave. S., Bloomington	The North River Insurance Company	Workers Compensation
10/01/1988 to 10/1/1989	Hallmark Services Inc	8909 Penn Ave. S., Bloomington	Western National Mutual Insurance Company	Workers Compensation

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed evidence of workers compensation policies prior to 1989 and determined Named Insureds, insurers, effective dates of policies. PolicyFind did not find evidence pertaining to terms or conditions of policies however, insurance evidence obtained did indicate that certain standard form policy language was in place within the policies issued. This gives us some confidence that the policies identified will have language supporting coverage for environmental property damage claims.

Standard general liability insurance policies issued with the qualified pollution exclusion containing “sudden and accidental” language, were replaced by those with the Absolute Pollution Exclusion beginning in or around 1985. Because the courts find the Absolute Pollution Exclusion to be a bar to coverage in Minnesota, our focus is on the earlier policies.

It is important to note that Workers Compensation coverage information can be a key piece of information when attempting to prove liability coverage. Proof of workers compensation coverage can be valuable if it is procured as part of a package policy, also containing a general liability coverage part.

Within the workers compensation evidence provided re: G&K, at issue is the 8909 Penn Avenue South, Bloomington, location is not listed as an insured location. Because we cannot link this evidence of coverage to the Site from the up-to nine locations listed per policy listed within the declarations pages, none of the following leads to historical insurance coverage information are viable at this point. Since 2017 G&K Services LLC has operated as a wholly-owned subsidiary of Cintas (Sources: Nasdaq.com March 22, 2017 and Cintas.com/press-releases/Cintas-corporation-completes-acquisition-of-g-k-services-inc/); therefore, Cintas should be made aware of its potential involvement in this matter. If Cintas acquired G&K’s assets and liabilities, it may have rights to make claims against historical liability policies issued to G&K regarding long tail liability issues at the Site.

Dating back to 1976 through 10/1989, Pacific Employees (INA/Chubb), Sentry, US Insurance Group (Crum & Forster) and Western National Insurance provided workers compensation coverage to Hallmark Services Inc. Further, the Western National workers compensation coverage, although issued late in

time, is believed to have been issued within a business owner's policy, containing a general liability coverage part. While PolicyFind did not receive a response from Hallmark Services' former president and CEO, Mr. Wayne Bebeau, the corporation was Administratively Dissolved in 2019. Administratively dissolved corporations may have insurance assets that are available to be leveraged against claims for property damage or bodily injury. A properly dissolved corporation in most circumstances has no such assets. Its historical insurance policies cannot respond to claims when the insured itself no longer exists. If Mr. Wayne Bebeau is willing and able to file claims in this matter, this could yield a successful outcome.

Neither historical liability nor workers compensation coverages issued to Penn Lake Shopping Center were located during PolicyFind's investigation; however, Mr. Robert Levine may have rights to make claims against policies issued to Hallmark Services, Inc. This effort would be possible if Penn Lake Shopping Center was named as an Additional Insured within Hallmark Services' liability policies issued 1986 and earlier. This may have been a requirement as a part of historical lease agreements. (Mr. Levine's late parents, George and Marion Levine purchased the Site in 1966 and would have been the landlords pre-dating Mr. Robert Levine.)

Levine Investments brought a civil lawsuit against Hallmark Services in 1993. PolicyFind's aim was to acquire publicly available information that may have been contained within that case file, however, we learned the case file has been destroyed. At this time, PolicyFind does not have historical leases and Mr. Levine indicated he does not have paperwork in his possession older than 7 years.

PolicyFind is unable to make an accurate assessment as to Mr. Levine's willingness to participate in making claims with insurers. Follow up communication with Mr. Levine is recommended.

Section IV. BARRIERS TO COST RECOVERY

Identification of Barriers

Barrier 1. Ability & Willingness of Named Insured to File Claims. Evidence of workers compensation coverage has been discovered for two entities historically associated with the Site in an ownership/operational capacity (G&K and Hallmark Services). However, PolicyFind has not been able to make successful contact with Named Insureds, nor Authorized Representatives of either entity. To date, no general liability insurance information has been located as issued to Penn Lake Shopping Center. While PolicyFind held a phone conversation with Mr. Robert Levine of Penn Lake Shopping Center, we are unable to ascertain his willingness to file claims. Outreach efforts could be made with Cintas. Cintas reportedly acquired G&K's assets and liabilities in 2017, and may have rights to make claims against historical liability policies issued to G&K regarding long tail liability issues at the Site.

Barrier 2. No Direct Evidence of GL Coverage. The best evidence of historical insurance coverage PolicyFind was able to acquire during its Insurance Archeology investigation is workers compensation information, which is contained within the Schedule of Insurance. PolicyFind did not locate direct evidence of General Liability coverage pre-dating 1986. While workers compensation coverage could have been procured as part of a package policy containing a liability coverage part, there is a chance this coverage was issued as 'stand-alone' workers compensation coverage. Further, the evidence of coverage issued to G&K does not list our Site as an insured location.

Barrier 3. Carrier Archive Issues. It is possible that once tendered, carriers may not be able to locate evidence of coverage issued to the Named Insured within their respective archives. If sufficient evidence of the policy (contract) is not produced by the policyholder, carriers may not have a duty to defend.

