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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM RICHLAND COUNTY
Court of Common Pleas
Jean Hoefer Toal, Circuit Court Judge

Case No. 2020-CP-40-02098

Appellate Case No. 2024-000674

Covil Corporation, by and through its duly appointed Receiver, Peter D. Protopapas, Respondent,

v.

Pennsylvania National Mutual Casualty Insurance Company; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association..... Defendants,

Of which Pennsylvania National Mutual Casualty Insurance Company is the .....Appellant.

RECORD ON APPEAL
VOLUME 7

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yntema@goldbergsegallas.com 3:1

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EXHIBIT 2

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From: Brian Flatley <Brian.Flatley@elliswinters.com>
Sent: Monday, May 08, 2023 12:31 PM
To: Brad Penfold
Cc: Ashley Brathwaite; Yntema, Brady A.; kirby.shealy@arlaw.com; Nes, W. Brad; shanonp@smithrobinsonlaw.com; Harris, David G.; jon@smithrobinsonlaw.com; Katherine Bandy
Subject: Penn National Microfiche Scan - Policy Prefix Instructions
Attachments: 2023-05-04 - Penn National Coded Policy Prefixes.xlsx

[EXTERNAL EMAIL]
Brad Penfold:

Please find attached a chart I've prepared of the various policy number prefixes that you may come across in your scanning. I've highlighted in **red** the policy prefixes that will *not* be made available nor transmitted to the Receiver.

I believe you received the signed contract from Penn National last week. If you need any additional information prior to scanning, please let us know. Otherwise, please confirm when the scanning project commences.

Thank you.
Brian.

Brian Flatley, CEDS | Litigation Support Manager
brian.flatley@elliswinters.com
P 919.865.7042 F 919.865.7010

ELLIS & WINTERS LLP
4131 Parklake Avenue, Suite 400 | Raleigh, NC 27612
P.O. Box 33550 | Raleigh, NC 27636
www.elliswinters.com

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Policy Prefixes
000
001
130
131
132
905
AU2
AU9
AU90
AUM
FB 0
FB0
IM 0
IM 9
IM0
IM9
IOM9
SB 0
SB9
WC9
WP9
002
003
004
005
007
008
032
037
090
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1714
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1800
1801
1804

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1805
1812
3027
3070
3074
3087
4401
4440
5259
6000
9000
136699
2X0
2X9
30/
305/
307*
307/
AC 0
AC2
AC9
AE9
AI9
AL9
AP9
AR9
AV9
AX9
AY9
AZ9
B9P
BA9
BC9
BD9
BE9
BIM
BIN
BIN0
BIN9
BL9
BM9
BO9
BP9
BP99
BPT
BR9
BT9

BTP
BU9
C;9
C00
CB9
CC9
CD9
CE9
CF 0
CG9
CI9
CK9
CL0
CL6
CL9
CM9
CO9
CP9
CR9
CS8
CS9
CSD
CU9
CX9
DM9
DW9
EB9
EBP
EC9
EF9
EL 7
EM9
EP9
EV9
EW9
F 03
F 32
F 33
F 35
FA9
FAM
FC9
FE9
FF9
FH9
FI9
FL9

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FM9
FP9
FR9
FS9
GA9
GB9
GC9
GK9
GL9
GLP
GP9
GR0
GR9
GS9
GU9
GX9
H00
HC9
HO 0
HO9
IB9
IF9
IL9
IP9
IPL9
IT9
KM9
LA9
LL9
MC9
MI9
ML9
MLP
MM 4
MM0
MM9
MMD
MMO
MO9
MOM
MPR
MSB
MU9
NB9
OL9
OT0
OT9

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OUC
PACK
PAKN
PB9
PC9
PE9
PKNG
PL 4
PL 5
PL 6
PL0
PL8
PL9
PN9
PO9
PP9
PR9
QT9
RB9
RC9
REF
RL9
RM9
RP9
SA 0
SC9
SD9
SI9
SL9
SU2
SU8
SU9
SU90
SUU9
TA9
TM9
TR9
UA9
UC9
UK9
UL8
UL9
UM9
UP9
VC9
VE9
VL9

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Brady A. Yntema | Partner
Direct 336.419.4904 | byntema@goldbergsegalla.com

May 25, 2023

VIA E-MAIL AND FEDEX
Honorable Jean H. Toal
jtoal@sccourts.org
Zitel Poswal
cposwal@sccourts.org
Judicial Law Clerk
South Carolina Court Administration
1220 Senate Street, Suite 221
Columbia, SC 29201

RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland;
Case No. 2020-CP-40-02098

INTERIM REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 5, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, this is to provide you with an interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI"). Below is a summary of the current status of the scanning project.

- On January 26, 2023, a conference call was conducted with Ellis & Winters, BMI, and counsel for Penn National to confirm initial scanning process and the location of where the scanning process will occur. It was confirmed on the call that the method preferred by Ellis & Winters would be to conduct the scanning project at BMI's facility in California, and that an initial set of approximately 50 microfiche would need to be sent by Penn National to BMI to conduct a "milestone" project that would result in an initial model of the final product that could be provided by BMI. Also, it was requested that BMI provide initial cost and time estimates for scanning the microfiche at Penn National's headquarters in Harrisburg, Pennsylvania, in comparison to scanning the microfiche at BMI in California. As requested, BMI (1) provided an estimated cost of $250,000 to scan a minimum of 100,000 microfiche at Penn National's headquarters with an estimated completion timeframe of six months from approval of the milestone project,

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and (2) provided an estimated cost of $110,000 to scan a minimum of 100,000 microfiche at BMI's facility with an estimated completion timeframe of three months from approval of the milestone project.

- On the afternoon of February 6, 2023, Penn National received a secure box from BMI for Penn National to ship the initial set of microfiche for BMI to complete the milestone project. On February 8, 2023, Penn National shipped the initial set of microfiche to BMI for the milestone project.

- On March 10, 2023, BMI confirmed that, upon approval of the milestone project, Penn National could move forward with shipping the remaining microfiche cards for full production.

- Once the milestone project was complete or substantially complete, on March 28, 2023, Penn National shipped four skids of the remaining microfiche to BMI's facility in California by FedEx Ground, and the tracking numbers for each of the skids were provided to BMI for the shipment.

- On April 4, 2023, BMI confirmed that the remaining microfiche arrived at BMI's facility on April 3, 2023. While some of the boxes were damaged in shipment, BMI confirmed that none of the microfiche contained in the damaged boxes had been impacted. At this time, BMI also notified Penn National that BMI would be in "standby until we can finalize the instructions and put a contract in place."

- On or about April 20, 2023, Ellis & Winters sent BMI's Master Services Agreement to Penn National for the scanning project. On April 21, 2023, Ellis & Winters sent Penn National a written Scope of Work provided by BMI, and stated that BMI had "all the microfiche and are ready to scan it all." Ellis & Winters requested that Penn National review BMI's Scope of Work and let Ellis & Winters know if Penn National anticipates any issues "with this today." On that same day, counsel for Penn National confirmed that it had received BMI's Scope of Work, and that Penn National did not have any questions/issues that should stop BMI's scanning process from beginning as soon as possible.

- On April 26, 2023, Ellis & Winters sent to BMI, and counsel for the Receiver and Penn National, a recurring meeting invitation to have a weekly Zoom conference on every Thursday beginning April 27, 2023. Thereafter, all parties have participated in the recurring weekly Zoom conferences regarding the status of BMI's scanning project with the exception of May 11, 2023, and May 25, 2023 due to certain conflicts of parties involved in the conferences.

- On May 4, 2023, counsel for Penn National e-mailed a copy of Penn National's executed Master Services Agreement to BMI and Ellis & Winters.

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- After communications among Ellis & Winters, BMI, and counsel for the Receiver and Penn National regarding BMI's Scope of Work, a final Scope of Work was executed by Penn National and sent to Ellis & Winters and BMI on May 11, 2023.

- Based on notes of Penn National's counsel, during the recurring weekly Zoom conference on May 18, 2023, BMI confirmed that it had reinitiated the scanning process of Penn National's microfiche approximately two weeks prior to the call, and that BMI would begin providing weekly reports on (1) the number of microfiche scanned during the prior week, and (2) the total number of microfiche scanned to date. Also, during this call (based on notes of Penn National's counsel) BMI estimated that it could take up to eight months to complete the scanning project due to anticipated capacity restrictions.

- On May 24, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 7,789 microfiche had been scanned during the May 14, 2023 to May 20, 2023 time period, and that 12,853 microfiche had been scanned to date. Also, the May 25, 2023 Zoom conference was not conducted due to a conflict of BMI.

Pursuant to the Court's Order, a second interim report will be provided to the Court on or before June 8, 2023, unless the parties receive a different request from the Court.

With best regards,

Sincerely,

GOLDBERG SEGALLA, LLP

/s/ Brady A. Yntema
/s/ David G. Harris II

cc: **Ellis & Winters** (via e-mail only -- Ashley Brathwaite)
Counsel for the Receiver (via e-mail only -- Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake, Lindsay Valek, Marghretta Shisko, Chris Jones, Nicole Rice)

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Company, *et. al*, Defendants.	C.A. No. 2020-CP-40-02098 **THE RECEIVER FOR COVIL CORPORATION'S OPPOSITION TO PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY'S MOTION FOR RECONSIDERATION OF THE COURT'S MAY 12, 2023 ORDER GRANTING COVIL'S MOTION FOR ATTORNEYS' FEES AND COSTS**

For the sixth time in this case, Pennsylvania National Mutual Casualty Insurance Company ("Penn National") seeks reconsideration of an Order from this Court related to its stonewalling the Receiver for Covil Corporation's (the "Receiver") attempts to discover the full set of insurance policies Penn National issued to protect Covil. Penn National's Motion to Reconsider the May 12, 2023 Order granting the Receiver's Motion for Attorneys' Fees and Costs lacks merit and launches yet another round of delay.[1] The Court should deny the Motion to Reconsider because Penn

[1] All of Penn National's previous requests for reconsideration or review of this Court's discovery orders have been denied:

- On May 16, 2022, Penn National filed a motion requesting the Court to reconsider the May 5, 2022 Discovery Order.
- On May 26, 2022, the Court ***denied*** the motion for reconsideration.
- On May 31, 2022, Penn National filed a Notice of Appeal of the May 5 Order. *See* Appellate Case No. 2022-000761.
- On June 6, 2022, Penn National filed a Petition for Writ of Certiorari in the original jurisdiction of the South Carolina Supreme Court, seeking contemporaneous appellate review of the same order. *See* Appellate Case No. 2022-000785.
- On August 9, 2022, the Court of Appeals dismissed Penn National's appeal, finding the May 5 Order was ***not immediately appealable***. *See* Appellate Case No. 2022-000761.

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National fails to show that the Court misunderstood or did not fully consider or rule on an argument or issue when entering the Order. Penn National's "foot-dragging operation" must stop.

BACKGROUND

This Court appointed the Receiver to marshal the full extent of Covil's assets, including its insurance policies, in November 2018. For years since his appointment, the Receiver has attempted to fulfill his obligation to the Court by making repeated requests to Penn National to produce all insurance policies protective of Covil. The Receiver's requests have been met with obstruction and intransigence, which required the Receiver to engage in protracted discovery to slowly unravel information related to Penn National's historical documents and its policy search capabilities, and to file seven motions to compel between January 2021 and November 2022 related to Penn National's failure to fully participate in the discovery process. Through this process, the Receiver incurred hundreds of thousands of dollars in legal fees.

Because Penn National forced the Receiver to incur such substantial legal fees, the Receiver filed a Motion for Attorneys' Fees and Costs (the "Motion for Fees") on February 17, 2023. Mot. for Fees at 1. On April 19, 2023, this Court held a hearing on the Receiver's Motion for Fees. On May 12, 2023, having considered the motion and briefing, including the supplemental declarations, having heard extensive arguments of counsel, and having conducted an in camera

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- On August 23, 2022, the Supreme Court ***unanimously denied*** the Petition for Writ of Certiorari. *See* Appellate Case No. 2022-000785.
- On August 24, 2022, Penn National filed a Petition for Rehearing with the Court of Appeals. *See* Appellate Case No. 2022-000761.
- On November 15, 2022, the Court of Appeals ***denied*** the petition. *See* Appellate Case No. 2022-000761.
- On December 16, 2022, Penn National filed another Petition for Writ of Certiorari with the Supreme Court requesting appellate review of the same discovery order for the second time. *See* Appellate Case No. 2022-001764.
- On January 12, 2023, the Supreme Court ***denied*** the second petition. *See* Appellate Case No. 2022-001764.

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review of the unredacted billing records, the Court granted the Receiver's motion and ordered Penn National to pay attorneys' fees in the amount of $671,693. Order at 1. Penn National filed this instant motion pursuant to Rule 59(e), SCRCP, asking the Court to reconsider its Order. Mot. to Reconsider at 1. The Receiver now files this opposition to Penn National's Motion to Reconsider.

LEGAL STANDARD

A motion under Rule 59(e) has long been viewed as a "motion for reconsideration." *Elam v. S.C. Dep't of Transp.*, 361 S.C. 9, 21, 602 S.E.2d 772, 778 (2004). A party may file a motion to reconsider pursuant to Rule 59(e), SCRCP in two situations: (1) when the moving party "believes the court has misunderstood, failed to fully consider, or perhaps failed to rule on an argument or issue, and the party wishes for the court to reconsider or rule on it"; or (2) when the moving party wishes to preserve for appellate review "an issue or argument has been raised, but not ruled on[.]" *Id.* at 24, 602 S.E.2d at 780.

The decision to grant relief under Rule 59 rests within the sound discretion of the trial judge and will not be disturbed on appeal unless the "findings are wholly unsupported by the evidence or the conclusions reached are controlled by error of law." *Petit v. Krohn*, No. 2017-CP-24-01343, 2020 WL 12894729, at *1 (S.C.Com.Pl. May 20, 2020) (citing *Brinkley v. S.C. Dep't of Corr.*, 386 S.C. 182, 184, 687 S.E.2d 54, 56 (Ct. App. 2009)).

ARGUMENT

A. Penn National's disingenuous attempt to recharacterize this Court's attorneys' fee award as an immediately appealable "sanction" is without merit.

Penn National's motivation in filing this "reconsideration" motion could not be any clearer. It does not genuinely assert that this Court "misunderstood" any of its arguments or that the Court failed to consider or rule on any substantive issue. Rather, Penn National hopes to recast the

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Court's award of attorneys' fees related to a discovery order under Rule 37 as a "sanction," which it will then argue is immediately appealable. Penn National's Motion for Reconsideration does not recite an accurate reflection of the Court's order. Despite the fact that the Court did not characterize its attorneys' fees award under Rule 37 as a "sanction," Penn National's reconsideration motion refers to it as a "sanction" sixteen times in a seven and a half page brief. However, it is South Carolina law that the award of attorneys' fees under Rule 37 is interlocutory and not immediately appealable. *Richardson v. Halcyon Real Est. Servs., LLP*, No. 2019-000671, 2023 WL 2995102, at *3 (S.C. Ct. App. Apr. 19, 2023).[2]

In this Court's May 26, 2022 order denying Penn National's initial motion to reconsider the May 5, 2022 Discovery Order, this Court noted expressly that:

> This matter is an ongoing discovery issue, revolving around Penn National's refusal to produce insurance policies, and thus is not immediately appealable. Accordingly, a Motion for Reconsideration is inappropriately raised.

May 26, 2022 Order Denying Motion to Reconsider at 2. While Penn National did not heed this Court's warning previously, Covil respectfully requests that this Court deny the motion and remind Penn National that an award of attorneys' fees under Rule 37 is interlocutory and not immediately appealable. *See Richardson*, 2023 WL 2995102, at *3.

B. The Court correctly found that Penn National has failed to meet its discovery obligations or comply with prior court orders.

Penn National contends that the Order "fails to take into account any of the considerable discovery efforts that Penn National has undertaken in this litigation and its efforts to comply with

[2] Penn National is well aware of this authority, citing it in its Motion to Reconsider. *See* Mot. at 6 n.1. However, Penn National does not appear to understand the holding of the case. Penn National noted that the Court of Appeals observed that no *prior* cases in South Carolina had addressed the specific issue of the appealability of monetary awards under Rule 37. But Penn National failed to mention that the Court of Appeals held in *Richardson*, as a matter of first impression, that discovery orders awarding attorney's fees and costs were "interlocutory and not immediately appealable." *Richardson*, 2023 WL 2995102 at *3.

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prior Court orders." Mot. at 3. Penn National's assertion is incorrect. The Court fully considered Penn National's discovery "efforts," as chronicled in detail in the Order. *See* Order at 5-7 Viewing Penn National's discovery "efforts" in context, the Court correctly found that "[i]n each successive discovery response, Penn National has pointed [the Receiver] in a new direction, and allowed the slow trickle of information that merely required the Receiver to seek more discovery relief from this Court." Order at 10. Penn National's argument fails also because of the following reasons.

First, Penn National conflates the issue here—the sufficiency of discovery efforts—with the existence of any discovery efforts. Whatever "efforts" Penn National lists in a short paragraph (Mot. at 3) for the past five years are far from being sufficient to meet its discovery obligations.[3] Each time Penn National provided discovery responses, including testimony and affidavits, more gaping holes in Penn National's efforts were revealed. Indeed, as evidenced in the Receiver's briefing, most of Penn National's "efforts" required the Receiver to file additional motions to compel Penn National to meet its discovery obligations.

[3] Penn National's insufficient discovery "efforts" include at least the following:

- Penn National refused to conduct an adequate and fulsome search of its records for Covil policy documents when ordered to do so. May 5, 2022 Discovery Order (the "May 5 Order") at 4.
- Penn National produced a witness, Boyd Wright, who had no information regarding policy searches Penn National performed. Ex. 1, Jan. 7, 2021 Wright Dep. at 9:5–12, 43:14–44:18, 67:4–6.
- Penn National failed to comply with a subpoena, despite explicit instructions from the Court. *See* Ex. 2, Penn National's Subpoena Response, dated Feb. 22, 2021.
- Penn National ignored explicit instructions from this Court to perform a physical search of paper documents. *See* Ex. 3, July 1, 2021 Order, C/A No. 2019-CP-40-03003; Ex. 4, Aug. 3, 2021 Reifsnyder Dep. 49:20–50:1, 52:7–24, 55:23–56:5, 57:2–12, 59:8–13, 59:14–60:10, 62:17–63:3, 65:3–11; Ex. 5, Aug. 26, 2021 Wright Dep 36:6–11.
- Penn National continued its routine purge of policies, with no quality control mechanism in place, for more than three years after it became aware of the need to search for policies protective of Covil. Ex. 6, Nov. 10, 2022 Reifsnyder Dep. 44, 46–47, 67:4–22, 104:2–17, 104:19–105:2; Ex. 7, Penn National's Responses to Plaintiff's Second Set of Requests for Production, dated December 20, 2021.

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Second, Penn National's "participation" in discovery should not be viewed in a vacuum. Penn National's "participation" in discovery is not a result of voluntary compliance with its discovery obligations; rather, it is a result of constant diligence by the Receiver and intervention from the Court, including seven motions to compel, which required over $600,000 in attorney time and multiple hearings and court orders. Order at 4–7.

For the same reason, the Court should reject Penn National's argument that Penn National's "cooperation and participation in Ellis & Winters' search of Penn National's insurance repository," detailed in its interim reports,[4] shows that "Penn National has not been evasive" in discovery (Mot. at 3). The fact that the Court had to order a third party to obtain meaningful discovery from Penn National only demonstrates that Penn National had been evasive. Even worse, Penn National's foot-dragging operation led Ellis & Winters on a wild goose chase, thinking that it could rely on policy prefixes when Penn National knew or should have known all along that such a task was impossible. The Receiver's recent interim report to the Court, dated May 23, 2023, further detailed Penn National's failure, or perhaps refusal, to comply with the Court's May 5 Order.

Third, Penn National attempts to justify its inadequate policy search system by the fact that it had this system "in place for well over a decade" and argues that the Court cannot "fault[ ] Penn National for the manner in which it decided to store its records decades ago." Mot. at 4. Penn National's excuse misses the mark. The fact that Penn National deliberately created a system to evade fulsome policy searches provides no exception to its discovery obligations in litigation. It

[4] At the April 19, 2023 hearing, the Court ordered Penn National to file interim reports "beginning today . . . every two weeks" to update the Court on the status of the scanning project. April Hr'g Tr. at 34–35, 41, 49. Penn National failed to prepare any report required by the Court recently until the Receiver prepared its own.

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simply shines light on the fact that the Penn National's policy search system has been inadequate for "well over a decade."

Finally, Penn National should not get any credit from "the fact that Penn National is . . . incurring the burden and significant expense of imaging its microfiche cards" (Mot. at 4). Penn National is the party solely responsible for the manner in which it has stored its archived policy-related microfiche. Thus, Penn National should be solely responsible for the cost of searching for responsive documents in discovery.

