

AFFIDAVIT IN SUPPORT OF REQUEST TO DISMISS
LYNDON PROPERTY INSURANCE COMPANY

In Re:

Dale Reesor, Petitioners

vs.

Montana State Fund, Respondent/Insurers

FILED

JUN - 9 2005

OFFICE OF
WORKERS' COMPENSATION JUDGE
HELENA, MONTANA

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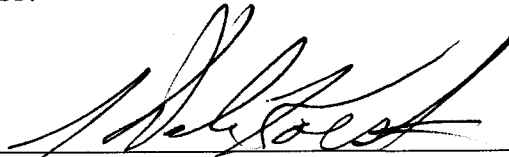
Comes the Affiant, J. Dale Koester, and after having been first duly sworn, states
as follows:

1. I hold the position of Assistant Vice President/Surety Bond Manager of Lyndon Property Insurance Company (hereinafter, "Lyndon").
2. Lyndon is a property & casualty insurance company, chartered in 1978 in the State of Missouri.
3. Lyndon received its Certificate of Authority to conduct business in Montana on August 7, 1980.
4. Lyndon has never written Workers' Compensation Insurance in Montana.
5. Upon application from Stone Container Corporation, on June 19, 2002 Lyndon issued a Workers' Compensation Self Insurer's Bond in support of Stone Container Corporation's qualification as a Self Insurer of its workers' compensation risks, Compensation Plan No. 1, in Montana.
6. In issuing the aforementioned Workers' Compensation Self Insurer's Bond on behalf of Stone Container Corporation, Lyndon was functioning as Surety, but not as an Insurer.
7. Surety for a bond in support of a Self Insurer under Compensation Plan No. 1 does not meet the definition of an "Insurer" as set forth in Montana Code Annotated 2003, 39-71-116(14), therefore Lyndon cannot be construed as an Insurer by reason of its obligation of suretyship.

8. The aforementioned Workers' Compensation Self Insurer's Bond on behalf of Stone Container Corporation was replaced by an Irrevocable Letter of Credit on June 30, 2004, and the Bond was exonerated and released as of that date.

9. Lyndon has no further liability under the Workers' Compensation Self Insurer's Bond formerly issued on behalf of Stone Container Corporation, and Lyndon has never issued any other workers compensation self insurer's bonds in Montana.

FURTHER AFFIANT SAYETH NAUGHT.



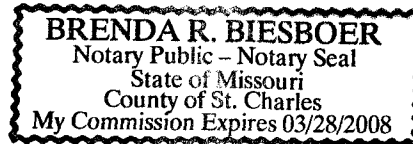
J. Dale Koester
Assistant Vice President/Surety Bond Manager
For Lyndon Property Insurance Company

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

Subscribed and sworn to before me by J. Dale Koester this the 9th day of June, 2005.

My Commission expires: March 28, 2008

Brenda R. Biesboer
NOTARY PUBLIC



Asset Protection Division

One Chesterfield Place
14755 North Outer Forty Road, Suite 400
St. Louis, MO 63017
636-536-5600 / 800-950-6060



June 9, 2005

VIA FACSIMILE & CERTIFIED MAIL

The Honorable Mike McCarter
Worker's Compensation Court
P.O. Box 537
Helena, MT 59624-0537

RE: Catherine E. Satterlee, et al v. Lumberman's Mutual Casualty Company
WCC No. 2003-0840

Dale Reesor v. Montana State Fund
WCC No. 2002-0676

Dear Judge McCarter:

Lyndon Property Insurance Company ("Lyndon") has received summons in the above-referenced cases. Although a response was due June 6, 2005 in the Reesor case, plaintiff's attorney has generously agreed to allow us to file a late response.

Please be advised that although Lyndon is authorized to write casualty insurance in Montana, it has never written workers' compensation insurance in Montana. Enclosed is an affidavit from Dale Koester, Assistant Vice President/Surety Bond Manager of Lyndon, that further explains Lyndon's position. For this reason, we respectfully request that Lyndon be dismissed from the above-referenced lawsuits.

Should you need further information, please contact me at (800) 950-6060, ext. 5667.
Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Laura L. Foster".

Laura L. Foster, J.D.
Assistant Vice President, Director of Licensing,
Contracting and Litigation Support

LLF/maa

cc: Thomas J. Murphy, Esq. (via facsimile)