Section V. Recommendations

Participation from Named Insureds/Additional Insureds. In order to tender claims to the aforementioned carriers, the ability and willingness of Named Insureds and/or Additional Insureds re: Hallmark Services, Inc. should be determined. Regarding Penn Lake Shopping Center, it would be prudent to learn if the entity was named as an Additional Insured within Hallmark Services' liability policies issued 1985 and earlier. Follow up communications with Mr. Bebeau and Mr. Levine is recommended. Additionally, since 2017, G&K Services LLC has operated as a wholly-owned subsidiary of Cintas; Cintas should be contacted to learn whether G&K's historical coverage information is known related to this Site, and to confirm that Cintas acquired G&K's assets and liabilities. Cintas may have rights to make claims against historical liability policies issued to G&K regarding long tail liability issues at the Site. Further, Cintas may be interested to learn the workers compensation information generated during this assessment – for this Site as well as others formerly operated by G&K.

Corporate Administrative Dissolution. Hallmark Services Inc. was Administratively Dissolved in 2019. "Administratively dissolved" entities likely stopped filing annual papers/fees with the Secretary of State's office. More investigation would be needed to confirm whether the entity still exists--and if so, if it has the ability to make a claim against an insurance carrier.

Notices of Claim. If Mr. Bebeau or Mr. Levine participate in the process, Notices of Claim could be generated and submitted to Pacific Employees (INA/Chubb), Sentry, US Insurance Group (Crum & Forster) and Western National Insurance, regarding workers compensation evidence. It is possible carriers may still have copies of later general liability policies issued to Hallmark Services, Inc.

POLICYFIND™

INSURANCE ARCHEOLOGY SERVICES

ASSESSMENT REPORT

Colonial Square Shopping Center
1042, 1161, 1163 Wayzata Boulevard East, Wayzata



State of Minnesota

Minnesota Pollution Control Agency

Insurance Archeology Investigation

Section I. INSURANCE ARCHEOLOGY

Executive Summary – Insurance Archeology Findings

Business Ownership/Operations (1161 Wayzata Blvd E.)

Gross Brothers & Kronicks (G & K). According to the 1996 Delta Environmental Consultants Phase I, Mr. Don Custer purchased the dry cleaning business in 1972 from Gross Brothers & Kronicks (G&K), whom operated at the Site since 1959. According to the Secretary of State's office, G&K Services was incorporated in 1934 and was merged into Cintas Corporation in 2017. Within the filing history of G&K Services, PolicyFind ordered the Articles of Incorporation and all listed mergers to include: G&K Inc into G&K LLC. This 2017 activity was a part of Cintas Corporation's acquisition of G&K Services, Inc., in which G&K Services LLC now operates as a wholly-owned subsidiary of Cintas, and retains its existing brand name (Sources: Nasdaq.com March 22, 2017 and Cintas.com/press-releases/Cintas-corporation-completes-acquisition-of-g-k-services-inc/)

Don's Cleaners began in 1972 at the Site, and continued operations at the Site until the early 2000s. In 1991, Karen Sornberger purchased the business from her father, Donald E. Custer. According to a May 19, 2020 Hometown Source article, Mr. Custer celebrated his 100th birthday in 2020 in his Brooklyn Center home. The article states that Custer has medical issues affecting his memory. His daughter, Karen Sornberger was interviewed in the article https://www.hometownsource.com/sun_post/community/brooklynpark/brooklyn-center-wwii-veteran-celebrates-100-years/article_0eac28e6-99d8-11ea-842c-ebe6236fc133.html.

Within the Minnesota Office of the Secretary of State, we find Don's Cleaners was Administratively Dissolved in 2002. PolicyFind attempted, unsuccessfully, to make contact with Karen Sornberger in this matter, while she purchased the business in 1991, we are most interested in learning if her father retained any documentation from the time period pre-dating 1986. From information gathered from the Minnesota Department of Labor and Industry, we know that Mr. Custer's insurance agency from 1976-1978 was Camden Insurance Agency, which still does business today in Marshall, MN. PolicyFind does not have the proper permissions to acquire information from Camden Insurance Agency at this time.

Business Ownership/Operations (1042 Wayzata Blvd E.)

Tonkaway Cleaners. The earliest PolicyFind located reference to Tonkaway Cleaners in Wayzata, was within help wanted ads listed in the Minneapolis Star in April of 1953. The last ad PolicyFind reviewed, related to the Site, listed as Tonkaway Cleaners, was published in May of 1982. Within Cole's City Directories in 1977 and 1982, we find Tonkaway Cleaners with operations at 1042 Wayzata Boulevard East. Workers compensation records from the Minnesota Department of Labor and Industry provide evidence of coverage for the Site from 1973 through 1975 (no insurance agents nor agencies are listed within these records). According to the Minnesota Office of the Secretary of State, Tonkaway Cleaners & Launderers, Inc. was incorporated in 9/1972 and was Administratively Dissolved in 1991; no registered agent, nor principal is listed within Business Record Details.

Pennhurst/Wayzata Pennhurst (St Cyr Johnson Enterprises, Inc.). St. Cyr-Johnson Enterprises, Inc. incorporated in October 1981 and is an active corporation, in Good Standing with the State of Minnesota. The CEO is listed as Laura Grahme of 1042 E Wayzata Blvd; the owner of the entity is listed as Joseph St. Cyr. We learned from workers compensation records provided by the Minnesota Department of Labor and Industry (1981 through 1987) that coverage began in 11/1981 and was issued to: "St Cyr Johnson Enterprises Inc dba Pennhurst Cleaners". In 1982, the Named Insured at the Site was listed "St. Cyr-Johnson Enterprises, Inc.; Wayzata-Tonkaway Cleaners". In 1983 we find the names Pennhurst Cleaners & Wayzata Pennhurst". According to wayzatapennhurst.com, the business still operates at the Site today. PolicyFind learned the business worked with The David Agency on Grant Street in Minneapolis to procure its insurance from 1981 through 1987. The David Agency is still in business today under Chief Executive Officer David Psyhos of Chanhassen, Minnesota.