C. The Court correctly found that Penn National's opposition to the Receiver's discovery requests were unjustified.

On one hand, Penn National argues that the Court should not find that it has been recalcitrant because "Penn National has been forthcoming as to the existence of commercial line policies for Covil that may provide coverage for asbestos claims, and it has been fully transparent as to the manner in which it has stored and retained its archived policy-related documents from the beginning." Mot. at 4. On the other hand, Penn National also argues its stonewalling of the discovery process is somehow "legitimate," "well-founded," and in "good faith." Mot. at 5–6. Penn National's excuses fail for the following reasons.

Penn National mischaracterizes its behavior in this case: it has been anything but "forthcoming" and "transparent." For the past years, the Receiver had to learn about Penn National's policy search system piecemeal due to Penn National's stonewalling of the discovery process. Contrary to Penn National's suggestion, the excerpt[5] from the Order quoted in the Motion

[5] Penn National quotes the following except from the Order:

> Penn National ***knew from the beginning*** of the Receiver's years-long discovery investigation that it had created a system of historical policy maintenance that would require a manual search of records should a policyholder be unable to provide a policy number. ***Rather than attempt a meaningful response*** to any of the Receiver's discovery, ***or otherwise offer and implement suggestions*** to make its

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to Reconsider (Mot. at 5) does not acknowledge Penn National's transparency—it acknowledges exactly the opposite. Besides, whenever Penn National decided to reveal anything about its policy search system, Penn National did it not to fulfil its discovery obligation but to use it as an excuse to avoid discovery and remain recalcitrant.

Moreover, Penn National's oppositions in discovery were unjustified because the policies that potentially cover Covil for which Penn National refused to search are integral to the instant litigation and accessible only by Penn National. Order at 10. Penn National knew that without the policies, the Receiver faced an uphill battle to prove the existence of coverage. Penn National's resistance to discovery before this Court is especially unwarranted after the Court has ordered Penn National to engage in meaningful policy search on multiple occasions. Order at 5–7, 9.

Penn National's various frivolous appeals of the May 5 Discovery Order are also unjustified because it was an unappealable discovery order. The case Penn National cited in its footnote (Mot. at 6 n.1), *Tammy Richardson v. Halcyon Real Estate Services, LLP*, Op No. 5981 (S.C. Ct. App., April 19, 2023), has no application here because the May 5 Order was a discovery order, not a monetary sanctions order. As the Court of Appeals correctly held regarding Penn National's appeal, "[t]he orders on appeal are not immediately appealable." Order, Appellate Case No. 2022-000761 (Aug. 9, 2022) (citing *Grosshuesch v. Cramer*, 377 S.C. 12, 30, 659 S.E.2d 112, 122 (2008) ("[D]iscovery orders, in general, are interlocutory and are not immediately appealable because they do not, within the meaning of the appealability statute, involve the merits of the action or affect a substantial right.") and *Waddell v. Kahdy*, 309 S.C. 1, 419 S.E.2d 783 (1992) (an order

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> system searchable, Penn National forced the Receiver and his lawyers to spend hundreds of hours over three years to reach the same conclusion.

Mot. 5 (quoting Order at 7) (emphasis added).

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compelling a party to submit to discovery is interlocutory and not directly appealable), *cert. denied*, Appellate Case No. 2022-000785 (Aug. 23, 2022)).

Importantly, Penn National's argument does not warrant a reconsideration because when entering the Order the Court has fully considered how "transparent" Penn National has been in discovery and correctly found that "[a]t each turn in discovery, Penn National pulled back a small portion of the curtain, revealing just enough information about the existence of historical records and its document maintenance system to raise more questions to which it would not respond, and forcing Covil to return to this Court with additional requests for discovery intervention." Order at 4. The Court also fully considered whether Penn National's opposition to the Receiver's discovery was appropriate and found that "Penn National wasted this Court and the Receiver's time and resources in its gamesmanship" and that "Penn National's opposition to Covil's motions to compel was not substantially justified." Order at 9–10.

D. The Court's decision to include the November 2022 discovery dispute Order was proper.

The Receiver's Motion for Attorney's Fees and Costs specifically identifies the November 4, 2022 motion to compel. Mot. for Attorney's Fees and Costs at 3 n.1. Penn National did not raise any issue with the November order in its opposition brief or at the hearing on April 19, 2023. Thus, there was no argument or issue related to the November 2022 discovery dispute for the Court to consider in its Order. It is within the Court's sound discretion to award attorneys' fees related to the November 2022 discovery dispute. This argument is waived.

E. The Court considered the *Glasscock* factors before entering the Order.

The Court did not award attorney fees until it finalized its analysis for each of the *Glasscock* factors. Order at 11–13 ("carefully considering each *Glasscock* factor in turn, the Court finds that the Receiver's counsel should be awarded the full amount they seek in attorneys' fees for their

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work associated with their discovery efforts against Penn National"). Penn National's characterization of the hearing transcript is inaccurate. Mot. 7–8.

Prior to the April hearing, the Receiver submitted affidavits and billing entries as evidence to support an award of fees under the *Glasscock* factors. The Court had that information before it at the time of the April hearing. Further, having been involved in the discovery matters in this case for three years, the Court was very aware of the discovery history and already had considered Penn National's conduct in this case prior to the hearing. The fact that the Court asked the Receiver to submit additional materials including unredacted bills and affidavits of counsel regarding the *Glasscock* factors confirms that the Court's findings at the hearing was only preliminary, not final. *See* April Hr'g Tr. 48:13–16. The Court asked the parties to submit additional materials for clarification and confirmation.

CONCLUSION

Penn National's sixth motion for reconsideration lacks merit and further delays the case. The Receiver respectfully requests that the Court deny Penn National's Motion to Reconsider. The Receiver also requests an award of its attorneys' fees and costs in having to respond to the Motion.

Respectfully submitted,
SMITH ROBINSON, LLC

/s/Jonathan M. Robinson
Jonathan M. Robinson (S.C. Bar # 68285)
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Attorneys for the Receiver of Covil Corporation

June 2, 2023

EXHIBIT 1

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Deposition of:

Boyd Wright - Penn National 30(b)(6)

January 7, 2021

In the Matter of:

Finch, Ann v. Sentry Casualty Company, et al.

A. William Roberts, Jr & Assoc.
800-743-3376 | calendar-awr@veritext.com | www.veritext.com

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STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS
COUNTY OF RICHLAND THE FIFTH JUDICIAL CIRCUIT
ANN FINCH, Individually and as Executor of the Estate of Franklin Finch,
Plaintiff,
vs. CASE NO.: 2019-CP-40-03003
SENTRY CASUALTY COMPANY; UNITED STATES FIDELITY AND GUARANTY COMPANY; ZURICH AMERICAN INSURANCE COMPANY; PETER PROTOPAPAS, as COURT APPOINTED RECEIVER for COVIL CORPORATION; and WALL TEMPLETON & HALDRUP, P.A.,

Defendants.

TELEPHONIC 30(b)(6) (Appearance via Telephone Conf.)
DEPOSITION OF: PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY BY BOYD WRIGHT

DATE: January 7, 2021

TIME: 10:02 a.m.

LOCATION: Goldberg Segalla
701 Green Valley Road, Suite 310
Greensboro, North Carolina

TAKEN BY: Counsel for Receiver of Covil Corporation

REPORTED BY: Mary K. Stepp, Court Reporter
(Appearance via Telephone Conference)

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Q. Did you learn any facts that you did not know before that you believe are relevant to your deposition preparation?

A. No.

Q. You also spoke with a document custodian; is that right?

A. Yes.

Q. And who is the document custodian?

A. His name is Brent Reifsnyder.

Q. And how long did you speak with this document custodian?

A. Uhm, I don't know. Five or ten minutes.

Q. And what was the purpose of speaking with the document custodian?

A. Just to determine -- refresh my memory on how long Penn National retains documents.

Q. What did you learn by speaking with the document custodian?

A. How long it takes -- how long Penn National typically saves documents.

Q. Did you learn anything else?

A. No.

Q. And I believe you mentioned that you spoke with someone in underwriting, but you can't recall their name; is that correct?

and be able to go to that claim file and look and see if there was policy information in it. Since there was no claim, it comes up empty. So we take the next step.

Q. In searching for Covil insurance policies, the next step in addition to this version 6, version 7 system, I believe you mentioned that you also spoke with a document custodian; is that correct?

A. The next step is we go to underwriting to see if they have any records.

Q. And did you do that in this case?

A. Yes. And they told us they didn't have any records due to the age of the policies.

Q. Whom specifically did you speak to in underwriting in the initial search for Covil Corporation documents?

A. I don't recall. It -- it's -- it kind of goes into a queue and the underwriting clerical perform that search for us.

Q. What specific steps did the underwriting clerical person take to search for Covil-responsive documents?

A. She would also check the version 6, 7 to see if there were any records, and then she would look at any paper records that underwriting may still

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retain to confirm if they had any records at all. But due to the age of the policies, they had none -- no records at all.

Q. And how -- what specific records did the underwriting custodian search?

A. The -- she looked at version 6, 7, just like the first person did. Nothing comes up. She then looks at paper archived records that underwriting retains. And because the policies were so old, they don't have any records. She then tells me, "We don't have any records because these policies are too old."

Q. What specifically -- what specific records, though, did the underwriting clerical employee search to make the determination that there just are no paper records?

A. She looks by name and policy number. If it's not there, it's not there.

Q. Were these written records a -- an index of documents maintained by Penn National?

A. I'm not even sure what that means. They have access to some paper records. There are underwriting files specific to a named insured and an appropriate policy number. She would -- she would search -- they catalog them by policy number. She

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when you've finished. So I apologize. I didn't realize you weren't finished. Please continue.

A. Well, I'm certain that you've got a lot more experience with a phone deposition than I. But I am not aware that a search for -- through the entire company records occurred. But I do know that electronically there was no hit, as it were, on Covil's name that would lead us anywhere else except to the policies we were able to locate.

Q. How many searches for Covil policies has Penn National been requested to conduct?

A. I know we've conducted two searches. One was a subpoena received and one when we got involved in the Covil versus Penn National coverage action.

Q. And were there any differences between either of those two searches or was it an identical search done twice?

A. The structure of the search would have been the same. There was no alteration on my part. And so I -- I'm of the mind that the search occurred the same way both times.

Q. Are you aware of any documents or categories of documents that were searched in one search, but not the other?

A. No.

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EXHIBIT 2

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STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FOR THE FIFTH JUDICIAL CIRCUIT
Case Number: 2019-CP-40-03003

Ann Finch, Individually and as Executor of the Estate of Franklin Finch; Peter Protopapas as Court Appointed Receiver for Covil Corporation,

Plaintiffs,

v.

Sentry Casualty Company, United States Fidelity & Guaranty Company, *et al.*,

Defendant.

PENN NATIONAL'S OBJECTIONS TO SUBPOENA *DUCES TECUM*

Pursuant to Rule 45(c)(1)(B) of the South Carolina Rules of Civil Procedure, Non-Party Pennsylvania National Mutual Casualty Insurance Company ("Penn National") provides the following objections to the Subpoena *Duces Tecum* dated February 8, 2021 (the "Subpoena"), served upon it in the above-captioned civil action by counsel for Plaintiffs:

GENERAL OBJECTIONS

Penn National responds to each and every request subject to the General Objections set forth below. These limitations and objections form a part of the response to each and every request and are set forth to avoid the duplication and repetition of restating them for each response. Although these General Objections may be specifically referred to in a response to certain requests for the purpose of clarity, the failure to specifically incorporate a General Objection should not be construed as a waiver of these General Objections.

1. Penn National objects to each request to the extent that it is vague, ambiguous, cumulative, duplicative, overly broad, unduly burdensome or oppressive, or seeks information or

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documents that are not material and necessary to this action, or to the extent that it seeks documents or information beyond those permitted by the South Carolina Rules of Civil Procedure and to the extent it is not in accordance with the directive provided by Justice Jean H. Toal during the Court's January 25, 2021 hearing in this case. Specifically, while the Subpoena requests documents and/or records of Penn National for insurance policies for Covil Corporation that "identify" or "concern" over 900 "Contractors" and "Facilities", it does not provide (1) any specific time period for which it is seeking a search for such documents and/or records, (2) any information or documents that show Covil's connection or association with any of the Contractors listed, including whether each Contractor was a subcontractor for Covil, and the timeframe(s) that such relationship existed with Covil, (3) any information or documents that show Covil's connection or association with any of the Facilities listed, including the relationship that any of the identified Facilities had to any alleged asbestos exposure at issue in this case, or (4) any policy number, to the extent known to the Receiver, for any policy that may relate to Covil, or the Contractors and Facilities identified by the Subpoena.

2. Based on the documents requested by the Subpoena, Penn National object in that it does not appear that Plaintiffs have taken reasonable steps to avoid imposing undue burden or expense on Penn National, a non-party to this action, and Penn National preserves the right to seek a protective order and request costs and reasonable attorney's fees incurred in responding to the Subpoena.

3. By objecting and/or responding to each request, Penn National does not in any way waive or intend to waive: (a) any objections as to the vagueness, ambiguity, or other immunity in the form of any request; (b) any objections based on the undue burden imposed by any request; (c) any objections to any further request involving or relating to the subject matter of the request;

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and (d) any privileges, rights, or immunity under the South Carolina Rules of Civil Procedure and/or other applicable laws.

4. No objection made, or lack of objection, is an admission by Penn National as to the existence or non-existence of any information or documents.

5. Penn National objects to each request to the extent it seeks confidential or proprietary business information, trade secrets, or other sensitive information.

6. Penn National objects to each request to the extent that it seeks documents that are not relevant to any party's claim or defense.

7. Penn National objects to each request to the extent that it seeks information that is privileged or otherwise protected from disclosure by the attorney/client privilege, the work product doctrine, or the joint defense or common interest doctrine.

8. Penn National objects on the ground that the Subpoena is procedurally defective for the additional reason that the Subpoena identifies a location for production that is inconvenient. To the extent that documents are produced, they will be produced at a reasonable location and in a manner that is agreeable to all involved entities.

9. Penn National objects that the Subpoena imposes undue burden and expense, because the scope of requested documents greatly exceeds what is potentially relevant in the case.

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SPECIFIC OBJECTIONS

Request #1

All insurance policies, of any type, that you issued to Covil Corporation or that include Covil Corporation as an additional insured, including policies that identify the [Contractors listed in Exhibit A attached to the Subpoena] as the named insured or as an additional insured:

In addition to the General Objections, Penn National objects to this Request on the following grounds:

a. Penn National objects to this Request on the basis that it asks Penn National to produce within 15 days "all insurance policies, of any type that [Penn National] issued to Covil Corporation" for an unspecified period of time for 250 Contractors for which the Subpoena fails to identify any relationship or association that each Contractor in fact had with Covil Corporation (*i.e.* subcontractor) relevant to any subject claims in this action. Given the scope of the Subpoena and the lack of information provided to Penn National with respect to the Contractors, the Subpoena is not limited in any reasonable manner to avoid imposing undue burden or expense on Penn National.

b. Penn National further objects to this Request on the basis that it is overbroad, overly burdensome, and seeks documents and information not likely to lead to the discovery of admissible evidence, because the Request is not limited to the type of policies relevant to the claims and defenses in this action – liability policies – as opposed to other types of insurance.

c. Penn National objects to this Request to the extent it requests documents that are of a confidential or proprietary nature, including to the extent it requests documents containing confidential or proprietary information of Penn National and its insureds without a confidentiality

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agreement and protective order that would protect against disclosure of such documents or information related to such documents outside the necessary parties to this action.

Subject to, and without waiving these objections, Penn National will perform the necessary due diligence in researching this request, despite the immense amount of time and expense expected to complete this task.

Request #2

All certificates of insurance or other documents evidencing any insurance coverage that you provided to Covil Corporation, including certificates of insurance or documents that identify or concern the [Facilities listed in Exhibit A attached to the Subpoena].

In addition to the General Objections, Penn National objects to this Request on the following grounds:

a. Penn National objects to this Request on the basis that it asks Penn National to produce within 15 days "all certificates of insurance or other documents evidencing any insurance coverage that [Penn National] provided to Covil Corporation, including certificates of insurance or documents" for an unspecified period of time and for over 650 Facilities for which the Subpoena fails to identify any relationship or association that Covil Corporation in fact had with each Facility, if any, relevant to any of the claims in this action. Given the scope of the Subpoena and the lack of information provided to Penn National with respect to the Facilities, the Subpoena is not limited in any reasonable manner to avoid imposing undue burden or expense on Penn National.

b. Penn National objects to this Request on the basis that it is overbroad, overly burdensome, and seeks documents and information not likely to lead to the discovery of

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admissible evidence, because the Request is not limited to the type of policies relevant to the claims and defenses in this action – liability policies – as opposed to other types of insurance.

c. Penn National objects to this Request to the extent it requests documents that are of a confidential or proprietary nature, including to the extent it requests documents containing confidential or proprietary information of Penn National and its insureds without a confidentiality agreement and protective order that would protect against public disclosure of such documents or information related to such documents.

Subject to, and without waiving these objections, Penn National will perform the necessary due diligence in researching this request, despite the immense amount of time and expense expected to complete this task.

Request #3

All documents that relate to the steps taken by you to locate information and documents responsive to these requests.

Penn National objects to this Request to the extent it requests documents protected by the attorney-client privilege and/or documents that are of a confidential or proprietary nature, which may include advice of Penn National's counsel.

Subject to, and without waiving these objections, Penn National will provide all non-privileged, non-confidential, and non-proprietary documents that are responsive to this request.

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This the 22nd day of February, 2021.

/s/ David G. Harris
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Brady A. Yntema (N.C. State Bar #: 25771)
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Attorneys for Non-Party Penn National

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Penn National's Objections to Subpoena *Duces Tecum* was duly served on the parties by mailing a copy of said document in an envelope with proper postage attached and deposited in an official depository under the exclusive care and custody of the U.S. Post Office Department as follows:

Marghretta H. Shisko
Harrison White, PC
P.O. Box 3547
Spartanburg, SC 29304
mshisko@spartanlaw.com

AND VIA EMAIL ONLY TO THE FOLLOWING COUNSEL OF RECORD:

Benjamin C. Bruner - bbruner@brunerpowell.com
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Matthew Todd Carroll - todd.carroll@wbd-us.com
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William Pearce Davis - wdavis@brblegal.com
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This the 22nd day of February, 2021.

/s/ David G. Harris
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EXHIBIT 3

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STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FIFTH JUDICIAL CIRCUIT

Ann Finch, Individually and as Executor of the Estate of Franklin Finch; and Peter D. Protopapas as Court-Appointed Receiver for Covil Corporation,

Plaintiffs,

v.

United States Fidelity & Guaranty Company,

Defendant.

C.A. No. 2019-CP-40-03003

ORDER ON THE RECEIVER FOR COVIL CORPORATION'S MOTION TO COMPEL AND SUPPLEMENTAL MOTION TO COMPEL AGAINST PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY

This discovery dispute is before the Court on the January 15, 2021, Motion to Compel and the April 22, 2021, Supplemental Motion to Compel filed by the Receiver for Covil Corporation against Pennsylvania National Mutual Casualty Insurance Company ("Penn National"). Penn National filed Responses in Opposition on January 26, 2021, and June 21, 2021. The Court originally conducted a fully remote hearing using video conferencing technology on the Receiver's first Motion to Compel on January 25, 2021, and it issued certain directives to the Receiver and Penn National. Thereafter, the Receiver filed the Supplemental Motion to Compel, and the Court conducted a hearing in person, on June 25, 2021. After detailed review and consideration of the motions, the responses in opposition, the exhibits and evidence submitted, and the arguments of counsel, the Court makes the following rulings.

BACKGROUND

This Court appointed Peter D. Protopapas as the Receiver for Covil Corporation on November 2, 2018, and it tasked the Receiver with "the right and obligation to administer any insurance assets of Covil Corporation as well as any claims related to the actions or failure to act of

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Covil's insurance carriers." Order Appointing a Receiver for Covil Corporation, *Taylor v. Air & Liquid Sys. Corp.*, C.A. No. 2018-CP-40-04940 (S.C. Comm. Pl. Nov. 2, 2018). Covil is a now-defunct entity that conducted business in South Carolina until it was administratively dissolved in the early 1990s. Because it was an insulation contractor, Covil has been named as a defendant in many personal injury and wrongful death cases that have been filed in state court in South Carolina alleging liability based on asbestos exposure. However, Covil does not have a robust system of corporate records, and the Receiver has been required to spend considerable time and effort searching for Covil's assets, which primarily consist of insurance policies. In this case, the Receiver has filed declaratory judgment claims related to policies issued to Covil, and the Receiver has attempted to obtain information and documents from Penn National via subpoena and deposition testimony regarding any insurance policies Penn National issued that provide coverage to Covil. The Receiver has been attempting to obtain these materials from Penn National in this and other proceedings involving Covil since at least February of 2020.

On December 17, 2020, the Receiver served an amended notice of deposition on Penn National pursuant to Rule 30(b)(6), SCRCP, the topics of which related to Penn National's efforts to search for insurance policies protective of Covil. The deposition took place on January 7, 2021, after which the Receiver filed his January 15 Motion to Compel, wherein he asked this Court to order (among other things) "Penn National to perform a complete search of its records relating to insurance policies covering Covil, including but not limited to insurance policies covering Covil as an 'additional insured.'" (Jan. 15 Mot. ¶ 13.) In response to the Receiver's motion, Penn National argued that unless it had "the name of the entity or the entity's policy number that listed Covil as an insured," it could not search its records for policies protecting Covil as an additional insured without expending significant time and expense. (Jan. 26 Resp. in Opp'n 7–8.)

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At the January 25, 2021, hearing on the Receiver's motion, the Court heard and considered arguments from the Receiver about why such a search is necessary and from Penn National about the claimed difficulties inherent in such a search. Attempting to strike a middle ground that reduced the burden on Penn National, the Court instructed the Receiver's counsel to, within fifteen days of the hearing, provide a list of potential jobsites, owners, and contractors to Penn National to facilitate Penn National's search of its records. (*See* Jan. 25 Hr'g Tr. 138–42.) This Court also directed Penn National to respond with its search results within fifteen days after receiving this information from the Receiver. (*Id.* at 141.) The Court also suggested that the Receiver serve a new subpoena on Penn National to effectuate the Court's instructions, and the Court held the Receiver's motion in abeyance pending the parties' compliance with its instructions. (*Id.* at 142–44.)

The Receiver complied with this Court's instructions, issuing and serving a new subpoena on Penn National on February 8, 2021, which sought production of the following information:

1. All insurance policies, of any type, that [Penn National] issued to Covil Corporation or that include Covil Corporation as an additional insured, including policies that identify the following entities as the named insured or as an additional insured: [List of potential contractors];

2. All certificates of insurance or other documents evidencing any insurance coverage that [Penn National] provided to Covil Corporation, including certificates of insurance or documents that identify or concern the following entities: [List of potential job sites]; and

3. All documents that relate to the steps taken by [Penn National] to locate information and documents responsive to these requests.

Following a series of correspondence, a meet and confer, and the Receiver's agreement to extend Penn National's deadline to respond, Penn National served its supplemental responses and objections to the Receiver's subpoena on March 9, 2021. Penn National's subpoena response consisted largely of objections, and Penn National claimed that its search in response to the subpoena only

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yielded two comprehensive general liability policies, which Penn National previously provided in 2018.

Unsatisfied with Penn National's incomplete responses and improper objections, the Receiver filed a supplemental motion to compel on April 22, 2021. Then, nearly two months after that supplemental motion to compel was filed—and nearly three years after Penn National was put on notice that Covil was its insured and had been named as a defendant in asbestos litigation—Penn National produced copies of never-before-disclosed insurance policies it issued to Covil.

On June 15, 2021, the Receiver filed The Receiver's Notice of Filing of Late-Produced Policies, which included copies of other property, auto, inland marine, and workers' compensation policies that Penn National issued to Covil (the "newly produced policies"). Those policies were not produced in Penn National's response to the Receiver's subpoena, even though Penn National's responses to Request Nos. 1 and 2 expressly stated:

> Penn National has performed the necessary due diligence in researching [these] request[s], despite the immense amount of time needed to complete this task, and having exercised reasonable diligence in searching its files, Penn National has not located any documents responsive to this request, with the exception of comprehensive general liability policies issued to Covil for the periods of March 31, 1986 to March 31, 1987, and March 31, 1987 to March 31, 1988, bearing policy number 515 50 28 53, which have previously been produced to the Plaintiffs.

(Receiver's Supp. Mot. to Compel, Ex. E, at 5, 6.) The newly produced policies were likewise not identified in Penn National's response to Request No. 3. (*See id.* at 7–8.) Instead, those policies were produced as part of Penn National's supplemental discovery responses on June 11, 2021, in a separate case involving Covil and Penn National.

On June 21, 2021, just four days before the scheduled hearing on these issues, Penn National filed a response in opposition to the Receiver's supplemental motion to compel, which included the June 3 affidavit of Boyd Wright, a Senior Home Office Claim Examiner for Penn National. (June 21 Resp. in Opp'n, Ex. 13.)

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CONCLUSIONS AND FINDINGS

This Court concludes that the Receiver has complied with its instructions by providing Penn National with a list of contractors, owners, and jobsites that could help Penn National narrow its search for documents. The Court is unconvinced that Penn National has used the information provided by the Receiver to fully search its records, particularly given the fact that Penn National claimed in its March 9, 2021 subpoena responses to have "performed the necessary due diligence" and "exercised reasonable diligence in searching its files," yet Penn National did not identify or produce the newly produced policies until June 11, 2021, in its supplemental discovery responses in a separate case. The Receiver's efforts to locate Penn National policies providing coverage to Covil has been a matter of protracted litigation for quite some time, and the Court is troubled that Penn National asserted it conducted a reasonable, thorough search in response to the Receiver's subpoena in this matter but, three months later, uncovered and produced additional policies protective of Covil.

Moreover, although Penn National asserts it has "exercised reasonable diligence in searching its files," Penn National's response to the Receiver's subpoena did not provide a sufficiently detailed description of its search efforts and the Receiver is not simply required to take Penn National at its word. The affidavit submitted by Penn National does not cure the deficiencies in Penn National's subpoena responses, since Mr. Wright provides very little detail about how Penn National's records are maintained other than asserting that paper documents "are stored by policy number only." (June 21 Resp. in Opp'n, Ex. 13 ¶ 10.) It also appears that Penn National did not conduct a thorough, complete search of its paper records for coverage protective of Covil, only physically pulling two policies from its archives. (*See id.* ¶¶ 17–18.) Although Mr. Wright asserts in his affidavit that he spent more than 60 hours conducting Penn National's search, it is unclear

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how much time he spent on each aspect of the search, and he apparently spent a significant amount of time running an electronic search for facilities despite the fact that Penn National's electronic system does not list, store, or save information about jobsites or facilities. (*See id.* ¶ 14.)

This Court finds that Penn National has a duty to fully, completely, and thoroughly search both its electronic records and its hard copy paper records for the information and documents sought by the Receiver, and the Court is not satisfied that Penn National has fully complied with its instructions at the January 25 hearing. Additionally, the Court is not satisfied that Penn National is only able to search its paper records by policy number. In any event, without more detailed information from Penn National, the Receiver and this Court are unable to evaluate Penn National's efforts to search for coverage.

RELIEF ORDERED

THEREFORE, the Court ORDERS that Penn National must provide the Receiver with a detailed description of how Penn National maintains its paper records. Penn National's description should include, but not be limited to, physical locations where Penn National's paper records are kept, the identities of the person(s) responsible for those records, the years and locations of the records maintained, the categories of policies maintained, and the manner in which those records are stored and organized. Penn National shall provide this detailed description to the Receiver within two weeks of the June 25 hearing, making the description due on or before **July 9, 2021**.

Additionally, the Court further ORDERS that within two weeks of the above deadline, Penn National must thoroughly search its paper records using the list of contractors and facilities provided by the Receiver in connection with its February 8, 2021, subpoena to Penn National. Penn National's deadline to complete this search and provide any results to the Receiver is **July 23, 2021**.

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IT IS SO ORDERED.

Judge's Electronic Signature Page Follows

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Richland Common Pleas

Case Caption: Ann Finch , plaintiff, et al vs Sentry Casualty Company , defendant, et al

Case Number: 2019CP4003003

Type: Order/Compel

So Ordered

Jean H. Toal

EXHIBIT 4

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Deposition of:

Brent Reifsnyder

August 3, 2021

In the Matter of:

Covil Corporation Vs. Pennsylvania National Mutual Insurance Et Al

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STATE OF SOUTH CAROLINA
COURT OF COMMON PLEAS
COUNTY OF RICHLAND
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas,
Plaintiff,
vs. C/A NO. 2020-CP-40-02098
Pennsylvania National Mutual Casualty Insurance Company; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association,
Defendants.

VIDEOTAPE
VIDEOCONFERENCE
DEPOSITION OF: BRENT REIFSNYDER
DATE: August 3, 2021
TIME: 10:05 a.m.
LOCATION: 2 North 2nd Street
Harrisburg, PA

TAKEN BY: Counsel for the Plaintiff

REPORTED BY: ERIC S. GLAZIER, Court Reporter

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motion to compel against Penn National filed on July 1, 2021, which orders Penn National to thoroughly search its paper records using the list of contractors and facilities provided by the receiver's subpoena.

Do you see that?

A. Yes, I do.

Q. And is it your understanding that the list of contractors and facilities that were provided by the receiver were the lists provided to you on the phone by Mr. Wright?

A. That would be my understanding, yes, sir.

Q. But you didn't actually see a physical copy of either the contractor list or the facility list when you executed this affidavit on July 23rd, 2021; is that correct?

A. As I recall, I do not. Again, it wouldn't matter. I need policy numbers.

Q. Once Mr. Wright had that call with you regarding the Court's order, what steps, if any, did you take to do additional searches for policy documents?

MR. YNTEMA: Objection to form.

A. So none additional, because without a

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policy number, there's nothing for me to search.

Q. Did you consult with anyone at Penn National about how you may be able to search for additional documents other than by policy number?

A. No.

Q. Did you consult with anyone outside of Penn National as to how you might be able to search for policy documents other than by policy number?

A. No, I did not.

Q. I'd like to turn your attention to Paragraph 6. It says, quote, in order to comply with the Court's order, I have considered other alternative means of searching Penn National's non-electronically-stored paper documents due to the fact that the receiver's list of 240 contractors and 650 facilities does not provide any potential policy number information.

Do you see that?

A. Yes, sir.

Q. What alternative means of searching did you consider?

A. There is only one other alternative means to consider, and that would be that at a considerable expense and a considerable amount of time, somebody would need to coordinate having

Q. So as the --
A. -- and insured, because all this is sensitive data that has -- that has no bearing on Covil. So there are lots of records that they would be looking at that would have nothing to do with Covil.
Q. So sitting here today, is it fair to say that you have not consulted with anyone as to how such a search would be conducted?
A. That would be a fair statement, yes.
Q. And is it fair to say that sitting here today, you have not determined precisely how long such a search would take?
A. That is correct.
Q. And is it true that sitting here today, you have not determined how many individuals it would take to conduct such a search?
A. That's correct.
Q. Sitting here today, you have not determined how much it would cost to conduct a search for policies -- policy documents based on the receiver's list of 240 contractors and 650 facilities, correct?
A. Correct. It's never been asked for in the history of me being here, that I've been aware

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deemed necessary by those document experts that handle those policies. So whatever --

Q. You stated -- I'm sorry. Go ahead.

A. You're good. Go.

Q. When you said there were 200,000 separate policies, is that more accurate to say there were 200,000 separate policy files?

MR. YNTEMA: Objection to form.

A. There are policy numbers. If you want to call them a file, it's a policy number. Each policy number -- again, it's -- I -- it's a policy number to me. I provide what's there.

Q. Well, that's not what -- that's not what Paragraph 8 says, though. So I'm just trying to understand what your affidavit says.

It says there were in excess of 200,000 separate policies. What does that mean?

A. Separate policy files is probably -- you know, I have individual -- individual policy numbers. Is that more clear?

Q. Yes. Thank you.

A. Okay.

Q. Did you do anything to determine how much it would cost to have an outside vendor review those 200,000 separate policy files?

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A. As we just discussed, no.
Q. Did Mr. Wright ask you to inquire as to how much it would cost to have an outside vendor review those 200,000 separate policy files?
A. There was no request.
Q. I'd like to look at Paragraph 9. It says, quote, the paper documents stored at the Iron Mountain facility are contained in approximately 5,800 boxes, which include approximately 4,300 boxes of commercial line paper, policy documents; based on my research, at last count, the number of separate policies stored in these boxes numbered approximately 615,000.
Do you see that?
A. Yes, sir.
Q. First, when you -- again, when you're referring to separate policies stored in these boxes, what do you mean by, separate policies --
A. Policy --
Q. -- stored the boxes?
A. Policy numbers.
Q. So again, the separate policies are more -- more clearly, they're separate policy files based on policy number; is that correct?
A. Yes, sir. That would be -- that --

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that sounds the best way of putting it.

Q. With respect to the boxes referred to in Paragraph 9 of your affidavit, did Mr. Wright ask you to find out how much it would cost to have an outside vendor review the 5,800 boxes of documents in paper copy for responsive material?

A. No, sir.

Q. And have you done anything separately to determine how much it would cost to have an outside vendor review your 5,800 boxes of paper files?

A. No, I have not.

Q. I'd like to look at Paragraph 10. Paragraph 10 of your affidavit says, quote, for security reasons, a manual search of the paper policy documents could not be conducted at Iron Mountain, unquote.

Do you see that?

A. Yes, sir.

Q. What did you mean by, for security reasons?

A. Iron Mountain has strict security protocols, so -- and generally very limited location to review things. We're talking about a substantial quantity of boxes.

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away from doing their day-to-day job to service and support our clients, our insured, everybody else. It's just beyond our capabilities.

Q. And when you say, beyond our capabilities, you're referring to your department of administrative services; is that right?

A. That's correct, sir.

Q. Did you speak with Mr. Wright about procuring additional staff or resources from anywhere else to try to respond to the subpoena by doing this manual search that you reference in Paragraph 11?

A. No, sir.

Q. I'd like to look at the last sentence of Paragraph 11 on Page 4. It says, the amount of time necessary -- sorry. I'll let Tiffany put it up.

It says, the amount of time necessary to conduct such a search would take many months to conduct, and Penn National would incur significant expenses that are currently incalculable to me.

Do you see that?

A. Yes, sir.

Q. With respect to that statement in Paragraph 11, you have not done anything to

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determine approximately how much time it would take to conduct such a search, though; is that correct?

A. That is correct. I can share that many years ago we wrote down the policy numbers before we shipped everything to Iron Mountain. Just writing down policy numbers took three people nine months, just writing down a policy number. I can't imagine the amount of time it would take somebody to go through every file and look at every page, knowing what I know there.

Q. Have you inquired how much it would cost for an outside vendor to convert the 200,000 separate microfilm records into a digitally searchable format?

A. No, I have not.

MR. YNTEMA: Objection to form.

Sorry, Mr. Reifsnyder.

A. And no, I have not.

Q. Have you inquired as to whether or not it was possible to convert the microfilm records into a digitally searchable format?

A. I have not inquired, no.

Q. Have you inquired as to whether it would be possible for an outside vendor to convert the 5,800 boxes of policy documents into an

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documents who would meet the required specifications of the Court to know what they're looking for and understand what they're looking for. That vendor would have to also be insured and bonded, and we'd have to have nondisclosure agreements.

Q. Does -- in your experience, does Penn National use outside vendors to conduct any type of reviews of documents?

A. Not that I'm aware of, no.

Q. So why is it that your suggestion in Paragraph 12 is to use an outside vendor?

A. This is the first time ever that I'm aware of that anybody's requested us to go through this capacity of records. I have no other solution than that's the option. That's my opinion.

Q. And then in paragraph -- the last sentence of Paragraph 12 says, given the unprecedented nature of such a search for Penn National, I cannot currently provide an estimate of how much an outside vendor would charge for the search of all Penn National's non-electronically-stored policy documents.

Do you see that?

A. Yes, sir.

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Q. And why is it that you cannot provide an estimate of how much would be charged?

A. Because I haven't gone out to ask.

Q. And why did you not go out to ask?

A. Honestly, at the end of the day, I'm actually shocked that the Court would want to do something like that. I'm actually shocked that there would be a request of that nature. We go by policy number. That's what we go by. That's what the industry goes by.

Now, if you ask me, we're going to do this, then I will go out and get all the information.

Q. How much time did you personally spend, Mr. Reifsnyder, looking for responsive documents in response to the motion to compel by the Court?

A. I have no idea.

Q. Would it be more than five minutes?

A. Oh, absolutely. But again, I have no idea. I don't keep track of my time and how long it takes me to go look for something.

Q. Well, the Court ordered Penn National to do a search, and you've told us today on numerous occasions that you can't do a search unless you have the policy number.

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you.

A. Okay. That -- that's correct.

Q. And so my question is, other than preparing for the deposition today, about how much time would you say you spent trying to locate documents responsive to the Court's order?

A. Without a policy number, minimal.

Q. Is it fair to say it would be less than five minutes?

A. Arguably, I would say that, without a policy number.

MR. NES: Thank you, Mr. Reifsnyder. I have no further questions at this time.

Pass the witness.

MR. YNTEMA: If we could take a break for one second, Mr. Nes, and just give me like five minutes, and I -- I may have one or two questions. I don't know.

MR. NES: Sure.

VIDEOGRAPHER: We are going off the record at 11:39 a.m.

(After a recess, proceedings were continued as follows:)

VIDEOGRAPHER: We are back on the record at 11:44 a.m.

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EXHIBIT 5

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Deposition of:

Boyd Wright , Penn National 30(b)(6)

August 26, 2021

In the Matter of:

Covil Corporation v. Pennsylvania National Mutual Insurance Et Al

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STATE OF SOUTH CAROLINA IN THE COURT OF COMMON PLEAS
FIFTH JUDICIAL CIRCUIT
COUNTY OF RICHLAND
COVIL CORPORATION, by and through its duly appointed Receiver Peter D. Protopapas,
Plaintiff,
vs. CASE NO.: 2020-cp-40-02098
PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY; SAM J. CRAIN & CO., INC.; and SOUTH CAROLINA PROPERTY and CASUALTY INSURANCE GUARANTY ASSOCIATION,
Defendants.

VIDEOTAPED (Appearing via Video Conference)
30(b)(6) DEPOSITION
OF: PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY BY BOYD WRIGHT

DATE: August 26, 2021

TIME: 10:04 a.m.

LOCATION: Goldberg Segalla
701 Green Valley Road
Greensboro, North Carolina

TAKEN BY: Counsel for Plaintiff

REPORTED BY: Mary K. Stepp, Court Reporter
(Appearing via Video Conference)

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THE WITNESS: As far as we know, we located all the available Covil documents, and we provided those.

BY MR. NES:

Q. I understand that. But my question is, did you talk to Mr. Reifsnyder about bringing in additional assets within the company to manually search for documents responsive to the Subpoena or the document request?

MR. YNTEMA: Object to form.

THE WITNESS: The only -- no, I didn't, because his only means of searching was by policy number. And I believe he told me we were looking at hundreds of thousands, if not millions of pages of documents.

BY MR. NES:

Q. I'd like to turn back to Exhibit 2, which is your Subpoena. I'm sorry, which is your Affidavit. I'd like to turn your attention to paragraph 10.

A. (Witness peruses document.)

Q. It states, quote, "In the event an electronic search generates a result for a principal named insured, the result will include the principal insured's name and associated city and state, a

EXHIBIT 6

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IN THE COURT OF COMMON PLEAS
FOR THE FIFTH JUDICIAL CIRCUIT
STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

COVIL CORPORATION, by and through its duly appointed Receiver PETER D. PROTOPAPAS, Plaintiff	CIVIL ACTION NO. 2019-CP-40-2098
vs.	
PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE CO.; SAM J. CRAIN & CO., INC.; and SOUTH CAROLINA PROPERTY and CASUALTY INSURANCE GUARANTY ASSOCIATION, Defendants	

VIDEOTAPED DEPOSITION OF BRENT A. REIFSNYDER

Taken remotely via Zoom on Thursday, November 10, 2022, at 10:07 a.m. by Meg Davis, Registered Merit Reporter, Certified Realtime Reporter.

* * *

VERITEXT LEGAL SOLUTIONS
5100 Tilghman Street, Suite 205
Allentown, PA 18104
(610) 434-8588

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A. Yes.
Q. Does it identify any other information with respect to the policyholder?
A. No.
Q. For the policies that were destroyed in 2019, for that list of policies, is there any way to recreate or understand who the policyholders were for those policies?
A. From my end, no.
Q. For the policies that were destroyed in 2019, did you examine each of those policies to determine whether Covil was an insured on the policy before they were destroyed?
A. So everything is only by policy number. Everything that was in -- pulled was by policy number. I would have no idea out of all the records who was Covil, who was not.
Q. When you say pulled, what do you mean?
A. Prepared -- prepared for purge. Sorry.
Q. And -- and forgive my ignorance, but when you say pulled, the physical act of pulling it, what are you -- what are you referring to?
A. So a physical act of pulling a policy means we have to find the policy numbers in a box and then physically pull the policy out of

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Q. Did you take any pictures of the microfiche cards that were about to be destroyed so that there was some record of what microfiche was destroyed prior to purging?
A. No.
Q. In 2019 or let's -- for the policies that were identified to be destroyed in the calendar year 2019, when was that purge conducted?
A. So I'm thinking. Because we -- so 2019-purged policies may have been pulled, meaning physically removed from the boxes, prior to 2019 but only sat in -- in a wait status. So we don't do anything with them until the purge date that year is done.
Q. So for the 2018 purge -- which I understand it took place in 2019, is that correct?
A. 2018 purge, the records were physically purged January of 2019, correct.
Q. And when you say purged, you mean destroyed?
A. Correct. Correct.
Q. What date in 2019 were those policies destroyed?