Civil Suit Involving Insurance. PolicyFind located and acquired the Statement of Claim and Summons (see page 1294) re: case styled "The Cincinnati Insurance Company v. St. Cyr-Johnson Enterprises Inc. dba Wayzata Pennhurst". The 2011 property damage claim involved a burst pipe and subsequent water damage. "The Cincinnati Insurance Company and its Insured (Golconda, Inc.) sustained...damages..." While this case involves insurance, it is too late in time for the purposes of this assessment.

Business Ownership/Operations (1163 Wayzata Blvd E.)

Jean's Norge Village. The earliest information related to Jean's Norge Village at 1163 East Wayzata is found within workers compensation information provided by the Minnesota Department of Labor. In 1972, Glen Nansen of Jean's Norge Village is listed within insurance records. Glen Nansen is believed to have died in July of 2019. There is a gap in information, but in 1978, Jean's Norge Village is operated by David O. Wanglie (died in March of 1993) – this information continues through June of 1980. Within 1977 and 1982 Cole's City Directories, we see Jean's Laundry & Cleaners and Abby & Jean Laundry & Cleaners, respectively. Within the 1987 city directory, the name of the business was listed as Abby & Jean Laundry.

Property Ownership (1125 Wayzata Blvd E.)

Within Delta Environmental Consultants' Phase I ESA, in 1931, John C. and Rosalie C. Rodeman owned the Site. Presumably, the Rodemans (both deceased) were the owners of Gracedon Farms Incorporated. According to EDR's Chain of Title report, Gracedon Farms Incorporated sold the Site to Nash Land Co in August of 1937. According to the Office of the Secretary of State, Gracedon Farms, Incorporated initially filed in October of 1928 and was closed via Certificate of Trustee in November of 1950. Nash Land Co. was incorporated in 1937, and has a current status of Inactive, closed via Certificate of Trustee in 1973. In 1959, deeds show Wayzata Shopping Center Inc. purchased the property from Rosalie C. Rodeman and Nash Land Co. Wayzata Shopping Center Inc. was incorporated in 1958, and was closed by Certificate of Trustee in 1979. In 1967, First National Bank of Minneapolis took over ownership of the Site until 1985. According to Britannica.com, First National Bank of Minneapolis was founded in 1864 and is now the main subsidiary of First Bank System, Inc., a bank holding company. In July 1985, First National Bank of Minneapolis sold the Site to RREEF MA/E-IV Colonial Square, Inc ("Colonial Square"). Colonial Square is listed within the Office of the Secretary of State as an Inactive corporation whom filed a Nonprofit Corporation Withdrawal in 2006. In 2001, Colonial Square deeded the property to CH Realty II/Colonial LP – this corporation is currently Inactive and filed for Cancellation in January of 2005. CH Realty II/Colonial LP granted the property to U.S. Realty Partners, LLC in 2004. The current owners are FW MN-Colonial Square, LLC (since 2010). This is an Active corporation, In Good Standing with the State of Minnesota. Its principal executive office address is in Jacksonville, Florida.

Interviews/Outreach Efforts

Karen Sornberger. Ms. Sornberger is Mr. Don Custer's daughter. PolicyFind called on October 1, 2020. The number was no longer in service. Our researchers attempted to find other, working, phone numbers for Ms. Sornberger – unsuccessfully. PolicyFind sent a letter requesting information to Ms. Sornberger's home address. To date, we have not received a response to that letter. NOTE: While Mr. Custer is alive, a recent article re: his recent 100th birthday, indicates he suffers from dementia. For this reason, we did not attempt to make contact with Mr. Custer. It is possible Ms. Sornberger may hold Power of Attorney re: Mr. Custer, thereby holding the ability to make claims with carriers on his behalf.

Joseph St. Cyr. PolicyFind attempted to reach Mr. St. Cyr, but was unable to reach him, nor leave a voicemail, as the mailbox was full. Wayzata Pennhurst is still an active dry cleaning shop at 1042 Wayzata Boulevard, so we next sent an email requesting information related to historical liability insurance. To date, we have not received a response to our email request.

Section II. EVIDENCE OF COVERAGE REVIEW

Analysis to Include Insurer Responsibility & Contact Information

The best evidence of historical liability coverage PolicyFind was able to acquire during its Insurance Archeology investigation is contained within the Schedule of Insurance. PolicyFind was able to locate evidence of Workers Compensation coverage. The acquisition of evidence of this type of coverage can prove the existence of other coverage parts, namely General Liability, when the coverages were held within the same policy, issued by the same carrier, as procured as part of a “package” policy.

A review of workers compensation evidence as provided by the Minnesota Department of Labor and Industry provided the following:

G&K/Gross Brothers & Kronicks et al. First and foremost, it is important to note the 1161 Wayzata Blvd E. location is not listed within any of the workers compensation information procured from the Minnesota Department of Labor and Industry. Because we cannot link this evidence of coverage to the Site, from the up to nine locations listed within the declarations pages, none of these leads to historical insurance coverage information are viable at this point. Some of the information may be viable in the future, if we are able link this coverage to the Site.

1950-1970. From 01-19-50 to 10-01-70 from **American Mutual, Manufacturers and Merchants, Bituminous, Liberty Mutual, Iowa Mutual, Mutual Service** (and then American Mutual again) provided workers compensation coverage to G&K. Of these companies, all but Manufacturers and Merchants and Mutual Service are still viable. These policies are very old, and do not list policy numbers. This information is not enough to prove coverage, nor is 1161 Wayzata Blvd E. listed as an insured location. Additional proof of coverage would need to be determined to make successful claims with the aforementioned carriers.

1970-1975. There is a gap in coverage from 10-01-70 to 10-01-75, no evidence of insurance was located.