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A. I do not know.
Q. How are policies destroyed?
A. So paper is shredded. That is done at Iron Mountain. Microfilm is also shredded by Iron Mountain.
Q. How many policies in 2019 that were purged in January were paper policies?
A. I do not know.
Q. How many documents that were purged in 2020 -- I'm sorry, in 20 -- scratch that.
How many -- how many policies were on microfiche that were destroyed in 2019?
A. I do not know.
Q. Do you know the total number of policies that were destroyed in the beginning of 2019?
A. I -- I do not recall.
Q. Do you know sitting here today the -- the policy periods for the policies that were destroyed --
MR. YNTEMA: Objection to form.
BY MR. NES:
Q. -- in January 2019?
MR. YNTEMA: Objection to form. Objection to form. Sorry.

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point during 2018 and destroyed them in 2019, is that right?
A. That's what we did, yes.
Q. But we don't have any records to look at to confirm, for example, whether policy number 52500251011-1993, 1 January 2018 -- there's no record to determine whether that was actually pulled and destroyed and confirmed, correct?
A. Correct. I gotcha.
Q. Likewise, there's no record to determine whether policies from prior policy periods that were non-renewed were pulled in later years. So, for example, policies that were non-renewed in '92, there's no record to determine that they were actually destroyed in 2018 or 2017?
MR. YNTEMA: Objection to form. I'm sorry. Objection to form.
THE WITNESS: No -- yes. I understand what you're saying. There's nothing that's additional to say we destroyed them.
BY MR. NES:
Q. Are any of the policies listed in Exhibit 4 general liability policies?

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A. Correct.
Q. Would they then return that part of the list to you to QC or verify that they have done that section of the list?
A. They would write done on it. That way we knew that that section --
THE COURT REPORTER: What? I didn't understand you. They would write?
THE WITNESS: Done, D-O-N-E, on the sheet. As they worked through the sheet, they would check off each file so that they weren't looking for something that they had already found.
At the end of doing the list, they would just -- we would know when they -- the whole series was done because everything was marked off.
BY MR. NES:
Q. And this was all done by hand?
A. Yes, sir.
Q. Do you have a copy of that list from 2018?
A. No.
Q. Do you have the list from 2019?
A. No.

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Q. Do you have the list from 2020?
A. Not that I'm aware of.
Q. Do you have the current list from 2021?
A. I know that the microfilm lists are wrapped up with the microfilm. I know that for a fact.
Q. But to the extent that a full list for 2021 was generated and your staff went through that and started pulling documents and either checkmarking it or writing it done, does that list still exist?
A. I'm not aware of it. I haven't looked for it. I'm not aware of it.
Q. Did you save that list in December of '21 as part of your litigation pull?
A. I think we might have been done with 2021 by that time, so we wouldn't have. Keeping in mind 2021 represents files that were cancelled/non-renewed 25 years prior and I've offered that we may have worked on that in the year prior, so we would have had that done before we ever received a litigation hold.
Q. I understand that. I'm just --
A. Okay.
Q. -- trying to understand for that year

ADAMS AND REESE LLP

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June 8, 2023

VIA E-MAIL AND FEDEX
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South Carolina Court Administration
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Columbia, SC 29201

RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

SECOND INTERIM REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 5, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, this is to provide you with a second interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

Pursuant to the Court's Order, a third interim report will be provided to the Court on or before June 22, 2023, unless the parties receive a different request from the Court.

With best regards,

Sincerely,

/s/ Brady A. Yntema
/s/ Kirby D. Shealy
/s/ David G. Harris

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake)

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June 22, 2023

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RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

THIRD INTERIM REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 5, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, this is to provide you with a third interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

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- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

- On June 22, 2023, the parties held the reoccurring status conference to discuss the progress of BMI's scanning project. Ellis & Winters reported that BMI scanned 19,249 microfiche between June 4, 2023 and June 10, 2023, and 46,661 microfiche between June 11, 2023 and June 17, 2023. As of June 20, 2023, a total of 114,068 microfiche had been scanned. BMI is in the process of providing Ellis & Winters, the Receiver and Penn National with the proper credentials so that the microfiche that have been scanned to date can be searched in real time on BMI's propriety search platform, known as "Digital Reel." Additionally, BMI has shipped a hard drive to Ellis & Winters on which PDF copies of the microfiche scanned to date are stored. It is anticipated that Ellis & Winters will upload these copies to a litigation-oriented digital platform, such as Relativity, and that both the Receiver and Penn National will be provided access to this platform as well.

- Penn National has asked that BMI provide it with the means to ship an additional 14 microfiche for immediate processing by BMI. These microfiche were identified by Ellis & Winters during its 2022 review as containing Covil-related policy information and were sequestered from the remaining dataset at that time. BMI has indicated that an appropriate shipping container will be provided to Penn National in the next few days to allow these microfiche to be transferred to BMI's possession.

Pursuant to the Court's Order, a fourth interim report will be provided to the Court on or before July 6, 2023, unless the parties receive a different request from the Court.

With best regards,

ELECTRONICALLY FILED - 2023 Jun 22 3:22 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Sincerely,

/s/ Brady A. Yntema
/s/ Kirby D. Shealy
/s/ David G. Harris

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake

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July 5, 2023

Via Hand Delivery

Jon Robinson, Esq.
Smith Robinson Holler Dubose Morgan, LLC
2530 Devine Street
Columbia, SC 29205

Re: Covil Corporation v. Penn National Insurance
Case No. 2020-CP-40-02098
A&R File No. 050434-099883

Dear Jon:

I have enclosed Penn National Insurance's check no. 2600054552 in the amount of $671,693.00 pursuant to Judge Toal's Order Granting Coil's Motion for Attorneys' Fees and Costs entered in the referenced case. This check is made payable to your firm, per your instructions. We would ask that you hold these funds in trust until such time as Judge Toal's ruling is final. We anticipate appealing whenever it is appropriate to do so. If the ruling is overturned, we will seek to have these funds returned to Penn National Insurance.

I have also enclosed a Receipt and Satisfaction. Please sign and return the same in the provided self-addressed stamped envelope at your earliest convenience.

Please let me know if you have any questions.

Sincerely,

Kirby D. Shealy III

KDS/mg

Enclosures

Cc: Boyd Wright, CPCU, ARM-P, AIC, AMIM

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ADAMS AND REESE LLP

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July 6, 2023

VIA E-MAIL AND FEDEX
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1220 Senate Street, Suite 221
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RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

FOURTH INTERIM REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 12, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, this is to provide you with a fourth interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

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- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

- On June 22, 2023, the parties held the reoccurring status conference to discuss the progress of BMI's scanning project. Ellis & Winters reported that BMI scanned 19,249 microfiche between June 4, 2023 and June 10, 2023, and 46,661 microfiche between June 11, 2023 and June 17, 2023. As of June 20, 2023, a total of 114,068 microfiche had been scanned. BMI is in the process of providing Ellis & Winters, the Receiver and Penn National with the proper credentials so that the microfiche that have been scanned to date can be searched in real time on BMI's propriety search platform, known as "Digital Reel." Additionally, BMI has shipped a hard drive to Ellis & Winters on which PDF copies of the microfiche scanned to date are stored. It is anticipated that Ellis & Winters will upload these copies to a litigation-oriented digital platform, such as Relativity, and that both the Receiver and Penn National will be provided access to this platform as well.

- Penn National previously requested that BMI provide it with the means to ship an additional 14 microfiche for immediate processing by BMI. These microfiche were identified by Ellis & Winters during its 2022 review as containing Covil-related policy information and were sequestered from the remaining dataset at that time. BMI provided an appropriate shipping container for the microfiche, which was returned and delivered to BMI by FedEx on June 30, 2023.

- On July 6, 2023, the parties held their reoccurring conference call to discuss the status of the microfiche scanning project. Ellis & Winters reported that BMI scanned 53,298 fiches during the week of June 25, 2023 to June 1, 2023. As of today, BMI has scanned a total of 189,191 fiche and is still on schedule to finish the scanning project by the Court's deadline.

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BMI also discussed scheduling training for those who will be reviewing the scanned fiches and requested the IP addresses from the individuals who will be reviewing the documents so that they can be given access to the database.

Pursuant to the Court's Order, a fifth interim report will be provided to the Court on or before July 20, 2023, unless the parties receive a different request from the Court.

With best regards,

Sincerely,

/s/ Brady A. Yntema
/s/ Kirby D. Shealy III
/s/ David G. Harris

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake

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July 20, 2023

VIA E-MAIL AND FEDEX
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Judicial Law Clerk
South Carolina Court Administration
1220 Senate Street, Suite 221
Columbia, SC 29201

RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

FIFTH INTERIM REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 12, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, this is to provide you with a fifth interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

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- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

- On June 22, 2023, the parties held the reoccurring status conference to discuss the progress of BMI's scanning project. Ellis & Winters reported that BMI scanned 19,249 microfiche between June 4, 2023 and June 10, 2023, and 46,661 microfiche between June 11, 2023 and June 17, 2023. As of June 20, 2023, a total of 114,068 microfiche had been scanned. BMI is in the process of providing Ellis & Winters, the Receiver and Penn National with the proper credentials so that the microfiche that have been scanned to date can be searched in real time on BMI's propriety search platform, known as "Digital Reel." Additionally, BMI has shipped a hard drive to Ellis & Winters on which PDF copies of the microfiche scanned to date are stored. It is anticipated that Ellis & Winters will upload these copies to a litigation-oriented digital platform, such as Relativity, and that both the Receiver and Penn National will be provided access to this platform as well.

- Penn National previously requested that BMI provide it with the means to ship an additional 14 microfiche for immediate processing by BMI. These microfiche were identified by Ellis & Winters during its 2022 review as containing Covil-related policy information and were sequestered from the remaining dataset at that time. BMI provided an appropriate shipping container for the microfiche, which was returned and delivered to BMI by FedEx on June 30, 2023.

- On July 6, 2023, the parties held their reoccurring conference call to discuss the status of the microfiche scanning project. Ellis & Winters reported that BMI scanned 53,298 fiches during the week of June 25, 2023 to June 1, 2023. As of today, BMI has scanned a total of 189,191 fiche and is still on schedule to finish the scanning project by the Court's deadline.

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BMI also discussed scheduling training for those who will be reviewing the scanned fiches and requested the IP addresses from the individuals who will be reviewing the documents so that they can be given access to the database.

- On July 20, 2023, the parties held their bi-weekly conference call to discuss the status of the microfiche scanning process. As of July 17, 2023, BMI had scanned a total of 286,344 fiche, which included 50,161 fiche scanned during the week of July 9, 2023 to July 15, 2023. Earlier in the week, BMI also conducted two training sessions on the software for reviewing the scanned microfiche. The trainings sessions were recorded, and access to those sessions is being made available to the parties not able to attend.

Pursuant to the Court's Order, a sixth interim report will be provided to the Court on or before August 3, 2023, unless the parties receive a different request from the Court.

With best regards,

Sincerely,

/s/ Brady A. Yntema
/s/ Kirby D. Shealy
/s/ David G. Harris

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Company, *et. al*, Defendants.	C.A. No. 2020-CP-40-02098 **RECEIPT AND SATISFACTION OF JUDGMENT**

WHEREAS, on May 12, 2023, the Court entered an Order in the above-referenced case awarding Plaintiff in the above-captioned action a judgment against Defendant Pennsylvania National Mutual Casualty Insurance Company in the amount of $671,693.00.

WHEREAS, for and in consideration of the sum paid in full, Plaintiff acknowledges receipt, satisfaction, and payment in full of the judgment entered on May 12, 2023 in the Office of the Clerk of Court for the Richland County Court of Common Pleas. Accordingly, Plaintiff hereby authorizes the Clerk of Court to mark the Judgment "SATISFIED."

s/Jonathan M. Robinson

Jonathan M. Robinson (S.C. Bar No. 68285)
G. Murrell Smith, Jr. (S.C. Bar No. 66263)
Shanon N. Peake (S.C. Bar No. 102723)
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2530 Devine Street, 3rd Floor
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Attorneys for Covil Corporation, by and through is duly appointed Receiver, Peter D. Protopapas

July 20, 2023.

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EXHIBIT A

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF RICHLAND	)	FOR THE FIFTH JUDICIAL CIRCUIT
	)	
	)	
Covil Corporation, by and through its duly Appointed Receiver Peter D. Protopapas,	)	C.A. No. 2020-CP-40-02098
	)	
Plaintiff,	)	
	)	**ORDER GRANTING COVIL'S MOTION FOR ATTORNEYS' FEES AND COSTS**
v.	)	
	)	
Pennsylvania National Mutual Casualty Insurance Company, *et. al*,	)	
	)	
Defendants.	)	
	)	

This matter is before the Court on Covil's Motion for Attorneys' Fees and Costs under Rules 26 and 37(a)(4) of the South Carolina Rules of Civil Procedure. The motion arises out of seven motions to compel filed between January 2021 and November 2022 on various discovery disputes between the Receiver for Covil Corporation ("Covil") and Pennsylvania National Mutual Casualty Insurance Company ("Penn National"). The Court held a hearing on the motion on April 19, 2023. Present at the hearing were G. Murrell Smith, Jr., Jonathan M. Robinson, and W. Brad Nes on behalf of Covil and Brady A. Yntema and Kirby D. Shealy, III, on behalf of Penn National. The Court has considered the motion and briefing, including the supplemental declarations, extensive arguments of counsel, and an *in camera* review of the unredacted billing records. The Court **GRANTS** the motion and orders Penn National to pay attorneys' fees in the amount of $671,693.

BACKGROUND

This Court appointed Peter D. Protopapas in November 2018 as the Receiver for Covil, a defunct South Carolina corporate entity. Covil engaged in the business of installing, removing,

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and sometimes selling insulation made with asbestos materials in the State of South Carolina and in other places in the Southeast for many years between the 1960s and the 1990s. Covil has been sued in many asbestos lawsuits before this Court, which was appointed to manage the asbestos docket at the direction of the Chief Justice of the Supreme Court of South Carolina. This Court therefore charged the Receiver with marshaling Covil's assets, including all occurrence-based liability insurance policies, that may respond to the asbestos suits pending against Covil.

Prior to the Receiver's appointment, this Court became aware of a regular pattern in which Covil Corporation would not respond to requests for information, necessitating orders compelling compliance with discovery obligations. Ultimately, after granting numerous motions to compel with no response, this Court struck Covil's pleadings in an underlying asbestos case as a sanction for its failure to respond to discovery.

This Court learned subsequently that, after letting its charter from the State of South Carolina lapse, Covil had been effectively managed by the attorneys for certain insurance companies that covered Covil.[1] The strategic litigation approach adopted on Covil's behalf by other insurers was not to participate in discovery. Rather, it was to accept the pleadings on Covil's behalf and then engage in a course of conduct of waiting until the last moment and then settling cases at a nuisance value. The other insurers appeared to want to be as minimally responsive as possible to avoid discovery of the occurrence-based general liability policies covering Covil.

When this Court learned of certain Covil insurers' conduct, it appointed a receiver to manage Covil's assets. Covil's only assets are the "legacy" occurrence-based general liability policies covering Covil that were issued during the time it was an active asbestos insulation company.

[1] Penn National was not providing a defense in the underlying asbestos cases for Covil at that time.

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Covil, under the guidance of the Receiver, has identified numerous insurance policies issued by several different insurance companies covering its defense and indemnity obligations for the asbestos suits. A court-approved Qualified Settlement Fund ("QSF") has been created and funded by the proceeds of settlements with at least six insurers. Those companies engaged in a long process of disclosure and negotiation, resulting in approval by the Court of settlement proposals that initially funded the QSF.

Penn National is now the last known insurance company from which the Receiver seeks information and documents related to the "legacy" occurrence-based liability policies it issued covering Covil as a primary or additional insured. Penn National first came to this Court's attention in connection with the *Finch* case, an asbestos personal injury case tried in federal court in North Carolina resulting in a $32.7 million verdict against Covil in October 2018. Specifically, the Court became aware that two general liability policies issued by Penn National that covered Covil were located by Penn National in June 2018 in response to an asbestos claimant subpoena in *Finch*. The subpoena requested (1) the policies associated with two known policy numbers, and (2) all other insurance policies issued by Penn National that covered Covil. Penn National responded only with copies of the two policies with known policy numbers listed in the subpoena.[2]

Following his appointment in November 2018, the Receiver requested from Penn National copies of all the insurance policies it issued covering Covil. This effort as to Penn National began in November 2019, and continues to the present, as the Receiver continues to seek historical insurance records more than three years later. To carry out his court-appointed duty to locate and

[2] In the hearing on the Receiver's motion, counsel for Penn National represented that the *Finch* plaintiffs requested only the two policies for which the plaintiffs were aware of the policy numbers. The Court notes that this is incorrect.

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marshal the assets of Covil, the Receiver has served a subpoena and five sets of written discovery on Penn National and has taken four depositions of Penn National employees.

Throughout this extensive discovery, Penn National has taken the position that it is unable to access any possible historic occurrence-based liability coverage for Covil or any other policyholder it may have insured in the past unless it is provided with an exact policy number. This is even despite that Penn National admitted in answers to interrogatories on May 10, 2021, that it may have issued relevant insurance coverage located in its files: "Penn National does not maintain its records in a way that would provide a reasonable method of searching for policies under which Covil is named as an additional insured or qualifies as an additional insured. Thus, Penn National has no reasonable method of identifying all documents that may be responsive to this Interrogatory." This interrogatory response necessarily required the Receiver to make inquiries into the Covil coverage that Penn National admitted it may have in its historical files.

At each turn in discovery, Penn National pulled back a small portion of the curtain, revealing just enough information about the existence of historical records and its document maintenance system to raise more questions to which it would not respond, and forcing Covil to return to this Court with additional requests for discovery intervention.

The Receiver ultimately was forced to file six different motions to compel on this issue. After each of this Court's many discovery orders, Penn National and its representatives consistently failed to engage in a search for the policies in question, showing instead their purposeful stonewalling of the discovery process. It is clear that this is not a case of an insurance company lacking any records. Instead, it is a case in which the insurer decided to store voluminous records in such a way that it would be expensive to search them to locate a policyholder's insurance

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policies in any way other than by policy number, and now the insurer seeks to avoid evaluating its own records.

Covil's six motions to compel related to Penn National's failure to participate in discovery related to historic insurance policies were as follows:

January 15, 2021: Motion to compel a policy search after claims handler Boyd Wright's deposition revealed that he spent merely a few "minutes" in preparation for his deposition, and that he was not aware that a search through the entire company records occurred.

In a hearing on January 25, 2021 related to the policy search deficiencies Mr. Wright's deposition uncovered, this Court ordered Covil to "develop a more complete list of job sites and possible agents that might have been involved in procuring this coverage from Penn National," and "[gave] Penn National 15 days to respond to it." The Court further warned Penn National against asking Covil "for something that's just as ridiculous as what you say they asked for from you. They are not going to know policyholder's numbers or policyholders."

April 22, 2021: Motion to compel complete responses to the subpoena Covil issued as a result of this Court's January 25 Order, and to which Penn National failed to respond meaningfully.[3]

In a related order dated July 1, 2021, this Court found, "Moreover, although Penn National asserts it has 'exercised reasonable diligence in searching its files,' Penn National's response to the Receiver's subpoena did not provide a sufficiently detailed description of its search efforts and the Receiver is not simply required to take Penn National at its word. . . This Court finds that Penn National has a duty to fully, completely, and thoroughly search both its electronic records and its hard copy paper records for the information and documents sought by the Receiver, and the Court is not satisfied that Penn National has fully complied with its instructions at the January 25 hearing. Additionally, the Court is not satisfied that Penn National is only able to search its paper records by policy number. In any event, without more detailed information from Penn National, the Receiver and this Court are unable to evaluate Penn National's efforts to search for coverage."

August 20, 2021: Motion to compel a thorough search of the Penn National records as required by this Court's July 1 Order, after a deposition of Penn National employee

[3] The Court notes that Penn National did provide Covil with copies of three policies insuring Covil once a hearing date was set on the motion to compel. Even with the production of the three insurance policies, Penn National failed to fully respond to the subpoena.

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Brent Reifsnyder made clear that even after this Court's order, he had spent less than five minutes searching for responsive documents, he did not take any steps to locate policy-related documents, he did not consult with anyone at Penn National or otherwise about how he might be able to search for documents other than by policy number, and he had never reviewed the Receiver's list of job sites that this Court had ordered Covil to prepare in January 2021. Mr. Reifsnyder further confirmed that Penn National itself designed the system of organizing its records by policy number.

September 8, 2021: Motion to compel a thorough search of the Penn National records as required by this Court's July 1 Order, after a deposition of Penn National employee Boyd Wright made clear that Penn National's electronic system was designed in such a way as to only allow searches of policy numbers, and a search of additional or supplemental insureds would require a manual search. Further, Mr. Wright did not speak with Mr. Reifsnyder about such a process or logistics for searching the paper archives.

On November 5, 2021, following a hearing on both the August 20 and September 8 Motions, this Court found: "This Court has ordered Penn National to meaningfully participate in discovery on multiple occasions. Penn National claims that it cannot search its documents unless Covil provides the policy numbers where Covil was designated as an additional insured. Despite this Court's orders, Penn National has yet to perform a manual search or to scan the documents so that they can be searched electronically." As a result, the Court entered an order requiring Penn National "to open its repository of insurance policies and to facilitate a review supervised and performed by Covil's insurer-appointed defense counsel, Ellis & Winters, LLP."

February 24, 2022: Motion to compel Penn National to produce documents related to its purge of historical insurance policy related documents, which purge was apparently revealed to the Receiver on November 19, 2021, and was made known to this Court on the Receiver's motion for evidentiary hearing on January 3, 2022. In a response to written discovery on the topic on January 18, 2022, Penn National admitted that it disposed of paper policy-related documents pursuant to its records purge policy in 2018, 2019, and 2020, and that it did not issue a litigation hold for Covil until December 2021. Further, Penn National admitted it did not review the documents it destroyed in the 2018 to 2020 period for references to Covil, and it could not identify the additional insureds or supplemental insureds listed on the documents it purged since 2018. Related discovery requests sought responsive documents and e-mail correspondence on the topic of the purge, which had not been produced in discovery.

April 1, 2022: Motion to compel Penn National to produce documents related to its purge of historical insurance policy related documents after a production of

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> documents included a single spreadsheet, document retention policies, and a legal hold procedure. This limited production did not include any documents to establish the parameters of the annual document purge, nor did it include any internal e-mail communications related to the purge process.
>
> In an order dated May 5, 2022, following a hearing on both the February 24 and April 1 motions, this Court ordered Penn National to work with Covil's defense counsel in the underlying asbestos personal injury cases, Ellis & Winters, to image and review Penn National's microfiche cards on which its historical policy information is stored, and to make those records available to the Receiver; to produce all Covil underwriting information to the Receiver; and to bear the costs associated with the work performed to digitize the microfiche policy documents.

Penn National knew from the beginning of the Receiver's years-long discovery investigation that it had created a system of historical policy maintenance that would require a manual search of records should a policyholder be unable to provide a policy number. Rather than attempt a meaningful response to any of the Receiver's discovery, or otherwise offer and implement suggestions to make its system searchable, Penn National forced the Receiver and his lawyers to spend hundreds of hours over three years to reach the same conclusion. Still, after all these efforts, Covil waits for Penn National to complete the process of digitizing its historical policy records.

Penn National's stonewalling of Covil's discovery efforts extended beyond policy documents, to nearly every aspect of the litigation. Indeed, just one month prior to a scheduled trial in December 2022, Penn National had failed to produce its claim files related to fourteen asbestos claims requested by Covil, or to produce documents responsive to the Receiver's Fourth Requests for Production, until Covil filed a motion to compel. The Court granted Covil's motion to compel this discovery, which was directly relevant to the December trial date, on November 16, 2022.

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LEGAL STANDARD

Under Rule 37(a)(4) of the South Carolina Rules of Civil Procedure, when a trial court grants a motion to compel, "the court shall, after opportunity for hearing, require the party . . . whose conduct necessitated the motion or the party or attorney advising such conduct or both of them to pay to the moving party the reasonable expenses incurred in obtaining the order, including attorneys' fees, unless the court finds that the opposition to the motion was substantially justified or that other circumstances make an award of expenses unjust."

The South Carolina Supreme Court in *Buist v. Buist*, 410 SC 569, 766 S.E.2d 381 (2014), held that when considering whether to award attorneys' fees a court must apply the *Glasscock* or *EDM*[4] factors "to determine whether to award a fee, as well as the amount of the fee to award." The six *Glasscock* factors enumerated by the South Carolina Supreme Court include: "(1) the nature, extent, and difficulty of the case; (2) the time necessarily devoted to the case; (3) professional standing of counsel; (4) contingency of compensation; (5) beneficial results obtained; (6) customary legal fees for similar services." *Glasscock v. Glasscock*, 304 S.C. 158, 161, 403 S.E.2d 313, 315 (1991).

RULINGS AND ORDERS

After careful consideration of the motion and briefing, including the supplemental declarations, extensive arguments of counsel, and an *in camera* review of the unredacted billing records, this Court finds that Covil has demonstrated the requisite factors to allow this Court to

[4] The *E.D.M.* factors, developed more narrowly for the context of a divorce proceeding, are less instructive in an insurance dispute, and therefore are not considered in the instant analysis, but are as follows: "(1) the party's ability to pay his/her own attorney's fee; (2) beneficial results obtained by the attorney; (3) the parties' respective financial conditions; (4) effect of the attorney's fee on each party's standard of living." *E.D.M. v. T.A.M.*, 307 S.C. 471, 476-77, 415 S.E.2d 812, 816 (1992).

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render an award of attorneys' fees in the full amount requested by the Receiver's attorneys.

Award of Attorneys' Fees under Rule 37(a)(4)

Penn National's discovery conduct necessitated the Receiver's filing of a total of seven motions to compel in this case. As detailed above, the Court finds that Penn National's conduct in discovery necessitated the filing of each successive motion.

Penn National's recalcitrance to meet its discovery obligations appears directly related to its litigation strategy in the instant insurance coverage action. South Carolina law recognizes that "the insured bears the burden of proving its claim falls within the policy's coverage." *Jericho State Capital Corp. of Florida v. Chicago Title Ins. Co.*, 431 S.C. 437, 445, 848 S.E. 2d 572, 576 (2020). Penn National therefore appears to have had little independent incentive to search for all policies potentially protective of Covil in its voluminous historical records. Instead of engaging in an adequate document search as requested by the Receiver and ordered by this Court on numerous occasions, Penn National wasted this Court's and the Receiver's time and resources in its gamesmanship.

The South Carolina Supreme Court has also held that the insurer bears the burden of establishing exclusions to coverage. *See Owners Ins. Co. v. Clayton*, 364 S.C. 555, 560, 614 S.E.2d 611, 614 (2005) ("Insurance policy exclusions are construed most strongly against the insurance company, which also bears the burden of establishing the exclusion's applicability."). Therefore, if Penn National is presented with a policy number, as the *Finch* plaintiffs did in June 2018, Penn National easily can locate the policy. After all, locating the policy after the insured has proven its existence is critical to Penn National's ability to establish applicable exclusions to coverage. Without access to any Covil historical archive, then, the Receiver has faced an uphill battle against Penn National.

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Penn National complains that it has been forced to "play a constant game of Whack-A-Mole in responding to the flow of motions filed by Covil." The Court finds that the opposite is true. The Receiver's behavior has been nothing but consistent: from the beginning of this litigation, the Receiver has asked Penn National to search its records for historical insurance policies protective of Covil. Penn National also has remained consistently recalcitrant, stating since the beginning of this litigation that it "does not maintain its records in a way that would provide a reasonable method of searching for policies under which Covil is named as an additional insured or qualifies as an additional insured. Thus, Penn National has no reasonable method of identifying all documents that may be responsive." In each successive discovery response, Penn National has pointed Covil in a new direction, and allowed the slow trickle of information that merely required the Receiver to seek more discovery relief from this Court. The motions to compel and hearings before this Court have made clear that the Receiver has worked tirelessly for more than three years to recover Covil's assets—its insurance policies—from Penn National, which Penn National admits it may have.

In this context, the Court finds that Penn National's opposition to Covil's motions to compel was not substantially justified. The information requested in discovery is integral to the instant litigation and accessible only by Penn National.

In addition to the discovery disputes related to the historical insurance policies, in November 2022, Penn National refused to timely respond to relevant discovery in advance of a December 2022 trial date. The discovery at issue, Covil's claim files and Penn National's document retention policies, was directly related to a declaratory judgment action. Despite Covil's attempts to engage in routine discovery on these topics, and to meet and confer on this issue, Penn National refused to produce these relevant documents. The Court finds that given the relevance of

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the documents and the clarity of the requests, Penn National's failure to participate in this discovery was not justified.

Appropriateness of Fees Under *Glasscock*

The Court has carefully considered the *Glasscock* factors, as discussed fully herein and approves the full award of requested attorneys' fees.

A. The nature, extent, and difficulty of the case

This insurance coverage action against Penn National is a complex dispute arising out of an insured seeking to locate and litigate "legacy" occurrence-based liability policies Penn National issued to the insured during its existence. The litigation raises novel issues of insurance policy interpretation, and because of the discovery conduct of Penn National in this case, has required extensive and protracted litigation on the issues described in detail herein. Therefore, the first factor, the nature, extent, and difficulty of the case, weighs in favor of an attorney fee award.

B. The time necessarily devoted to the case

Second, considering time necessarily devoted to the case, over the course of the last three and a half years, and more specifically the last two years of intense litigation before this Court on these issues, the Receiver's counsel report that collectively, they have devoted over one thousand hours of time to this litigation against Penn National specifically. Hundreds of hours of attorney time were required to craft meaningful written discovery, to prepare for and execute four separate depositions of Penn National witnesses on these topics, to prepare written motions and proposed orders, to engage in attempts at negotiations with counsel for Penn National on these topics, and to appear for hearings before this court, among other necessary litigation practices. Additionally, the Receiver's counsel were forced to engage in defending against frivolous appeals of a discovery order on these issues. The Court has reviewed the billing records of each firm *in camera* and finds

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that the time these firms devoted to this matter has been extensive and necessary. The Court finds that this factor weighs in favor of an attorney fee award.

C. Professional standing of counsel

Third, considering the professional standing of counsel, the Receiver engaged three law firms to assist with the instant litigation: Smith Robinson, John B. White, Jr. P.A., and Morgan Lewis. Each firm was selected for its specialty in practice and its understanding of the issues at hand. The attorneys from Smith Robinson and John B. White, Jr. P.A. are preeminent lawyers in this state who have undertaken to represent this Court's appointed receiver in contentious litigation. In addition, Morgan Lewis has particularized expertise in the handling of complex insurance coverage disputes. The Court finds that all three firms are of the utmost professional standing.

D. Contingency of compensation

Fourth, all three firms representing this Court-appointed receiver of a defunct South Carolina corporation are engaged in a contingent fee arrangement. At this time, none of the Receiver's lawyers have been compensated for their hundreds of hours of time devoted to this discovery dispute. The Court finds that this factor, too, weighs in favor of an attorney fee award.

E. Beneficial results obtained

On the issue of beneficial results obtained, the Receiver's counsel ultimately was successful in extracting the insurance policy documents from Penn National which allow the identification of additional legacy occurrence-based insurance policies covering Covil. Since his appointment in November 2018, the Receiver has been actively involved in complex and aggressive litigation on behalf of the defunct entity that has demanded the expenditure of extraordinary time and resources. The Receiver and his team of highly qualified law firms have

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achieved beneficial results in obtaining insurance policies and other necessary documents in order to identify and marshal Covil's insurance assets. The Court notes that Covil had no liquid assets when the receivership began. However, over the past four and a half years, the Receiver has been highly successful in marshaling and liquidating Covil's insurance asserts to establish a qualified settlement fund for the defense and payment of asbestos bodily injury suits involving Covil. In order to obtain these beneficial results, it has been instrumental that the Receiver obtain information and documents from companies like Penn National. The Court therefore finds that the fifth factor weighs in favor of an attorney fee award.

F. Customary legal fees for similar services

Finally, this insurance coverage action and the discovery disputes involved highly complex and detailed issues of law and necessitated the association of highly qualified counsel within South Carolina and outside of South Carolina. The Court has reviewed the filed Declarations of Attorneys' Fees and redacted billing records as well as the detailed billing records of each firm submitted *in camera* and finds the legal fees charged are customary for similar services by local counsel and outside counsel. This factor weighs in favor of an attorney fee award.

Therefore, carefully considering each *Glasscock* factor in turn, the Court finds that the Receiver's counsel should be awarded the full amount they seek in attorneys' fees for their work associated with their discovery efforts against Penn National.

The Court therefore **GRANTS** the motion and orders Penn National to pay attorneys' fees in the amount of $671,693. The Court further orders Penn National to provide written reports to the Court every two weeks as to the status of its compliance with the May 5, 2022 Order.

IT IS SO ORDERED.

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Richland Common Pleas

Case Caption: Covil Corporation By And Through Its Receiver , plaintiff, et al vs Pennsylvania National Mutual Casualty Insurance Co , defendant, et al

Case Number: 2020CP4002098

Type: Order/Attorney Fees

So Ordered

Jean H. Toal

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August 3, 2023

VIA E-MAIL AND FEDEX
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Zitel Poswal
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Judicial Law Clerk
South Carolina Court Administration
1220 Senate Street, Suite 221
Columbia, SC 29201

RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

FINAL REPORT OF PENN NATIONAL REGARDING
STATUS OF COMPLIANCE WITH MAY 12, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, this is to provide you with the sixth and final report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

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- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

- On June 22, 2023, the parties held the reoccurring status conference to discuss the progress of BMI's scanning project. Ellis & Winters reported that BMI scanned 19,249 microfiche between June 4, 2023 and June 10, 2023, and 46,661 microfiche between June 11, 2023 and June 17, 2023. As of June 20, 2023, a total of 114,068 microfiche had been scanned. BMI is in the process of providing Ellis & Winters, the Receiver and Penn National with the proper credentials so that the microfiche that have been scanned to date can be searched in real time on BMI's propriety search platform, known as "Digital Reel." Additionally, BMI has shipped a hard drive to Ellis & Winters on which PDF copies of the microfiche scanned to date are stored. It is anticipated that Ellis & Winters will upload these copies to a litigation-oriented digital platform, such as Relativity, and that both the Receiver and Penn National will be provided access to this platform as well.

- Penn National previously requested that BMI provide it with the means to ship an additional 14 microfiche for immediate processing by BMI. These microfiche were identified by Ellis & Winters during its 2022 review as containing Covil-related policy information and were sequestered from the remaining dataset at that time. BMI provided an appropriate shipping container for the microfiche, which was returned and delivered to BMI by FedEx on June 30, 2023.

- On July 6, 2023, the parties held their reoccurring conference call to discuss the status of the microfiche scanning project. Ellis & Winters reported that BMI scanned 53,298 fiches during the week of June 25, 2023 to June 1, 2023. As of today, BMI has scanned a total of 189,191 fiche and is still on schedule to finish the scanning project by the Court's deadline.

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BMI also discussed scheduling training for those who will be reviewing the scanned fiches and requested the IP addresses from the individuals who will be reviewing the documents so that they can be given access to the database.

- On July 20, 2023, the parties held their bi-weekly conference call to discuss the status of the microfiche scanning process. As of July 17, 2023, BMI had scanned a total of 286,344 fiche, which included 50,161 fiche scanned during the week of July 9, 2023 to July 15, 2023. Earlier in the week, BMI also conducted two training sessions on the software for reviewing the scanned microfiche. The trainings sessions were recorded, and access to those sessions is being made available to the parties not able to attend.

- On July 31, 2023, Ellis & Winters notified the parties that BMI had completed the scanning project, totaling 356,944 fiche. No conference call was held this week.

This will be the final report provided to the Court in regard to BMI's scanning project, unless the parties are ordered otherwise.

With best regards,

Sincerely,

/s/ Brady A. Yntema
/s/ Kirby D. Shealy III
/s/ David G. Harris

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake)

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND Covil Corporation, by and through its duly Appointed Receiver Peter D. Protopapas, Plaintiff, vs. Pennsylvania National Mutual Casualty Insurance Company, et al., Defendants.	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT C.A. No. 2020-CP-40-02098 **REPORT OF THE RECEIVER FOR COVIL CORPORATION**

Peter D. Protopapas, as Receiver for Covil Corporation, submits this Interim Report on Penn National's compliance with the Court's May 5, 2022 Discovery Order.

June 7, 2023 Hearing

1. On June 7, 2023, this Court held a hearing on the status of Penn National's compliance with the Court's May 5, 2022 Discovery Order, which arose out of seven motions to compel filed between January 2021 and November 2022 on various discovery disputes between the Receiver and Penn National.

2. At the June 7 hearing, the Court noted that it was "disappointed" with the slow pace in which Penn National is moving to comply with the Court's May 5, 2022 Discovery Order,[1] which required Penn National "to make all of its microfiche cards *immediately available* for review and imaging by Ellis & Winters and its selected vendor."[2] The Court further stated that "every attempt to delay this thing that could be made has been made" by Penn National.[3]

[1] See Ex. 1, June 7, 2023 Hearing Tr. at 30:17-18.
[2] May 5, 2022 Discovery Order at 10.
[3] See Ex. 1, June 7, 2023 Hearing Tr. at 32:12-14.

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Accordingly, the Court rejected the proposed "eight month" schedule for scanning microfiche and making the policy information available for searching. Instead, the Court ordered Penn National to have both issues completed within sixty days.[4]

3. On June 16, 2023, the Court followed up with a written Order declaring that "Penn National shall complete the digitization of the microfiche cards and ***provide access to a searchable database*** containing all digitized material to the Receiver by July 31, 2023."[5]

4. On July 31, 2023, in accordance with this Court's order, BMI Imaging Systems ("BMI"), the outside vendor, reported to the parties that it had completed its scanning of all of the microfiche provided by Penn National. The completion of the initial digitization process has already resulted in the discovery of two previously unidentified, non-CGL insurance policies covering Covil.[6] However, as explained below, significant problems remain with the searchability of the database and the digitization of certain scanned microfiche, which must be remedied by Penn National before it will be in compliance with the Court's May 5, 2022 Discovery Order and June 16, 2023 Scheduling Order.

Problems with Searchability and Digitization of Scanned Fiche

5. On August 3, 2023, Penn National submitted what it purports to be a "final report" regarding the status of Penn National's compliance with the "scanning project" conducted by BMI. In its report, Penn National correctly noted that BMI had completed the scanning of approximately 356,944 fiche by the July 31 deadline. However, Penn National failed to disclose two significant sets of problems with the searchability and digitization of the

[4] See Ex. 1, June 7, 2023 Hearing Tr. at 63:25-64:3.
[5] See Ex 2, June 16, 2023 Scheduling Order at 1-2 (emphasis added).
[6] See Exs. 3 and 4.

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scanned policy information. For these reasons, as discussed below, Penn National is not yet in compliance with the Court's May 5, 2022 Discovery Order or the Court's June 16, 2023 Order.

6. First, there are significant limitations and errors with the search engine in the current database. On May 23, 2023, the Receiver notified this Court ahead of the June 7 hearing that "Ellis & Winters has informed the Receiver that once the vendor, BMI, has completed the imaging of the microfiche cards, ***the data should be uploaded into a separate litigation support database because BMI does not have the requisite level of search capability***."[7]

7. In response, the Court made clear at the June 7 hearing that uploading the data into a separate litigation support database with the requisite level of search capability was Penn National's responsibility:

> THE COURT: I'll just be honest with you, I am reluctant to start again ordering Ellis & Winters to do this, that, or the other be done. You all are well aware of what the Court would grant, which is the fastest way that is possible to get this material digitized ***in such a way that can be searched***. That's what I'm after.[8]

8. In its August 3, 2023 Report to the Court, Penn National itself conceded that as of June 22, 2023, Penn National "anticipated" that the scanned fiche would be uploaded into "a litigation-oriented digital platform, such as Relativity, and that both the Receiver and Penn National [would] be provided access to this platform as well."[9]

9. Despite such concessions, Penn National has done nothing since mid-June to authorize, facilitate, fund, or confirm the uploading of BMI scanned fiche into a litigation-oriented digital platform for searching, such as Relativity. This failure has led to more delay.

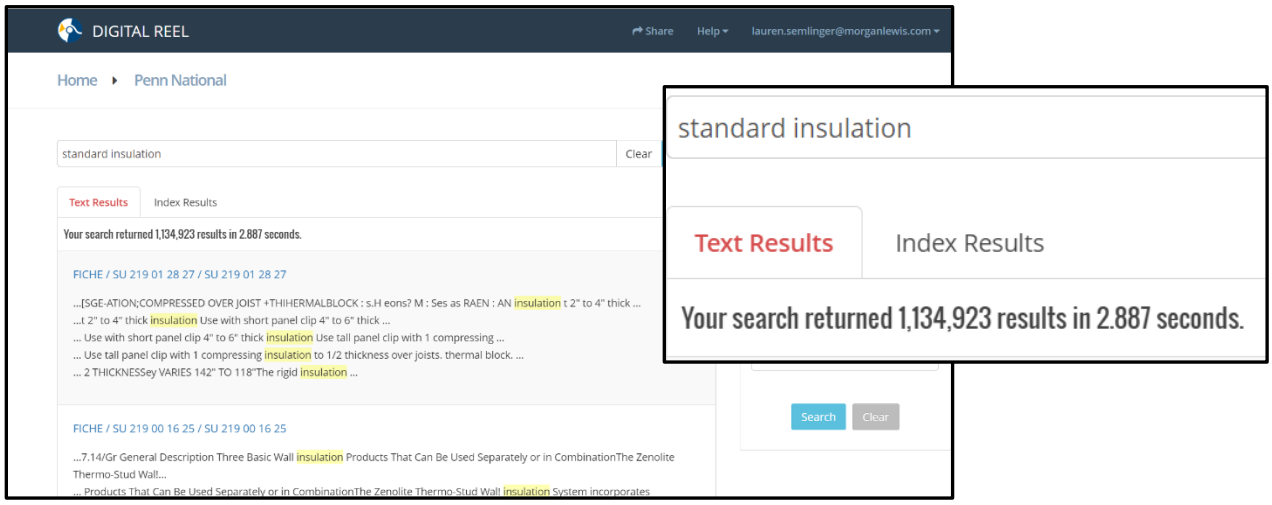
10. As of now, the Receiver has minimal search functionality. Specifically, the search functionality is limited to policy number and the current full text OCR results, using

[7] See Report of the Receiver for Covil Corporation, dated May 23, 2023 at 19 (emphasis added).
[8] See Ex. 1, June 7, 2023 Hearing Tr. at 62:23-63:6 (emphasis added).
[9] See "Final Report of Penn National Regarding Status of Compliance with May 12, 2022 Order," at 2.