Home Insurance. From 10-01-75 to 12-01-80, coverage was provided by Home Insurance. Home Insurance has been liquidated. By way of background, here are the relevant dates involving the Home Insurance Liquidation:

May 2003 – Home enters rehabilitation
June 2003 – Home goes into receivership
September 2003 – Home is declared insolvent
June 2004 – Deadline for filing claims
September 2020 – Date to be set for Motion to Approve Claim Amendment Deadline

Regarding the proposed Motion for Claim Amendment Deadline, the language in that motion states that its purpose is not to extend the deadline for new claims, but rather to provide a mechanism to bring finality to existing claims that were already in the pipeline.

Employers Insurance of Wausau. From 12-01-80 to 12-01-85, G&K Services, Inc., held workers compensation with Employers Insurance of Wausau. Nationwide Insurance now handles claims for Employers Insurance of Wausau. This lead may be viable in the future if we can find evidence of coverage for the location at issue, and/or evidence of General Liability coverage. Should we develop additional evidence linking our Site to this coverage, the claim could be tendered to:

Nationwide Indemnity
P O Box 1801
Wausau, WI 54402-8101

C N A. From 12-01-85 to 12-01-87, G&K Services, Inc. was insured with Transportation Company which was part of CNA. CNA claims are now handled by Resolute Management Inc. Any General Liability policies issued during this time may contain the Absolute Pollution Exclusion, which would bar coverage. This lead may be viable in the future if we can find evidence of coverage for the location at issue. If additional evidence is located, the claim could be tendered to:

Resolute Management Inc
100 Liberty Way
PO Box 1525
Dover, NH 03820

Donald E. Custer dba Don's Cleaners and/or Don's Cleaners and/or Don's Cleaners Inc.

Great Northern Insurance Company. Donald Custer DBA Don's Cleaners was insured for workers compensation by Great Northern Insurance Company as a new business on 06-12-72. Research indicates Great Northern Insurance was domiciled in Minnesota and may be affiliated with Chubb Insurance. Brandywine handles at least some of Chubb's claims. A policy jacket from 1992, within our specimen policy library, indicates this is a Chubb company. The claim could be tendered to Chubb. The Workers

Compensation records should be included as supporting documents. The claim could be tendered by the named insured, a successor or an authorized representative to:

Chubb Insurance
15 Mountain View Road
Warren, NJ 07059

Wolverine Insurance Company. Donald Custer DBA Don's Cleaners was insured for workers compensation by Wolverine Insurance Company effective 06-12-73 to 06-12-74. This is a stand-alone workers compensation policy based on the policy number prefix. Wolverine Mutual Insurance Company is still conducting operations, but it appears they no longer write workers compensation coverage. The claim could be tendered to Wolverine Insurance. The Workers Compensation records should be included as supporting documentation. The claim could be tendered by the named insured, a successor or an Authorized representative to:

Wolverine Mutual Insurance Company
One Wolverine Way
Dowagiac, MI 49047

Great Central Insurance Company. Donald Custer dba Don's Cleaners was insured for workers compensation by Great Central Insurance Company effective 06-01-74 to 06-11-78. We have a declarations page for 06-11-76 to 06-11-77 which indicates a business owner's policy. A business owner's policy generally covers several lines of coverage including General Liability. The claim could be tendered to Great Central Insurance. The Workers Compensation records and business policy declarations page should be included as supporting documents. The claim could be tendered by the named insured, a successor or an authorized representative and sent to:

Argonaut Great Central Insurance Company
3625 Sheridan Road
Peoria, IL 61604

Liberty Mutual. Donald Custer DBA Don's Cleaners was insured for workers compensation by Liberty Mutual, effective 0-11-78 to 06-11-80. This is a stand-alone workers compensation policy based on the policy number prefix. This was an assigned risk account, meaning the account was assigned to Liberty Mutual because the account had trouble finding coverage in the market. In this instance, it is unlikely that Liberty Mutual provided any additional coverage, therefore, a successful claim is not likely in this instance.

Central Reciprocal Exchange. Donald Custer DBA Don's Cleaners was insured for workers compensation by Central Reciprocal Insurance Exchange of Kansas City, MO, effective 06-11-80 to 12-1-80. Coverage continued with Central Reciprocal Exchange through 1989. The last three policies likely contain the Absolute Pollution Exclusion which was generally added to policies starting in or around 1985. That exclusion would bar coverage. Central Reciprocal Insurance Exchange went into rehabilitation on 12-19-

02 and was liquidated by the Missouri Insurance Department on 12-18-04. Given that the company has already gone through liquidation, it is unlikely they are paying any more claims; therefore, a successful claim is not likely in this instance.

Tonkaway Cleaners.

American Empire. This workers compensation evidence is null as it was cancelled the same day it was issued (8/1/1973)

American Insurance Company. This workers compensation policy was first issued from 09-01-1973 to 09-01-1974, and from 09-01-1974 to 09-01-1975. The American Insurance Company is a Property and Casualty insurance company operating as a subsidiary of the Allianz Insurance Group. Copies of the workers compensation insurance cards as provided by the Minnesota Department of Labor and Industry should be provided within a tender by the Named Insured to:

American Insurance Company
1465 N. McDowell Blvd #100
Petaluma, CA 94964-6570

Royal Globe. The records indicate Tonkaway Cleaners & Launderers held workers compensation through Royal Globe Insurance Company effective 09-01-74. This policy was cancelled the same day it was issued. There is no carrier to place on notice as no policy was in effect.

St Cyr-Johnson Enterprises dba Pennhurst Cleaners & Wayzata Pennhurst ("St Cyr-Johnson").