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simple text searching. For example, the current BMI engine does not offer compound searching (AND, OR, NOT) or proximity searching (ALPHA within 10 words of BETA) or fuzzy searching (ALPHA v. A??HA). That means that if two words are entered into the search bar, then the system retrieves all documents that contain *either* word. As a result, the Receiver has encountered an inability to perform meaningful searches in the system.

11. For instance, the Court's May 5, 2022 Discovery Order directs the Receiver to search for Covil policy information as well as policy-related documents relevant to any other Receivership in which Mr. Protopapas has been appointed by this Court. To that end, in the search for "Standard Insulation," the following occurs:



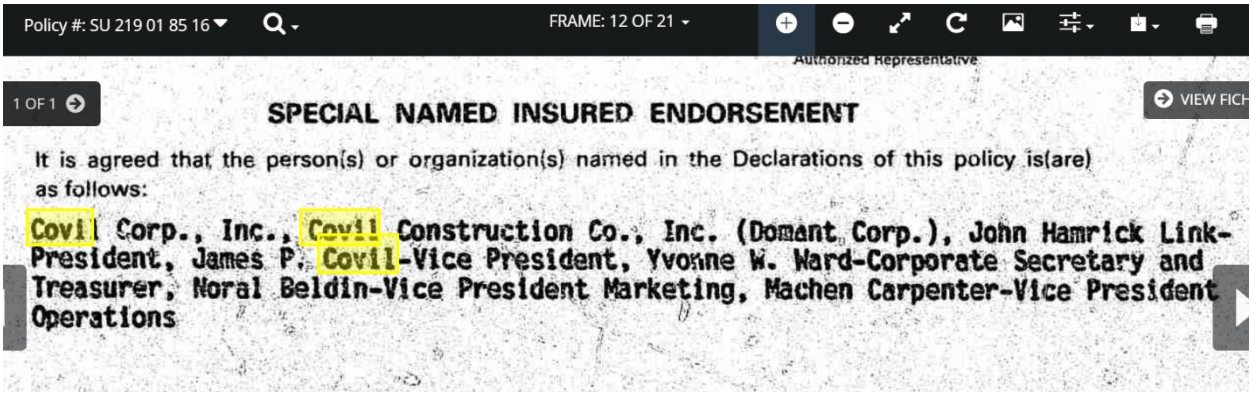
12. In addition, the Receiver has no ability to add coding to the search results. This means that if a policy is reviewed, the Receiver cannot mark that policy for future reference. Nor can the Receiver mark a document as irrelevant for future avoidance. This type of flagging functionality is crucial for a search and retrieve project.

13. The above-identified problems would be remedied using a litigation-oriented digital platform, such as Relativity.

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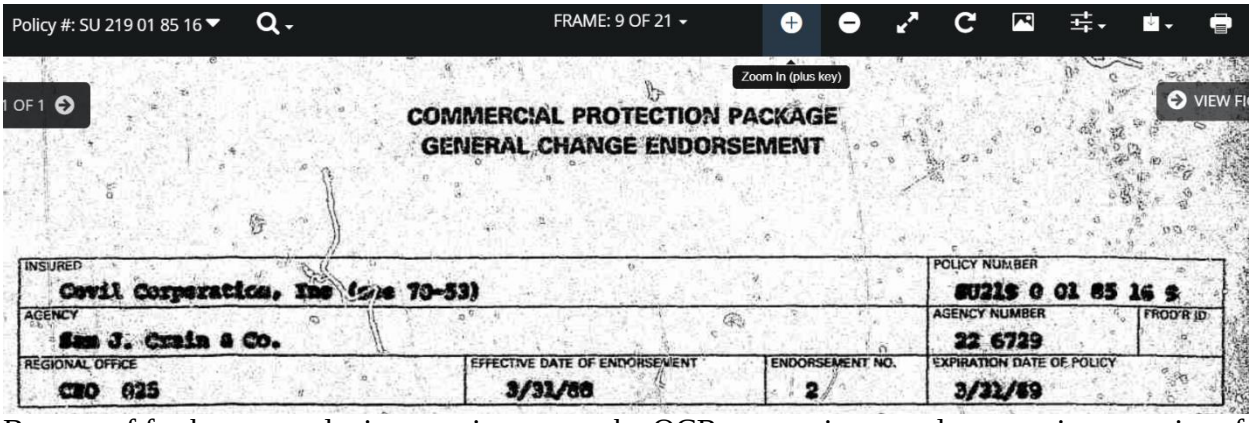
14. Penn National's failure to facilitate and fund the uploading of scanned data into a separate litigation support database with the requisite level of search capability has had a detrimental impact on the Receiver's ability to search for responsive policy-related documents.

15. Second, there are significant limitations with the Optical Character Recognition ("OCR") process currently employed. OCR is the process that converts an image of text into a machine-readable text format. Here, the OCR process appears to have missed a significant number of references to "Covil" in the documents. All search results picked up by the OCR scan are highlighted in yellow on the BMI platform. In an example of a known Covil policy, SU 219 01 85 16, in some places in the policy, the word "Covil" is picked up and highlighted:

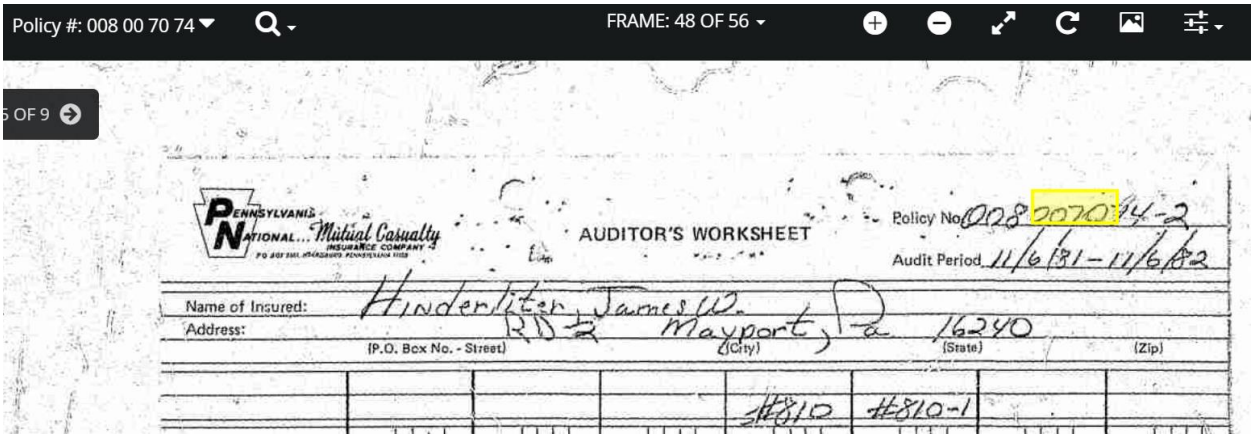


In the same policy, though, on another page, Covil is not picked up by the scanning system, and therefore is not highlighted:

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By way of further example, in some instances, the OCR system incorrectly recognizes a series of digits as "Covil," although they are very clearly not "Covil":



This faulty searching does not meet the searchability requirements envisioned by this Court.

16. The Receiver has been advised that an available next step would be to run a secondary OCR process and to test that with alternative image processing for better contrast.

Status Conference Request

17. The Receiver therefore requests a follow up status conference to be held in conjunction with the pretrial conference, which is scheduled in this matter for August 21, 2023.

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Respectfully Submitted,

SMITH ROBINSON, LLC

s/ Jonathan M. Robinson
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ATTORNEYS FOR RECEIVER

This 10th Day of August, 2023.

EXHIBIT 1

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STATE OF SOUTH CAROLINA
IN THE COURT OF COMMON PLEAS
COUNTY OF RICHLAND

COVIL CORPORATION, BY AND THROUGH
ITS DULY APPOINTED RECEIVER
PETER D. PROTOPAPAS,

Plaintiff,

vs. C.A. No.: 2020-CP-40-02098

PENNSYLVANIA NATIONAL MUTUAL
CASUALTY INSURANCE COMPANY;
SAM J. CRAIN & CO., INC.; AND
SOUTH CAROLINA PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION,

Defendants.

MOTIONS HEARING

BEFORE THE HONORABLE
CHIEF JUSTICE (RET.) JEAN TOAL

DATE TAKEN: Wednesday, June 7, 2023

TIME START: 10:57 a.m.

TIME END: 12:20 p.m.

LOCATION: Richland County Judicial Center
1701 Main Street
Columbia, South Carolina

REPORTED BY: SHERI L. BYERS, RPR
EVERYWORD, INC.
P.O. Box 1459
Columbia, South Carolina 29202
803.212.0012

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E X H I B I T S

(None were proffered.)

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P R O C E E D I N G S

- - -

THE COURT: All right. The next matter this morning is Covil Corporation against Penn National Mutual Casualty Insurance Company. This is a status on the report of the receiver.

I would like to have the record reflect, before we get started, who is present for all parties.

So on behalf of Covil and its receiver, Mr. Robinson, if you will identify everyone at counsel table for the record.

MR. ROBINSON: Yes, Your Honor. John Robinson for Peter Protopapas as receiver for Covil. Brad Nes also for Peter Protopapas as receiver for Covil. Brad Nes is with Morgan Lewis in their Dallas office and has been admitted pro hoc in this case.

I'm pleased to welcome to our table our new counsel with our law firm Tina Cundari, also for Covil. And we have Shanon Peake. And, of course, we -- also for Covil Attorney Shanon Peake in our Columbia office. And we have Peter Protopapas here as the receiver.

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THE COURT: Thank you.

Mr. Shealy.

MR. SHEALY: May it please the Court, Your Honor.

Kirby Shealy with Adams and Reese here on behalf of Penn National. With me today is David Brown from the Goldberg Segalla firm.

I did want to let the court know Mr. Yntema could not be here today. He's having some health issues, which is why Mr. Brown is here.

The Court directed that we bring to this status conference a representative, a senior representative of Penn National. We brought two. Karen Yarrish, who is here seated behind counsel table. She's senior vice president, secretary general counsel of Penn National.

We've also brought Boyd Wright, who is home office senior claims examiner. He has been managing this claim from his end, and so we wanted to let the Court know.

THE COURT: Raise your hand, Mr. Wright.

I assume that's him.

Welcome to each of you on behalf of Penn National. I very much appreciate your presence here so that we may explore exactly where we stand in this longstanding discovery issue.

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MR. SHEALY: Yes, Your Honor.

THE COURT: Thank you so much. All right. Mr. Robinson, who will speak first?

MR. ROBINSON: Your Honor, on behalf of the receiver, Brad Nes will address the Court.

THE COURT: Good morning, Mr. Nes.

MR. NES: Good morning, Your Honor. Brad Nes for the receiver for Covil Corporation.

Your Honor, the receiver requested this status conference because we've identified several problems that require immediate relief. As the Court will recall, we were here on April 19th to discuss the seven motions to compel that led to this Court ordering or awarding attorneys fees to the receiver.

At that hearing on the motion to -- for attorneys fees, the Court ordered, starting immediately, on April 19th, a report to the Court every two weeks on the status of the processing of the microfiche because of concerns about how long it was taking.

Two weeks went by, Penn National did not issue a report. Two more weeks went by, Penn National did not issue a report. After that

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second deadline came and passed, the receiver came to learn new information that really changes the way the processing should be reviewed. So we filed an immediate report.

THE COURT: Let me stop you there before you get further. Just -- I mean, this has been a longstanding matter. I have my notes and other materials from the April the 19th, 2023, hearing regarding this matter.

Just to set this in context, this matter is a continuing issue that has been before this Court some seven times now regarding a discovery request filed by Covil Corporation and its receiver -- by the receiver for Covil Corporation quite some time ago asking -- requiring that Penn National, after very unsuccessful attempts to identify policies that might provide possible coverage to Covil over the various years that Covil was an insulator and has become a defendant in many lawsuits in South Carolina and elsewhere, Penn National was identified as an insurer of Covil.

And after unsuccessful attempts to get information about potential policies, a discovery request was made for all commercial

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general liability policies issued by Covil over a period of time for those policies to be searched and policies identifying Covil to be transmitted to Covil. Copies be transmitted according to the discovery request.

Penn National has insisted for several years now that its policies are not kept in such a way that they are able to be searched by anything other than a policy number.

Some production inconsistent with that issue -- with that assertion was made, and, therefore, I finally directed that Ellis & Winters, defense attorneys, associated with Penn National and its insureds' defenses in these matters, head up a team that would take what was then identified as microfiche materials that contained all the policies and organize them in such a fashion with the use of technology that these policies could then be searched and information then given about to this Court and to Covil about potential policies of commercial general liability that put Covil or other identified ancillary institutions connected with Covil's responsibilities in these various asbestos suits.

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Then certain activities were engaged in by Ellis & Winters, but the bottom line, even at the April hearing, was that insurance policies are still being marshaled, but no production pursuant to my many orders, my orders to compel and so forth, has yet been made.

And that is the procedural background that brings you to this point, correct?

MR. NES: That's correct, Your Honor.

THE COURT: Then you may proceed.

MR. NES: But I would take a step one further back. So you were going exactly where I was hoping to go with this, which is to provide a broader context to this case. Because I believe there are three issues that merit discussion today.

The first is the interim report that we filed. The second is the Court of Appeals decision yesterday on the mode of trial. And the third is the Motion for Reconsideration on attorneys fees that was filed. And I'll take those in those three orders.

The first issue, the update on the status of document production, can only be understood in the larger context of this case. At the

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beginning of this case, we were -- the receiver was appointed to marshal the assets of Covil. To do so is essentially to do two things: Identify policies that may respond to coverage, and if there's a dispute with the carrier on the interpretation, to seek guidance from the Court as to what the scope of the coverage is. And that's exactly what the receiver did.

In the middle of the discovery process, though, there was an order from this Court struck for Penn National to search its archives. And that was as a result, as this Court said, of Ellis & Winters providing an in-depth review of the documents and the systems within Penn National.

What we found was there basically had been two stories in this case with respect to searching for policies. The first was if we don't have a policy number, we cannot identify the policy. But when we dug in to discovery, what we learned is that's not the full story. The full story is that Penn National intentionally designed an electronic system so that if you put in to their system the policy number, you can find a policy. But there's no

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other way to search for it on the electronic system.

But they've known since the beginning of the case that you could always go into the microfiche, either manually or hire a vendor. And I believe the summer of '21, Penn National filed an affidavit in this case, which they laid out those options, but refused to either do the manual search and refused to go find a vendor. That's what led to this Court's November 2021 order that Ellis & Winters come aboard and make recommendations.

Between November of '21 and March of '22, Penn National conduct -- excuse me -- Ellis & Winters conducted interviews with Penn National in which they tried to understand what the system was that was being used. Importantly, the Court asked, during this process, for Penn National to file a regular report to the Court as to the status of that process.

Permission to approach, Your Honor.

THE COURT: Yes.

MR. NES: I'm handing this Court three documents. The first document is a letter that was submitted by Penn National to this Court on

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February 7th. The second is an email that counsel for Penn National sent to me the next day. And the final is a March 7th fourth [sic] report to this Court.

Turning to the February 7th letter. On February 7th, on page 2, number 5, Penn National informs the Court that they've evaluated the key made available by the record custodian. This historical document identifies certain prefixes accorded at one time to various Penn National policy types.

The reason this is important is because the story started to shift. The first story was you can't search unless you have a policy number. But when that turned out not to be a hundred percent accurate, because you could do a manual search, or you could do a vendor search, then the story became, well, why don't we use prefixes to get rid of potentially irrelevant documents. And we'll get rid of the potentially irrelevant documents because we have key codes that can identify what would be potentially irrelevant documents.

The next day, though, Mr. Yntema sent me an email. And at the third paragraph, he

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essentially says the receiver is no longer invited to participate in the discussions between Ellis & Winters and Penn National employees.

So Penn National started doing a process where they were interviewing Penn National employees about this prefix system outside the presence of the receiver counsel. So we were essentially in the dark starting on February 8, 2022.

That led to a March 7th update in which Penn National again reported that on February 15th, the 25th, and March 2nd, that they had conversations with employees of Penn National regarding their policy prefixes.

This led to a report by Ellis & Winters on March 22nd, 2022. And Ellis & Winters provided the Court with four options going forward. The third and fourth options are the most important. The third option that was recommended was to save Penn National money. And that is we would use the -- Penn National and Ellis & Winters would use the prefixes to identify potentially irrelevant commercial line policies, process the rest, and then give access to the receiver.

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The fourth option was simply process everything and give access to the receiver on the back end.

To save Penn National time and money, the Court allowed the third option, which was to use the prefixes. And that's the story we've heard since March 22nd of last year, all the way through April 19th here, was that the policy prefixes would be a way to get rid of their relevant documents.

What we learned last week, and we identified in our report, is that Ellis & Winters to this day still does not have any documentation with respect to the vast majority of those policy prefixes. As a result, there's no way to segregate out what might be, quote, irrelevant policies, unquote, from the relevant policies.

That's important for two reasons. The first is that when the assumptions were made about how long this process would take and who would be an appropriate vendor, the assumption was that we would be looking at about a hundred thousand microfiche. That turns out not to be the case. What turns out to be the case is

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we're looking at processing 400,000 microfiche.

As a result, we have a couple of problems. Problem one is that the prior order only gives the receiver access to certain policies based on policy prefixes. Which is no longer relevant.

So what we would ask the Court is that once all of these policies are processed, since they all have to be processed now, that the receiver simply has access to all of the documents in the database.

And I believe before the hearing I spoke with counsel for Penn National, he can speak when he's up here, but I think we might be able to reach an agreement that the receiver will simply have access to everything that's scanned once that process is completed.

MR. SHEALY: That is indeed what we plan to propose and what I indicated to counsel walking into the court, Your Honor. The process has not proceeded as the parties had envisioned, which has involved having to scan everything. We were led to believe that the process developed by the vendor would allow for the segregation of policies on the front end, and as it turns out, that's not what they're having to do.

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And recognizing that this is taking a lot longer than I think we were led to believe by the vendor, we've just said it just makes sense that they be allowed to have access to all of it.

MR. NES: Respectfully, Your Honor, I don't believe the vendor is responsible for the stall. I believe this is --

THE COURT: I still, I guess, don't understand. Are there in reality prefixes -- policy number prefixes that would exclude noncommercial general liability policies from the -- what we're trying to do is find all CGL policies that might have some impact on coverage.

And what I'm asking you, Mr. Nes, is, are there or are there not prefixes?

You know, we were first led to believe -- back up for a minute. These things were all stored in boxes at Iron Mountain, which you know is a national storage and document retention firm. In fact, they do the same kind of stuff that they've gotten their vendor doing. Which is they microfiche.

I went back and looked at Supreme Court

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records. We kept all the briefs and everything on microfiche. And we had a contract with Iron Mountain for some storage. We used them to translate -- or their subsidiaries to translate those microfiche into our new technology system that allows you to access them with modern technology.

We were led to believe the key in to these documents, whether they were in a microfiche form or in a pasteboard box form, was policy numbers. And we were led to believe that there was some organization of these things by policy number so that you could then target in on policy number, including the prefix.

Is that right or wrong?

MR. NES: That is wrong, apparently. That is just not true.

And so what we submitted as Exhibit B to our filing was an email, an attachment that we got from Ellis & Winters, I believe it was last week or the week before, where for the first time they were providing us, the receiver, with all of these policy numbers. And the policy numbers -- or the policy prefixes had no correlation to anything.

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So we reached out to Ellis & Winters and said, "So what does this mean?"

And they said, "We can't tell you what any of these policy prefixes are because we don't have that information."

THE COURT: We were told that there was a key that had the prefixes and what kind of policies they were. It might be auto. It might be marine. Might be different things. And I was told that in one of the hearings. That's not so?

MR. NES: It's not -- it's in their February 7th letter, which I just handed to you. In fact, on May 5th of 2022, this Court ordered Penn National to produce that to the receiver. We still don't have that. Which is why when we all of a sudden got to a point with Ellis & Winters telling us there's no prefixes, we're just going to have to scan everything, we were shocked.

THE COURT: What has everybody been doing all this time?

MR. NES: The process has been it started once the -- taking a step back.

Once the Court issued its order in May of

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2022, Penn National moved to reconsider. The Court denied that reconsideration and explained this was not an immediately appealable order.

Penn National nonetheless appealed to the Court of Appeals. They appealed to the Supreme Court. They simultaneously asked for the Supreme Court to issue original jurisdiction of the order. Every single one of those appeals in reconsideration was denied. That took time and it didn't get remanded back to this Court until January or February.