Home Insurance. According to the Department of Labor and Industry insurance cards, St Cyr-Johnson's workers compensation coverage was issued by the Home Insurance from 11-01-1981 to 04-01-1983. Home Insurance has been liquidated. By way of background, here are the relevant dates involving the Home Insurance Liquidation:

May 2003 – Home enters rehabilitation
June 2003 – Home goes into receivership
September 2003 – Home is declared insolvent
June 2004 – Deadline for filing claims
September 2020 – Date to be set for Motion to Approve Claim Amendment Deadline

Regarding the proposed Motion for Claim Amendment Deadline, the language in that motion states that its purpose is not to extend the deadline for new claims, but rather to provide a mechanism to bring finality to existing claims that were already in the pipeline.

The Hartford. St Cyr-Johnson had workers compensation coverage through the Hartford effective 04-01-1983 to 04-01-1984. The Hartford is still in business today, and claims can be tendered to:

Hartford Insurance

1 Hartford Plaza
Hartford, CT 06155

American Manufacturers Mutual Insurance Company. From 04-01-1984 through 09-01-1987, American Manufacturers Insurance provided St Cyr-Johnson's workers compensation coverage. Orders of Liquidation with Findings of Insolvency were entered against American Manufacturers Mutual Insurance Company, in Liquidation by the Circuit Court of Cook County, Illinois effective May 10, 2013. The Proof of Claim Filing Deadline was November 10, 2014 and contingent claims could be filed until November 10, 2017.

Jean's Norge Village.

American Policyholders Insurance Co. Per insurance cards provided by the Minnesota Department of Labor and Industry, Jean's Norge Village was issued workers compensation coverage by American Policyholders effective 08-12-1972 to 12-01-1972. In 1997, American Policyholders Insurance Company changed its name to Villanova Insurance Company and re-domesticated from Massachusetts to Pennsylvania. Villanova Insurance Company was liquidated on July 28, 2003 with a Claims Filing Deadline of June 30, 2005.

Travelers. Jean's Norge held its workers compensation coverage through Travelers from 06-03-1978 to 06-03-1980. Any notices of claim should be tendered on behalf of the Named Insured to:

Travelers Insurance
One Tower Square
Hartford, CT 06183

Schedules of Insurance

G&K Services, Inc.

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
2/1/1950 to 2/1/1951	G&K corp. et al	Minneapolis	American Mutual	Workers Compensation
2/1/1951 to 2/1/1953	G&K corp. et al	Minneapolis	Manufacturers & Merchants	Workers Compensation
2/1/1953 to 2/1/1955	Gross Bros, Kronicks et al	Minneapolis	Bituminous	Workers Compensation
2/1/1955 to 2/1/1956	G&K Corporation et al	Minneapolis	Liberty	Workers Compensation
2/1/1956 to 2/1/1959	G&K Corporation et al	Minneapolis	Iowa Mutual	Workers Compensation
2/1/1959 to 2/1/1962	G&K Corporation	Minneapolis	Mutual Service Casualty	Workers Compensation
2/1/1962 to 2/1/1965	G&K Corp. et al	Minneapolis	Bituminous Casualty	Workers Compensation
2/1/1965 to 2/1/1966	G&K Corp et al		Employers Mutual Casualty	Workers Compensation
2/1/1966 to 10/1/1968	G&K Corp and Affiliates etal.		American Mutual Liability	Workers Compensation
10/1/1968 to 10/1/1969	G&K Services, Inc. etal.	621 Olson Hwy, Minneapolis	American Mutual Liability Ins. Co.	Workers Compensation
10/1/1969 to 10/1/1970	G. & K. Services, Inc.	621 Olson Hwy, Minneapolis	American Mutual Insurance Company of Boston	Workers Compensation
10/1/1970 to 10/1/1975	unknown	gap	no info provided	Workers Compensation
10/1/1975 to 10/1/1976	G & K Services, Inc.		The Home Insurance Company	Workers Compensation

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
10/1/1976 to 10/1/1977	G & K Services, Inc.	Site location not listed within endorsement	The Home Insurance Company	Workers Compensation
10/1/1977 to 10/1/1980	G & K Services, Inc.	Site location not listed within endorsement	The Home Indemnity Company	Workers Compensation
10/1/1980 to 12/1/1980	G & K Services, Inc.	Site location not listed within endorsement	The Home Indemnity Company	Workers Compensation
12/1/1980 to 12/1/1981	G & K Services, Inc.	Site location not listed within endorsement	Wausau Insurance Companies	Workers Compensation
12/1/1981 to 12/1/1982	G & K Services, Inc.	Site location not listed within endorsement	Wausau Insurance Companies	Workers Compensation
12/1/1982 to 12/1/1983	G & K Services, Inc.	Site location not listed within endorsement	Wausau Insurance Companies	Workers Compensation
12/1/1983 to 12/1/1984	G & K Services, Inc.	Site location not listed	Wausau Insurance Companies	Workers Compensation
12/1/1984 to 12/1/1985	G & K Services, Inc.	Site location not listed	Wausau Insurance Companies	Workers Compensation
12/1/1985 to 12/1/1986	G & K Services, Inc.	Site location not listed	Transportation Insurance Company (C N A)	Workers Compensation
12/1/1986 to 12/1/1987	G & K Services, Inc.	Site location not listed	Transportation Insurance Company (C N A)	Workers Compensation

Don's Cleaners Schedule of Insurance

POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG
06/12/1972 to 06/12/1973	Custer, Donald E. dba Don's Cleaners	1161 E. Wayzata Blvd	Great Northern Insurance Co.	Workers Compensation
06/12/1973 to 06/12/1974	Custer, Donald E. dba Don's Cleaners	1161 E. Wayzata Blvd	Wolverine Insurance Company	Workers Compensation
06/11/1974 to 06/11/1975	Custer, Donald E. dba Don's Cleaners	1161 E. Wayzata Blvd	Great Central Insurance Co.	Workers Compensation
06/11/1975 to 06/11/1976	Custer, Donald E. dba Don's Cleaners	1161 E. Wayzata Blvd	Great Central Insurance Co.	Workers Compensation
06/11/1976 to 06/11/1977	Custer, Donald E. dba Don's Cleaners	1161 E. Wayzata Blvd	Great Central Insurance Co.	Workers Compensation
06/11/1977 to 06/11/1978	Custer, Donald E. dba Don's Cleaners	1161 E. Wayzata Blvd	Great Central Insurance Co.	Workers Compensation
06/11/1978 to 06/11/1979	Custer, Donald E. dba Don's Cleaners	1161 E. Wayzata Blvd	Liberty Mutual	Workers Compensation
06/11/1979 to 06/11/1980	Custer, Donald E. dba Don's Cleaners	1161 E. Wayzata Blvd	Liberty Mutual	Workers Compensation
06/11/1980 to 12/1/1980	Don's Cleaners (Custer, Donald E. dba)	1161 E. Wayzata Blvd	Casualty Reciprocal Exchange	Workers Compensation
12/1/1980 to 12/1/1981	Don's Cleaners (Custer, Donald E. dba)	1161 E. Wayzata Blvd	Casualty Reciprocal Exchange	Workers Compensation
12/1/1981 to 12/1/1982	Don's Cleaners (Custer, Donald E. dba)	1161 E. Wayzata Blvd	Casualty Reciprocal Exchange	Workers Compensation
12/1/1982 to 12/1/1983	Don's Cleaners (Custer, Donald E. dba)/Don's Cleaners Inc.	1161 E. Wayzata Blvd	Casualty Reciprocal Exchange	Workers Compensation

12/1/1983 to 12/1/1984	Don's Cleaners Inc.	1161 E. Wayzata Blvd	Casualty Reciprocal Exchange	Workers Compensation
12/1/1984 to 12/1/1985	Don's Cleaners Inc.	1161 E. Wayzata Blvd	Casualty Reciprocal Exchange	Workers Compensation
12/1/1985 to 12/1/1986	Don's Cleaners Inc.	1161 E. Wayzata Blvd	Casualty Reciprocal Exchange	Workers Compensation
12/1/1986 to 12/1/1987	Don's Cleaners Inc.	1161 E. Wayzata Blvd	Casualty Reciprocal Exchange	Workers Compensation
12/1/1987 to 12/1/1988	Don's Cleaners Inc.		Casualty Reciprocal Exchange	Workers Compensation
12/1/1988 to 12/1/1989	Don's Cleaners Inc.		Casualty Reciprocal Exchange	Workers Compensation

Tonkaway Cleaners & Launderers, Inc. Schedule of Insurance					
POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG	NOTES
08/1/1973 to 08/1/1973	Tonkaway Cleaners & Launderers, Inc.	1042 E. Wayzata Blvd.	American Empire	Workers Compensation	New Policy/Cancelled Same Day
09/1/1973 to 09/1/1974	Tonka Way Cleaners & Launderers, Inc.	1042 E. Wayzata Blvd.	American Insurance Company	Workers Compensation	
09/1/1974 to 09/1/1974	Tonka Way Cleaners & Launderers, Inc.	1042 E. Wayzata Blvd.	Royal Globe Ins. Co.	Workers Compensation	New Policy/Cancelled Same Day
09/1/1974 to 09/1/1975	Tonka Way Cleaners & Launderers, Inc.	1042 E. Wayzata Blvd.	American Insurance Company	Workers Compensation	

St Cyr Johnson Enterprises Inc dba Pennhurst Cleaners Schedule of Insurance					
Pennhurst Cleaners & Wayzata Pennhurst					
POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG	NOTES
11/1/1981 to 11/1/1982	St Cyr Johnson Enterprises Inc dba Pennhurst Cleaners	5401 Penn Ave S	The Home Insurance Companies	Workers Compensation	New Policy
11/1/1982 to 4/1/1983	dba Pennhurst Cleaners	1042 E. Wayzata Blvd.	The Home Insurance Companies	Workers Compensation	Includes Wayzata-Tonkaway Cleaners as a location; cancelled
4/1/1983 to 4/1/1984	St. Cyr-Johnson Enterprises dba Pennhurst Cleaners & Wayzata Pennhurst	1042 E. Wayzata Blvd.	The Hartford	Workers Compensation	
4/1/1984 to 9/1/1984	Pennhurst Cleaners & Wayzata Pennhurst etal.	1042 E. Wayzata Blvd.	American Manufacturers Mutual Insurance Co	Workers Compensation	
9/1/1984 to 9/1/1985	Pennhurst Cleaners & Wayzata Pennhurst etal.	1042 E. Wayzata Blvd.	American Manufacturers Mutual Insurance Co	Workers Compensation	
9/1/1985 to 9/1/1986	Pennhurst Cleaners & Wayzata Pennhurst etal.	1042 E. Wayzata Blvd.	American Manufacturers Mutual Insurance Co	Workers Compensation	
9/1/1986 to 9/1/1987	Pennhurst Cleaners & Wayzata Pennhurst etal.	1042 E. Wayzata Blvd.	American Manufacturers Mutual Insurance Co	Workers Compensation	

Jean's Norge Village Schedule of Insurance					
POLICY PERIOD	NAMED INSURED	LOCATION	CARRIER	TYPE OF COVG	NOTES
8/12/1972 to 12/1/1972	Jean's Norge Village	1163 East Wayzata Blvd.	American Policyholders Insurance Co.	Workers Compensation	New Policy/cancelled
12/1/1972 to 6/3/1978	gap	no info	gap	no info	
6/3/1978 to 6/3/1979	Jeans Norge Village	1163 E. Wayzata Blvd.	Travelers Insurance Co	Workers Compensation	New Policy
6/3/1979 to 6/3/1980	Jeans Norge Village	1163 E. Wayzata Blvd.	Travelers Insurance Co	Workers Compensation	

Section III. ASSESSMENT OF POTENTIAL COST RECOVERY FROM INSURERS

Ability and Willingness of Named Insured to File Claims

During its investigation, PolicyFind reviewed evidence of workers compensation policies prior to 1989 and determined Named Insureds, insurers, effective dates of policies. PolicyFind did not find evidence pertaining to terms or conditions of policies however, insurance evidence obtained did indicate that certain standard form policy language was in place within the policies issued. This gives us some confidence that the policies identified will have language supporting coverage for environmental property damage claims.