At that point, Ellis & Winters immediately searched for a vendor that could handle this in a timely manner. The vendor they selected is in California, and it's called BMI. Importantly, though, BMI, when it provided Ellis & Winters with a scope of how long this would take, used an assumption of a hundred thousand microfiche.

And that assumption was based on the idea that you would take the whole universe of 400,000 microfiche and narrow it down to a hundred thousand. If you could do that, it would take about three to four months, they said. So that process started.

But before this process even started, Penn

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National issued concerns about sending its policies offsite. So we had to have weeks of discussion with Penn National about whether or not the vendor would come to Penn National or the policies would be sent offsite.

Finally, that agreement was reached. The policies were sent offsite. And as they started to process the policies is when this issue came to a head because this Court ordered every two weeks to have reports.

And the vendor had to say "We're processing everything. Because Ellis & Winters can't narrow it, this is going to take eight months. It's 400,000 policies."

So that's the second concern that we have is now that we're going to be processing everything, which we could have been doing at the front, now that we're going to be doing that, eight months is simply too long. Eight months is too long because the Court of Appeals just issued a ruling on the mode of trial.

So we expect this Court in 30 days to have the case back in front of it so that we can try the substantive issues. And we would like very much to finish discovery on this issue, if

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possible, before we have the trial on the merits. That may not be possible, but that would certainly be what we would want in an ideal world.

As the Court will remember, the reason this was divided into two issues is because after Penn National appealed this Court's May 5th discovery --

THE COURT: Right.

MR. NES: Right. Then we got to December of last year, where we were on the heels of trial, and that trial was going to be to this Court on two issues.

THE COURT: That's correct. Nonjury issues.

MR. NES: Two nonjury issues. One with respect to the proper interpretation of two known policies that were issued in 1986 and 1987, what I'll call the renewal policies. And the second issue with respect to the spoliation of documents.

On the first issue, the proper interpretation of policies, the thrust of that issue, which is a straight declaratory judgment issue, is that our argument is that these

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policies that were issued, that we have, have no aggregate limit for operations claims. Which is critical to an asbestos insulation company where the primary claims that are made against them would be characterized as operations claims.

Therefore, our interpretation is there is no aggregate limit. That is an interpretation that's consistent with the plain language of the policy, and no court has held otherwise.

The second issue has to do with spoliation of documents. There is no question that Penn National was first put on notice in 2018 that Plaintiffs' attorneys were looking for occurrence-based liability policies issued to Penn National.

THE COURT: And the 2018 notification was in connection with the Finch case, was it not?

MR. NES: That's exactly right.

THE COURT: The Finch case was a case that was pending in North Carolina. Ultimately led to a verdict against Covil for $34 million and in that ballpark. Then litigation pended here in South Carolina with regard to responsibilities of that verdict, correct?

MR. NES: That's correct.

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THE COURT: And -- but 2018, when the first notification was made to Penn National, Finch was pending in --

MR. NES: Federal court in North Carolina.

THE COURT: Federal Court before Judge Eagles in North Carolina.

MR. NES: That's correct. So the plaintiffs in that case were looking for coverage that would be --

THE COURT: Normal kinds of things. The plaintiffs -- the Finch plaintiffs had representations made to them about potential coverage that turned out to be factually incorrect.

Judge Eagles issued certain orders in that regard. And Penn National was notified that the receiver for Covil, by that time been had appointed, was asking for information about coverage, correct?

MR. NES: That's correct, Your Honor. So they received a subpoena in the summer of 2018. That subpoena identified a couple of policies by policy number. But it also --

THE COURT: The ones that they had been able to find.

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MR. NES: Right. But it also asked for any other policies, not surprisingly, that they issued. Penn National did not search for those policies. Per our earlier discussion, if you don't have a policy number, we don't search.

But most importantly, they didn't put themselves on notice that we might have document retention issues. There was no litigation hold issue. Fast forward to 2019, litigation starts against Penn National. Coverage litigation.

THE COURT: And that matter is -- was brought here.

MR. NES: The first matter was actually -- it was filed by Zurich in North Carolina.

THE COURT: That's correct.

MR. NES: And in that case, the receivers and others began to issue discovery and issued discovery directly to Penn National asking, again, for all policies that may be responsive.

Then we move to 2020 and this action initiates, and we start seeking the same discovery that the plaintiff did in 2018 and the receiver did in North Carolina in 2019. In 2020, it's provides all of your policies.

THE COURT: Still no litigation hold.

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MR. NES: No litigation hold. But the reason that's really important is that they had an automatic policy destruction process. At the end of the year, they would collect certain general liability policies and they would destroy it. So they did that in 2018. They did that in 2019. They did that in 2020.

And each year they have no record of what it was that they were collecting. They don't know on the front end what they collected. They don't have any record of what was destroyed on the back end.

As we saw in discovery from deposition testimony, they also admit that mistakes are not uncommon. That mistakes are made because of the stickiness of those microfiche. So sometimes the wrong microfiche might be destroyed. Again, no record of that.

So how did we learn about that in discovery? It was because of this Court's order to bring Ellis & Winters involved. When Ellis & Winters got involved at the beginning of November 2021, they started having these calls where it was the receiver, it was Penn National and it was Ellis & Winters to start to learn the process.

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And during that process, the very first call, Mr. Brent Reifsnyder, the document custodian of Penn National, almost let slip that they were about to do their annual purge.

And so we asked him, "I assume you have a document hold in place. You're doing something to make sure that you don't destroy Penn National --" or excuse me -- "Covil policies."

And what was revealed is there was nothing in place. There was no litigation hold, no one was looking for Covil policies. So we started to raise for the first time the issue of spoliation through document request and deposition testimony. And wouldn't you know the next month is when I got an email saying I'm no longer invited to these calls.

So that's why we have not been able to report to this Court about the issues of the policy prefixes because we just assumed there were these keys, there were discussions ongoing, and that there was a process in place. But what we learned now, last week, for the first time, is that whole discussion about policy prefixes is irrelevant.

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So that's why we ask the Court, one, to get access to everything that's scanned. But on the number two issue in terms of timing, the way we see it, there are two approaches that we could take. Perhaps three.

The first issue is just let the current vendor spend the time, and if it takes eight months, it takes eight months.

THE COURT: And what these current vendors is doing is taking these microfiche and translating them into a technology format, we'll say, for lack of a better term. I don't know what kind of platform they're using.

But these microfiche being translated into a searchable -- a data platform that is searchable in all kinds of different ways so that these policies can be searched for insured, for named insured, for other kinds of coverages provided to others by these policies, correct?

MR. NES: That's correct. So there's a caveat to even that, which we put in our report. So we found out for the first time last week, as well, that while BMI is able to image everything and put it into a searchable format, they don't actually have litigation-appropriate software

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that we could then use BMI in some way to search it.

So what Ellison Winters recommends is that we just take what this vendor has processed and put it into a typical litigation search engine, which could be Relativity or some other. That will not be a difficult process. We just won't be able to use BMI. So we will probably have a subsequent --

THE COURT: Even though the whole idea was to create a data -- a searchable database or collection of data that can be used in litigation.

MR. NES: That's correct, Your Honor.

THE COURT: But that wasn't specified when the vendor was picked?

MR. NES: I believe what was specified was simply to make sure that it was searchable, not that the vendor actually had the capability to do a full search among all of the process documents.

So what Ellis & Winters is now going to do is make a recommendation with respect to an additional vendor to be used. Whether that's housed at Ellis & Winters or somewhere else, we

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will report back on it.

But the processing, just the raw processing of this data right now is estimated to take eight months. So to cut that down, we've identified one of two options.

The first option would be to hire an additional vendor to try to take some of that workload off of BMI. Because, again, when they made their bid it was on 100,000, not 400,000 microfiche.

Or another option is BMI can buy new additional equipment from the manufacturer. They can buy that equipment and essentially double their capacity. Because these machines apparently just run 24 hours a day, five days a week. They can purchase additional equipment and once that equipment is essentially used for this project, there is a resale value in the market.

So we have not finalized any proposal to this Court, but I wanted to -- because of this new issue, we wanted to immediately notify the Court that the time is vastly different than what was originally scheduled.

Turning to the second issue, Your Honor.

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THE COURT: Let me just ask you this.

MR. NES: Sure.

THE COURT: Have you actually physically seen even so much as a couple of policies out of this microfiche to see what they look like?

MR. NES: We have not been provided access to that.

THE COURT: Is anybody in this courtroom today going to be able to tell me what they look like?

MR. SHEALY: Your Honor, the vendor has told us that both -- all of us will have access to the policies that they are scanning as the process is going. That was one of the conditions that Ellis & Winters put on finding them. None of us have seen --

THE COURT: Here's what's just making me so disappointed about this process. I came up in a pre-technology age. I've been in the law business for about 55 years now. And I came up at the infancy of any kind of state discovery, but at a time when federal discovery was already a pretty prevalent thing.

And, you know, I spent many times in cases I litigated, both as defense counsel and as

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plaintiff's counsel, having to go to some document repository in, you know, the wheel and axle shop in New Haven, Connecticut, and getting boatloads of just material, sometimes deliberately stirred up so you couldn't do anything but go through it page by page. We used to call those document dumps.

And, you know, you would take a month and you would sit down there with that and you would organize them in some kind of fashion and go through them. Many of them, if they were insurance policies, and I've done a lot of document dump searches of those, you get in a format where they would have repetitive materials, but plugged into them was special coverages and we knew where to look for those. Special names of named insured or other insureds covered by the policies, you know. And you would go through all these documents and organize them.

And this has been since 1921 -- I mean since 2021 that we've been fiddling with this thing and that we've had a defense firm involved in it. And I don't care whether it is a hundred thousand policies, and if each one of them has

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got 30 pages, that's probably what -- whatever that would be expedientially. Lawyers have for years been sitting down, and their paralegals, and organizing material like that for litigation. So I don't understand this.

MR. SHEALY: Your Honor, I don't want to interrupt Mr. Nes, but I'm happy to respond on --

THE COURT: Okay. Well, I'll wait and hold my fire until you get up, Mr. Shealy.

MR. SHEALY: Yes, ma'am.

THE COURT: I tell you, I am -- every attempt to delay this thing that could be made has been made, including appealing things that aren't appealable and going up the chain on appeal. But this thing is back here now.

I carefully adjusted these things to accommodate ideas of what could be jury tried and not jury tried, and I can't even get on the front end of the nonjury part because we still haven't organized the universe of these policies.

I just, you know, am beyond frustrated about this. This isn't a responsible way to do it. And I am no judicial hellhole to insist

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that normal rules of discovery be followed in getting company records. This has been a deliberate attempt to prevent having to disgorge any information about these policies. It has got to stop. It's got to come to an end.

All right. Mr. Nes.

MR. NES: So on that point, Your Honor, what we would request is that the policy prefix indexes that this Court was led to believe, that we were led to believe exist, are either produced per your May 5th, 2022, discovery order, or some representation be made that they don't actually exist and they never did.

Because we've been operating on this assumption that prefixes were going to solve a lot of these problems. And now here we are, as you mentioned, years down the road and the assertion is essentially, well, that's not going to work so we'll give you access to everything.

While we certainly appreciate that, because that's the only option left, we would have liked some understanding as to how we got here in the first place.

Turning to the second issue, Your Honor, the Court of Appeals decision yesterday, as this

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Court will recall, we were three days away from trial in December on policy interpretation and spoliation. There was an appeal despite the fact that this Court, as well as the receiver, indicated that these were not appealable orders. There was an appeal on mode of trial to the Court of Appeals. Court of Appeals dismissed it. They moved for reconsideration. Court of Appeals yesterday dismissed it again.

We believe that the time is right to start discussing a trial schedule and the manner in which the trial will take place, but we don't know whether or not Penn National plans to have a third or fourth appeal to the Supreme Court interlocutory in this case. So we will defer to Penn National before we take any further steps on preparing for trial.

THE COURT: Let me understand the Court of Appeals activity this time. The Court of Appeals dismissed this thing as interlocutory. And then what did they do, ask for an en banc review of that?

MR. NES: That's correct, Your Honor.

THE COURT: And what's come down is the decision en banc to dismiss it as an

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interlocutory.

MR. NES: I believe it was signed by three judges. I don't know the process, but, yes, it was essentially there is no appealable issue.

THE COURT: They got the final, final issue. They can't do it anymore with the Court of Appeals.

MR. NES: Correct.

THE COURT: And then we got to -- I'm certainly going to ask, when I get Mr. Shealy up here, what they plan to do about that and whether they plan to go to the Supreme Court about that.

MR. NES: The final issue, Your Honor --

THE COURT: That's the only thing preventing this thing for being set for trial.

MR. NES: Correct.

THE COURT: Quite frankly, we're going to get all the information. I got to think some more about whether to bifurcate -- continue to bifurcate this thing. Right now, that's what we've done very much at their request.

So okay. I think I understand where we are.

MR. NES: The final issue is simply the

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Motion for Reconsideration that's currently pending related to this Court's order on the attorneys fees.

I don't know if the Court has any questions, but I'll certainly let Penn National's counsel address that first.

Thank you, Your Honor.

THE COURT: All right.

MR. SHEALY: May it please the Court, Your Honor.

THE COURT: Mr. Shealy.

MR. SHEALY: Your Honor, with respect to the status of discovery, I do want -- I take issue with a couple of the factual recitations that Mr. Nes gave you and sort of where we are.

When we were here in April, all of Penn National's microfiche were not being marshaled at that time. They were already in the hands of the vendor. That had already been accomplished.

The vendor, back in January, made an estimate, a cost estimate to the parties of a certain amount for a minimum of a hundred thousand fiche. Its estimate was not based upon a representation that the universe of fiche was a hundred thousand. The suggestion that it was

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to be a hundred thousand and now it's 400- and that is the reason for the delay is based in nothing that has occurred in the last five months.

What this Court ordered in May of 2022 was that Ellis & Winters would develop a methodology with the vendor that it selected to segregate out nonresponsive policies. And in early communications with the vendor, it was the understanding of the parties that that could be done on the front end.

What we've learned is not that the policy prefixes -- that there's -- that it's nonsensical and they don't exist, it's just that the vendor is unable to make that segregation digitally until the back end. And so it's having --

THE COURT: Wait a minute. Hold on. Hold it.

What we were told was that there's, you know -- this all starts with the contention of Penn National, that the only way to search out an individual policy is for you to have a policy number.

And by definition, the receiver of a

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nonfunctioning corporation with no records does not have that.

So what we were told is because you don't have -- you, Covil, don't have a policy number for policies issued to you or policies issued with you as one that covered insurers, we can't search for anything related to you. And that went on for a good long time.

Then Ellis & Winters came into the picture, and we were told there was this prefix that was a prefix to the number. And that prefix identified the CGL or marine or auto, and that way the estimate was made that if you segregated out of their entire book of policies those that were CGL only, it would probably be about a fourth of the policies. And that's how the hundred thousand was come up with, as I understand it.

And now I don't understand that if it's a prefix, the number, how would you have searched for it before you gave the microfiche to the vendor? Because you said before that if you got the -- if I had the number, then you could search through all those microfiche -- first, we were told they were in pasteboard boxes with

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numbers on the outside in bold. Whatever. You would -- the Court was told if you had a policy number, you could get into this big, stuck-together bunch of material and extract from it that policy.

MR. SHEALY: That's right. I mean, the policies are stored in sequential form.

THE COURT: Why is it you can't use that prefix to extract from the group everything that bears CGL or anything else? I don't understand what you're talking about. Because you were already able to search by policy number.

MR. SHEALY: You're able to search by policy number, and as I understand it, they're stored sequentially. Some policy numbers have a prefix. But it's not that the prefixes are all in one place, they're all intermingled. But you can tell, as you get to a policy number with a particular prefix, well, this one doesn't apply. But it's just in the middle of everything else. That's the problem. One of the problems.

THE COURT: Mr. Shealy, if you could search to get a particular policy number, then why can you not search to get everything that's CGL?

MR. SHEALY: Well, theoretically, we could

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have done that, but, Your Honor, your order of May 2022 told us to send everything immediately to the vendor. And you adopted the third option that Ellis & Winters --

THE COURT: Shame on you all if that's the argument I'm getting now. Those options were all developed by you all in, A, trying to get the quickest way we could do of getting segregated out the policies that were really at play here. And the reason to do that rather than go through each one of them by hand was because Ellis & Winters told us that would save you all money.

Please do not now come up with me that my order somehow or another has been the basis for a delay in being able to get this information. That's outrageous.

MR. SHEALY: Your Honor, please don't misunderstand me. Ellis & Winters' option three said that the third option is to select a subset of commercial microfiche cards to image solely by eliminating certain parts of every prefixes that correspond to nonresponsive policy types such as commercial, auto, inland marine, business owner.

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THE COURT: I'm looking right at it. It says on February the 15th and 25th, Ellis & Winter interviewed a Penn National representative via Zoom for answers to certain questions related to Penn National's policy number prefixes, methods for assigning policy numbers and identification of nonrenewed commercial policy records stored in microfiche form. Penn National also discussed certain inventory details specific to microfiche.

All right. That's the discussion about that thing.

MR. SHEALY: Your Honor, option three is on page 4.

THE COURT: Option three -- where is it? I'm not seeing it.

MR. NES: Your Honor, may I approach?

MR. SHEALY: I'm happy to hand up.

MR. NES: I have an extra copy. I believe he's looking at a different letter. This is a letter from Ellis & Winters.

THE COURT: Option three. And this, again, is options to try to image and review these policy numbers and try to narrow down the policies to save Penn National money. That's

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what this is all about. And option three, which was not, by the way, the one that was advocated for by the receiver.

MR. SHEALY: That's right.

THE COURT: Any commercial line policies microfiche cards eliminating certain cards solely by policy prefix. That's the heading of it.

MR. SHEALY: Yes, Your Honor.

THE COURT: A third option is to select a subset of commercial nonmicrofiche cards to image solely by eliminating certain cards bearing prefixes that correspond to nonresponsive policy types. This option does not narrow the search by imposing canceled, nonrenewed date limitations.

Ellis & Winters anticipates this option will more be more labor intensive and not able to accurately estimate the number of policies on microfiche cards to image via this option. Right?

MR. SHEALY: That's right. That last sentence is particularly important. It's the labor intensity that it takes that adds more time. That Ellis & Winters doing its job as

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directed in this Court's order tried to shorten that time.

THE COURT: Okay. That's over a year ago. In fact, that's a year and several months ago.

MR. SHEALY: Understood. Understood. Your Honor, your order became final when the appeal ran its course. And so we've been working as hard as we can to --

THE COURT: That shouldn't have anything to do with this order because this order continued to be in existence without regard for what you were appealing setting the date of the --

MR. SHEALY: This was the earlier appeal on this order. Of this order itself.

THE COURT: Oh, so you just quit everything when you were appealing?

MR. SHEALY: No, Your Honor. But, again, the point is that while Ellis & Winters did do as instructed in the Court's order and did come up -- try to come up with a methodology that would segregate out the nonresponsive policies, it just hasn't borne out that it's saving time or expenses for Penn National. It's just not working as all of us thought.

THE COURT: And apparently that didn't even

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occur to you that that's a possibility until February or March of this year. So you've had more than a year after option three was picked, unless you just decided not to do anything while these nonmeritorious appeals were being pursued, you didn't decide that you -- you turned over all the stuff you said immediately to the vendor as soon as you picked them.

MR. SHEALY: As fast as -- we got -- it was already in the vendor's hands before he lapsed. There was some discussion about us sending it to them serially in sets. We sent it all. We didn't want any delay in the process.

Your Honor, the vendor then -- they wanted us to go with the work sign. We turned that around within a day. They wanted -- we've turned around whatever documentation they wanted us to sign and execute so that they can do their job. It just hasn't turned out what was envisioned as the vendor has been able to deliver that. And so that's --

THE COURT: What it all resolves around, among other things, is that somebody did not tell this Court the truth about these prefixes. Everything was predicated on trying to reduce

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the volume of this pass to save Penn National money. And the prefixes were going to be the key to that. And now it turns out that that doesn't help do anything, correct?

MR. SHEALY: Well, I mean, it would narrow both the size of the database. But, ultimately, you know, as fast as computers work, whether you're searching against 400,000 policies or 300,000 policies, you still get the result.

THE COURT: Mr. Shealy, this was -- the prefixes were presented to this Court as a way of taking out of the lump of things that had to be digitized by the vendor anything that was not a commercial general liability policy. That was the whole point of you all coming up with that as the great new fix a year and a half ago or more.

And now I'm being told, now that these materials have been in the vendor's hands for some time, that, first of all, it's too big a problem because there's no way to narrow these microfiche before they start digitizing them. Which was -- means that the whole story we've been told for several years now almost, that there was a way to narrow these policies down by

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the prefixes that you all used turns out to be not true. Correct?

MR. SHEALY: Well, there is a way to narrow it down. It just takes a long time.

THE COURT: No. You have to digitize all of it before you can narrow it down. That's the way. You told us beforehand that those prefixes could be used to reduce the size of the digitization task in front of you. That turns out to be not true.