Standard General Liability insurance policies issued with “sudden and accidental” language were replaced by those with the Absolute Pollution Exclusion beginning in or around 1985. Because the courts find the Absolute Pollution Exclusion to be a bar to coverage in Minnesota, our focus is on the earlier policies.

It is important to note that Workers Compensation coverage information can be a key piece of information when attempting to prove liability coverage. Proof of workers compensation coverage can be valuable if it is procured as part of a “package” policy, also containing a General Liability coverage part.

In addition, PolicyFind notes the Great Central Insurance Company issued coverage to Donald Custer dba Don’s Cleaners effective 06-01-74 to 06-11-78. The 06-11-76 to 06-11-77 policy indicates it is a business owner’s policy. A business owner’s policy generally covers several lines of coverage including General Liability.

1161 Wayzata Boulevard East, Wayzata, MN

G & K. Within the workers compensation evidence provided re: G&K, at issue is that 1161 Wayzata Blvd E. is listed as an insured location. Because we cannot link this evidence of coverage to the Site (from the up-to nine locations listed within the declarations pages), none of the leads to historical workers compensation insurance coverage are viable at this point. More evidence linking this coverage to our Site is required in order to make successful tenders to carriers. That said, since 2017, G&K Services LLC has operated as a wholly-owned subsidiary of Cintas (Sources: Nasdaq.com March 22, 2017 and Cintas.com/press-releases/Cintas-corporation-completes-acquisition-of-g-k-services-inc/). Cintas reportedly acquired G&K’s assets and liabilities and may have rights to make claims against historical liability policies issued to G&K regarding long tail liability issues at the Site.

Donald E. Custer dba Don’s Cleaners. Dating back to 1972 through 6/11/1978, Great Northern Insurance Company (Chubb), Wolverine Mutual Insurance Company, and Great Central Insurance Company (Argonaut Great Central) provided workers compensation coverage to Donald E. Custer dba

Don's Cleaners. Additional coverage located has been deemed non-viable. Further, the Great Central workers compensation coverage was issued from June 1974 to June 1978 within a business owner's policy, most likely containing a General Liability coverage part.

Within the Minnesota Office of the Secretary of State, we find Don's Cleaners was Administratively Dissolved in 2002. Administratively dissolved corporations may have insurance assets that are available to be leveraged against claims for property damage or bodily injury. A properly dissolved corporation in most circumstances has no such assets. PolicyFind did not make contact with Donald E. Custer, as he suffers from dementia, nor have we received a response to our outreach efforts from his daughter, Karen Sornberger. If Ms. Sornberger is willing to file a claim with the aforementioned carriers in this matter, she may have the right to do so, either as a Successor or an Authorized Representative of Mr. Custer's.

1042 Wayzata Boulevard East, Wayzata, MN

Tonkaway Cleaners. From 1973 to 1974, Tonkaway Cleaners held its workers compensation coverage through American Insurance Company (Allianz Insurance Group of Companies). Additional coverage located during this assessment has been deemed non-viable. PolicyFind did not find names associated with ownership, nor operation of the business during its operation at the Site. According to the Minnesota Office of the Secretary of State, Tonkaway Cleaners & Launderers, Inc. was Administratively Dissolved in 1991; no registered agent, nor principal is listed within Business Record Details. Should an Authorized Representative or Successor become known, and that person and/or entity is willing to file a claim with carriers in this matter – the claim could have a successful outcome.

St Cyr-Johnson Enterprises dba Pennhurst Cleaners & Wayzata Pennhurst ("St Cyr-Johnson"). From 1981 to 1983, this entity held its workers compensation through the Home Insurance, which has been liquidated, and is no longer accepting claims. From 1983-1984, St Cyr-Johnson had workers compensation coverage through the Hartford and this coverage may have been procured as part of a "package" policy, containing a General Liability coverage part. The Hartford is still in business today, and claims can be tendered. From 1984 through 1987, American Manufacturers Insurance provided St Cyr-Johnson's workers compensation coverage. Orders of Liquidation with Findings of Insolvency were entered against American Manufacturers Mutual Insurance Company, in Liquidation by the Circuit Court of Cook County, Illinois effective May 10, 2013. The Proof of Claim Filing Deadline was November 10, 2014 and contingent claims could be filed until November 10, 2017.

St. Cyr-Johnson Enterprises, Inc. is an active corporation, in Good Standing with the State of Minnesota. The CEO is listed as Laura Grahme of 1042 E Wayzata Blvd; the owner of the entity is listed as Joseph St. Cyr. PolicyFind was not able to make contact with Mr. Cyr, nor anyone currently representing the business. However, if the proper person makes themselves known and is willing to make a claim in this matter, the claim could have a successful outcome vis a vis the Hartford. Additionally, once proper contact is made, the Named Insured may be able to provide additional policy information issued to it during our time period of interest and additional claims could be tendered to those carriers.

1163 Wayzata Boulevard East, Wayzata, MN

Jean's Norge Village. For nearly four months in 1972, Jean's held its workers compensation coverage through American Policyholders. This carrier changed its name to Villanova Insurance Company in 1997, and was liquidated in 2003. This carrier is no longer accepting claims. From 1978 to 1980, Jean's held its workers compensation coverage through Travelers. In 1972, Glen Nansen of Jean's Norge Village is listed within insurance records; Nansen is believed to have died in July of 2019. From 1978 through 1980, Jean's Norge Village was operated by David O. Wanglie (died in March of 1993). Within 1977 and 1982 Cole's City Directories, we see Jean's Laundry & Cleaners and Abby & Jean Laundry & Cleaners, respectively. Within the 1987 city directory, the name of the business was listed as Abby & Jean Laundry. PolicyFind has not been able to locate, nor contact a living representative of Jean's Norge Village. Should an Authorized Representative or a Successor become known, a claim could be tendered with Travelers.

1125 Wayzata Boulevard East, Wayzata, MN

Former Owners. Neither historical liability nor workers compensation coverages issued to former owners of Colonial Square Shopping Center were located during PolicyFind's investigation. Additionally, it should be noted that all of the corporations associated (except First National Bank of Minneapolis; now the main subsidiary of First Bank System, Inc., a bank holding company) with the Site throughout time have been properly dissolved with the Office of the Minnesota Secretary of State's Office. A properly dissolved corporation in most circumstances has no such assets. Historical insurance policies cannot respond to claims when the Insured itself no longer exists.

Section IV. BARRIERS TO COST RECOVERY

Identification of Barriers

Barrier 1. Ability & Willingness of Named Insured/Authorized Representatives/Successors to File

Claims. Evidence of workers compensation coverage has been discovered for five (5) entities historically associated with these three sites in an operational capacity (G&K, Don's Cleaners, Tonkaway Cleaners, St. Cyr-Johnson Enterprises dba Wayzata Pennhurst and Pennhurst Cleaners, and Jean's Norge Village). However, PolicyFind has not been able to make successful contact with Named Insureds, nor Authorized Representatives of these entities. To date, no General Liability nor workers compensation insurance information has been located as issued to former owners of 1125 Wayzata Boulevard East, Wayzata, MN. Additionally, all but one former entity involved in site ownership has been voluntarily dissolved.

Outreach efforts could be made with Cintas. If Cintas acquired G&K's assets and liabilities in 2017, it may have rights to make claims against historical liability policies issued to G&K regarding long tail liability issues at 1161 Wayzata Boulevard East, Wayzata, MN.

Barrier 2. No Direct Evidence of GL Coverage. With the exception of the Great Central workers compensation coverage issued to Don's Cleaners from June 1974 to June 1978 within a business owner's policy, the best evidence of historical insurance coverage PolicyFind was able to acquire during its Insurance Archeology investigation is workers compensation information. This coverage is contained within the Schedule of Insurance. While workers compensation coverage could have been procured as part of a "package" policy containing a liability coverage part, there is a chance this coverage was issued as 'stand-alone' workers compensation coverage. Finally, the evidence of coverage issued to G&K does not list our Site as an insured location.

Barrier 3. Carrier Archive Issues. It is possible that once tendered, carriers may not be able to locate evidence of coverage issued to the Named Insured, Successor, Authorized Representative, within their respective archives.

Section V. Recommendations

Participation from Named Insureds/Successors/Authorized Representatives. In order to successfully tender claims, the ability and willingness of Named Insureds, Successors, and/or Authorized representatives for Don's Cleaners and St. Cyr Johnson Enterprises dba Wayzata Pennhurst/Pennhurst Cleaners should be contacted to learn if willingness to file claims with insurers exists. We have strong evidence of historical coverage regarding Don's Cleaners, however, have not received a response from our efforts to contact Ms. Sornberger. Similarly, Wayzata Pennhurst Dry Cleaners is an Active Entity operating at the Site today; however, PolicyFind did not have success eliciting response from Wayzata Pennhurst Dry Cleaners.

As it relates to the former Tonkaway Cleaners and Jean's Norge Village, PolicyFind was unsuccessful in locating living former principals of these corporations.

Finally, regarding former owners associated with 1125 Wayzata Boulevard East, Wayzata, MN, neither historical liability nor workers compensation coverages issued to former owners of Colonial Square Shopping Center were located during PolicyFind's investigation. All historical corporations associated (except First National Bank of Minneapolis; now the main subsidiary of First Bank System, Inc., a bank holding company) with the Site throughout time have been properly dissolved with the Office of the Minnesota Secretary of State's Office. A properly dissolved corporation, in most circumstances, has no such assets and its historical insurance policies cannot respond to claims when the insured itself no longer exists.

Corporate Administrative Dissolution. Don's Cleaners was Administratively Dissolved in 2002, and Tonkaway Cleaners & Launderers, Inc. was Administratively Dissolved in 1991. "Administratively dissolved" entities likely stopped filing annual papers/fees with the Secretary of State's office. More investigation would be needed to confirm whether the entity still exists--and if so, if it has the ability to make a claim against an insurance carrier.

Notices of Claim. If Karen Sornberger or representatives from Wayzata Pennhurst Dry Cleaners are willing to participate in filing claims with carriers, Notices of Claim should be generated and submitted to aforementioned and outlined carriers, regarding workers compensation evidence that has been uncovered.

There is a particularly strong argument to be made that historical General Liability coverage was issued to Don's Cleaners, as coverage provided within a Great Central Insurance Company (Argonaut) business

owners policy was located. It is possible carriers may still have full copies of General Liability policies issued to these Named Insureds. Certified copies of policies should be requested within the Notices of Claim.