MR. SHEALY: Respectfully, that's what Ellis & Winters told you. I mean, that's their --

THE COURT: I know it's never Penn National's fault. It's always somebody else's.

MR. SHEALY: I'm not trying to cast blame, Your Honor, on anybody. Ellis & Winters has done its level best, as has everybody that's been involved in this, to get through this process. I recognize this is taking a long time. And we're --

THE COURT: So what is your current estimate of how long it's going to take to get this material in form to search it for commercial general liability policies?

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MR. SHEALY: Your Honor, we -- all I can report is the same thing that Mr. Nes reported to you is what the vendor is telling us is that it will take an estimate of eight months.

At the beginning of this process, the vendor said that it was able to scan a hundred to 150,000 fiche a month. And it's scanning at the rate of 7,500 to 10,000 fiche a week. It's far slower than we were led to believe.

So, I mean, we understand that the receiver is looking for this Court's help in trying to speed the process along. We're certainly willing to do what we need to do to make that happen.

THE COURT: Eight months is way too long. What I anticipated is that we would, again, at the end of the year, before the start of next year, set this case and try this case. And now you're telling me that a process, that despite my best efforts to have the receiver involved in it completely from day one, has resulted in the receiver being excluded from the process of picking a vendor. Then told what turned out to be false about how quickly these things could be digitized.

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And now we still got a situation that's the only -- you said, oh, now, we're going to let you see all this stuff. I don't know what they would do with it other than to take it out of the hands of your vendors, find a vendor that could do it more quickly and employ that vendor and charge it to you all. I don't know what else to do.

MR. SHEALY: Your Honor, again, this is not "we." We didn't select this vendor. This is not our vendor.

THE COURT: No, sir. I cannot conceive -- I cannot conceive that your defense counsel, Ellis & Winters did not consult with you. Please don't make me have to institute an investigation to find out about that.

I am assuming that since Ellis & Winters is defense counsel, that they would have consulted with you before they hired this particular vendor.

MR. SHEALY: Your Honor, Ellis & Winters did exactly what your order said for them to do. They followed your order.

THE COURT: Well, I'm not asking whether they followed the order. Did they consult with

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you about who to select?

MR. SHEALY: They told us who it was.

THE COURT: You all were involved in the process of selecting this vendor without a doubt. And what we're being told now is blame Ellis & Winters that this vendor cannot produce the way we thought it should produce. But please don't blame us, Penn National. I can't accept that.

MR. SHEALY: Your Honor, I, again, do not mean to cast blame --

THE COURT: Don't do it.

MR. SHEALY: -- at Ellis & Winters. And I want the record to be clear that we're not doing that. And the reality is just that what all of us were told would happen is not -- the performance is just not reaching the -- what we were told on the front end.

And so to the extent that something else needs to happen to make this process faster, we're as interested in that as the Court is, as the receiver is.

THE COURT: It has been five years that we've been asking Penn National to get its records in order so that information can be

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given to this Court as well as the federal court in North Carolina about Covil policies and other policies where it is a benefited entity for coverage.

And here we are now, five years later, and what you are telling me is once more, what we told you was not accurate and not correct and now we got this vendor but they can't do what they said they could do and it's not our fault once more.

There have got to be other remedies available to this Court to -- this is a basic discovery dispute. Lord knows what's going to happen when we ever try this case. But this Penn National has interposed invalid, nonmeritorious appeals and every other vehicle it can think of to interpose in what is a simple circuit court enforcement of a simple coverage order with regard to policies of a national insurance company.

This is not acceptable. I want to understand from you and from the representatives you have brought here what can be done. I don't want these policies eight months from now. I want this information within a month. Because I

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then have to do some things after these people look at these policies to see whether there is coverage and then make some construction decisions about these policies.

This is a coverage dispute between this entity and your company. And first we have to figure out what the ambit of that coverage is. That's what this discovery is all about.

But then I've got to look at these policies and make decisions about two of the nonjury issues about which the plaintiff has asked for a declaration. And that is what do the coverages cover? What kind of coverage language are you using?

I can make a pretty good bet based on years as to what the coverage probably is. And I can make a pretty educated bet based on the couple of policies that we do have, but that is not good enough to dispose of this margin of the assets of this receivership as would normally be done. And you have now spent five years frustrating the efforts of the federal court and this Court on several different levels to get this basic question answered.

So I'm just at my wit's end about what to

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do about how to move this thing forward. Conventional politenesses and even compelling orders have not apparently done any good.

Have you got some suggestion that is not just we've got an agreement that says eight months, throw up our hands, there's nothing we can do?

MR. SHEALY: Yes. I certainly don't take that position at all, Your Honor. I mean, I think the receiver has made some suggestions that could make this go faster. I mean, we are just as interested as the receiver making this go faster.

THE COURT: What suggestion has the receiver made that you embraced?

MR. SHEALY: I don't know what the Court has in mind.

THE COURT: They suggested buy some more equipment. That may shorten the period of time. You know, they made various suggestions about what to do to push this process forward, but having Ellis & Winter kind of monitoring it and not having any reports come from you all unless it's on the eve of another confrontation with me is not moving the ball down the field a bit.

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MR. SHEALY: Well, I mean, if the Court orders that the --

THE COURT: I've ordered a lot of things, and the basic thing I've ordered has not been complied with through now about five orders compelling.

MR. SHEALY: If the Court's order is that another vendor be brought in, if the Court's order that more equipment be purchased, Penn National will comply.

THE COURT: The Court's order is going to be this material has got to be in their hands at a certain moment in time. That's the only thing I know to do. I can't get into the details of why this hadn't worked, but I know that even when we had this idea of trying to help them not spend a whole bunch of money in these prefixes, that's turned out to be totally untrue and hasn't pushed the ball down the field. We spent almost two years with that as the star in -- a fixed star. But I'm not going there anymore. I'm not going to get down into the details of how this is accomplished.

I'm going to set some deadlines, and if they're not followed, then there are going to be

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some requests with respect to determining your liability in these matters based on sanction orders rather than on a look at policies. Which is what I would much prefer to do. Like it's normally done in declaratory judgment action. They're not strung out as this one has been.

MR. SHEALY: Understood.

THE COURT: I'm going to turn back to you for a minute, Mr. Nes. What specific suggestions have you got to get this past the posture it is now? I'm going to go back on this attorneys fee thing in a minute and see what the scoop is there. But with regard to what we can do now.

MR. NES: Your Honor, a couple of issues. The first in terms of the speed and the timing.

THE COURT: Yes, sir.

MR. NES: We propose one of two ways the Court can handle it. The first would be to authorize Ellis & Winters to hire an additional vendor so that it's not all on BMI to have to process this 400,000. So it essentially will just divide the workload, it would go much faster.

The second way would be for the current

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vendor, BMI, to purchase additional equipment, use that equipment, and then when they're done with it, there's a resale market. So Penn National will have to pay the front-end cost of buying the equipment, but then would essentially get the money back to the extent there's any resale value.

We've asked the vendor to look into that and actually get us specific figures. The vendor reached out to the manufacturer. We're still waiting to hear back.

So we -- you know, a bottom line, we would like this to be done within 60 days. To the extent that the Court wants to look at this in terms of time frame --

THE COURT: I don't want to be involved with any specifics of having to pick vendors and pick approaches to things. I don't think that ought to be the Court's role in this matter. What the Court needs to do is go on and set some dates that are firm and fixed dates for the receiver of this material.

MR. NES: Yes, Your Honor. We would suggest 60 days with a direction to Ellis & Winters that they need to find additional

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resource either through hiring another vendor or using more capacity with the current vendor.

But I think Ellis & Winters is well aware of the issue. If this Court were to issue such an order, we can notify them immediately and start meeting and conferring with them.

THE COURT: Today is June -- 60 days will be July, August. And then I'm just trying to sit here and think how that would move forward in terms of scheduling this nonjury matter for trial.

MR. NES: Your Honor, we believe that the current nonjury trial could go forward, if needed, without the processing of this data. If it is the case that additional policies are discovered, the Court's direction with respect to the two known policies, as well as issues on spoliation may provide guidance with whatever is found.

We would obviously, in an ideal world, like to have that resolved prior to a bench trial, but we do not believe that this process should hold up in any way the setting of nonjury trial as it was set back in December.

THE COURT: Mr. Shealy, are you all going

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to take this thing to the Supreme Court? I want to know that now before I get into the foolishness of setting something and then having it disrupted and interpreted again. If you need some time to consult with your people, do that.

MR. SHEALY: Since we got the order yesterday, we just haven't finished our discussions about that. I think there is -- I mean, I don't want to be cagey with it, but I think there's a likelihood that that will happen.

THE COURT: That you will appeal to the Supreme Court?

MR. SHEALY: Yes, Your Honor.

THE COURT: On what basis?

MR. SHEALY: Your Honor --

THE COURT: Other than to delay this proceeding from going forward.

MR. SHEALY: No, Your Honor. The basis is that we raised -- is that the mode of trial is a fundamental right guaranteed by the state constitution. And if we don't -- if we don't continue the appeal to its conclusion, then we could be deemed to have waived the --

THE COURT: That's so foolish and you know

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it. If the appellate court -- all the appellate court is saying is our rules do not permit us to review this nonappealable matter. If the mode of trial turns out to be offensive to your constitutional rights, that would be remedied by an appeal after the matter is tried.

And that's what our rules very clearly say and have said for many, many years. And that is why the Court of Appeals has dismissed these things as interlocutory. We are a strict state in that regard. The federals don't operate that way. Some other states don't operate that way. But South Carolina does. And our rules have been very clear and the decisions.

And one of the unfortunate outcomes of this asbestos docket that I've been trying to manage is that many out-of-state corporations, who don't like being forced to trial, come in here and try to disrupt the way this docket is set up by appealing nonappealable orders.

My guess is that one of these days the Supreme Court is going to make some further rule about a more expeditious way of deciding those things and some penalties for appealing things that aren't appealable.

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But that's what you're doing now. Don't give me, for one minute, this thing of constitutional rights. I respect those completely. But our procedure allows those to be explored after you have actually suffered the damage; that is, a trial has occurred and a result has been declared. And that's what this is and this declaratory judgment now. So it remains the same as it has possibly been before.

But if you tell me right now that you are going to appeal it, then I will just have to take that into account in deciding what to do about this thing. But my prediction is that the Supreme Court will make the same ruling that it has made in countless of these other cases that involve this docket, not just this particular matter but many other matters. I think you are well aware of those.

MR. SHEALY: I am well aware of those rulings, Your Honor.

Mr. Nes brought up the Motion for Reconsideration of your order coming out of the April --

THE COURT: Yes, sir.

MR. SHEALY: -- hearing. Your Honor has

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not ruled on that. I don't want to jump the gun because you haven't ruled on that, but if the Court denies that motion, it is Penn National's intention not to immediately appeal that order if it is entered because the Court of Appeals has spoken quite clearly very recently that that would be interlocutory inappropriate.

We recognize the distinctions, Your Honor. And I want to let Your Honor know that. It seems odd to even say that because you haven't ruled on the motion to this point, but I will tell you that.

THE COURT: All right. Here's what I will do. Take the setting of trial first. I am going to set this matter for trial, and I will pass an order to this effect, when Zitel and I get back in the office. I will set this matter for trial for September 11th, 2023, or some sequence of days within that week.

So I'm -- I'm imagining that both Mr. Robinson and Mr. Nes, Ms. Cundari, and Mr. Shealy, and those interested have got calendars available. I want you to look right now at those calendars, Mr. Protopapas, look right now at your calendars and see what can be done.

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I've got August the 6th would be the 60th day from this. And I'll just be candid with you, that gets into the time I am on a vacation with my family at the beach. Involves my 80th birthday and my children -- my husband's and my 56th anniversary. And I'm not going to stick a trial in the middle of all that.

Right after that, I've got the August trial block. So I'm going to look in September. That's why I'm looking at that date. I'm not firm on that, but you all look over the horizon and if you see anything that absolutely puts that in a no-no category at least for purposes of these discussions.

Kirby?

MR. SHEALY: We have no issues on this end.

THE COURT: No complete firing no-no on any of that.

How about Mr. Nes, Mr. Robinson, Ms. Cundari?

MR. NES: No issue, Your Honor.

MR. ROBINSON: Your Honor, Mr. Smith does have --

THE COURT: Mr. Smith, that's another -- that's the reason we do this when it's not a

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legislative session.

MR. ROBINSON: Yes, Your Honor. He does have some legislative holds on his calendar toward the latter part of that week. But if it were probably Monday, if we could start on the 11th, I do think we would probably get through it.

THE COURT: Okay.

MR. ROBINSON: Arrange around his schedule.

THE COURT: You could also go to the 18th. I'm trying to avoid Rosh Hashanah and Yom Kippur. I don't know how that affects anybody, but I'm trying to pick a week when that's not at play.

MR. ROBINSON: I think the 11th would be better for those two weeks for his calendar, Your Honor.

THE COURT: Before that, you get into Labor Day.

All right. I'm going to tentatively put that down. Let's back up some and see if there's any way to deal with this thing.

I'll just be honest with you, I am reluctant to start again ordering Ellis & Winters to do this, that, or the other and

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directing this, that, or the other be done.

You all are well aware of what the Court would grant, which is the fastest way that is possible to get this material digitized in such a way that can be searched. That's what I'm after.

If the matter is going to be tried, I know we've got some exemplar policies we use. It would be a far better thing if we were able to have a universe of policies by then. And that might influence what exemplars we would pick out of the universe if there happen to be some different ones. That often tends to happen when you have a big bulk policy.

I've done a couple of cases where we had to deal with that kind of issue. It's better if we cannot tie ourselves just to the ones picked out of desperation because it's the only ones you have. See what I'm saying?

So then the question becomes what, without grinding everything to a financial halt, can you do? You've got to have a little time after you get this material to digest it and do whatever you have to do with discovery.

All right. Target for digitizing this

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material and being able to search for it is July the 31st. Close of business, July 31st. Whatever it takes to do that needs to be done.

With respect to the only other thing that's kind of on the plate right now, which is Covil's attorneys fees, I haven't looked at that file in the last little bit, but Mr. Robinson, Ms. Cundari, will one of you all speak with me for a minute about the posture of that?

Mr. Shealy has indicated that they're not going to take immediate appeal of that.

Is there some need for further -- the challenge they make is the usual kind of challenge as to attorneys fees. Is there need to have more specification with regard to the normal Glasscock factors?

Although Glasscock is a very imperfect instrument with something like this. It's not a domestic relations case, but it has -- the proposed order that's been submitted to me taken into account, not just in generalized terms, but in specific terms, the experience of the attorneys, the reasonableness of the fees, it looked to me as if they were in concert with what's normally charged and what I've been

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approving in other complex litigation like this. Has all that been detailed? Is the order just a more general attorney fee order?

MR. ROBINSON: Your Honor, as you may recall, we had a hearing on our motion --

THE COURT: That's correct.

MR. ROBINSON: -- for attorneys fees. At that hearing, opposing counsel pointed out what they perceived to be some issues with the Glasscock factors.

THE COURT: That's correct.

MR. ROBINSON: Subsequently to that hearing --

THE COURT: You all sent an order.

MR. ROBINSON: -- we sent a proposed order as well as amended --

THE COURT: Backup stuff with appropriately redacted where it needed to be, but backup stuff that showed exactly how the hours and times were calculated, right?

MR. ROBINSON: Correct, Your Honor. We also amended affidavits and also sent a proposed order which addressed all the Glasscock factors as the Court had instructed. The Court issued an order. The Penn National moved --

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THE COURT: Moved for reconsideration.

MR. ROBINSON: We have fully briefed that now. We filed our brief in response to their motion last week. They raised nothing new, as we've indicated in our brief. And we believe it is ripe for the Court's consideration on their motion to reconsider.

THE COURT: I got it now. What I have not looked at is what came in last week, which is the proposed -- not proposed order, but the response to the reconsideration. I will do that. I will get on that and get that order out within the next day or two.

MR. ROBINSON: Thank you, Your Honor.

THE COURT: And if I need to make any adjustments, I'm not going back. If you decide to do that, I'll just make them and that will be my order.

MR. ROBINSON: Thank you, Your Honor.

MR. SHEALY: Thank you, Your Honor.

THE COURT: Okay. I can't do anything else about what else is going to happen with the appeal of these things to the South Carolina Supreme Court. But that's just going to be up to the parties. I'm sure if you all do that,

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some very fierce filings will be made by the other side about the need for quick consideration. And that, frankly, is one reason why I am setting these deadlines so those targets will be in mind in terms of what the trial court intends to do.

But I will certainly assure you that if such a thing is filed, I, of course, will not move forward with those things until -- with the trial of the thing. However, I do not think anything you were able to file is going to interfere with your ability to try to resolve this discovery thing. So I will continue to expect that the deadline the end of July, which I want you to put in on short order, Mr. Nes.

MR. NES: Yes, Your Honor.

THE COURT: Share it with Mr. Shealy and then send it to me. That I expect to be met. Because I don't think that's in the parameter of what's being asked that would be being asked of the South Carolina Supreme Court about this thing. That's ongoing discovery that needs to continue to pick up and move towards conclusion.

MR. SHEALY: We understand.

THE COURT: You understand that. That's no

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affront to you all. That's just -- I've at least got to get that piece of it moving forward.

Okay. Now, I've said what I need to say. I'm sorry for the big lectures. I have complete and ultimate respect for every lawyer that's appearing in this thing.

And I say that particularly to you, Mr. Shealy, and to Mr. Yntema. And please express to Brad my concern for him. I know his health has been an up-and-down matter during the course of this litigation. Tell him to take care of himself. And if he needs any kind of special accommodations related to his health, I will grant it without question.

MR. SHEALY: Thank you, Your Honor.

THE COURT: And to my friends from Penn National, I don't mean to be lecturing or casting aspersions on a very fine national insurance company, but this is a matter of tremendous frustration to me.

I have come out of retirement to handle this very complex docket, and I love doing it. I enjoy it very much. But this kind of roadblock in normal court procedure just is a

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source of frustration.

But I don't mean for that frustration to carry over even when you assert things that I don't consider meritorious. This is the American judicial system, and I respect it. And I respect you.

All right. Nothing further?

MR. SHEALY: Thank you, Your Honor.

THE COURT: Okay.

- - -

(The hearing concluded at 12:20 p.m.)

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CERTIFICATE OF REPORTER

I, Sheri L. Byers, Registered Professional Reporter and Notary Public of the State of South Carolina at Large, do hereby certify:

That the foregoing proceedings were taken before me on the date and at the time mentioned on page 1 and the proceedings were recorded stenographically by me and were thereafter transcribed under my direction; that the foregoing transcript as typed is a true, accurate and complete record of the proceedings to the best of my ability.

I further certify that I am neither related to nor counsel for any party to the cause pending or interested in the events thereof.

Witness my hand, I have hereunto affixed my official seal this 13th day of June, 2023, at Lexington, Lexington County, South Carolina.

_____

Sheri L. Byers,
Registered Professional Reporter,
Notary Public
State of South Carolina at Large
My Commission expires:
October 30, 2023

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EXHIBIT 2

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ELECTRONICALLY FILED - 2023 Aug 16 2:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Company, *et. al*, Defendants.	C.A. No. 2020-CP-40-02098 **SCHEDULING ORDER**

This matter came before the Court on June 7, 2023, for a status conference. Present at the status conference were Kirby D. Shealy, III and David L. Brown for Pennsylvania National Mutual Casualty Insurance Company ("Penn National") and W. Brad Nes, Jonathan M. Robinson, Tina Cundari, and Shanon N. Peake for Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas ("the Receiver"). Karen Yarrish and Boyd Wright, representatives from Penn National, and the Receiver were also present. Prior to the status conference, the Receiver and Penn National submitted reports to the Court regarding the status of Penn National's digitization and production of microfiche cards as ordered by the Court on May 5, 2022.[1] The Court has reviewed the status reports and discussed this ongoing discovery matter with counsel. The Court hereby enters the following scheduling order:

1. Penn National shall complete the digitization of the microfiche cards and provide access to a searchable database containing all digitized material to the Receiver by July 31, 2023.

[1] Penn National appealed this order to the Court of Appeals and Supreme Court. However, the appeals were dismissed by the appellate courts as interlocutory, and the discovery matter has been remitted back to this Court.

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2. This matter will be set for trial on September 11, 2023.

IT IS SO ORDERED.

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Richland Common Pleas

Case Caption: Covil Corporation By And Through Its Receiver , plaintiff, et al vs Pennsylvania National Mutual Casualty Insurance Co , defendant, et al

Case Number: 2020CP4002098

Type: Order/Scheduling Order

So Ordered

Jean H. Toal

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EXHIBIT 3

Part 1

AU

219 01 85

16

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- 2980 -

DECLARATIONS

POLICY NO. AU9 0 01 85 169

BUSINESS AUTO COVERAGE FORM
NON-ASSESSABLE

REINSURANCE ☐
SCHEDULE RATED ☐
EXPERIENCE RATED ☐
INSTALLMENTS ☐
INTERIM AUDIT ☐
AUDIT ASSIGNED ☐

Pennsylvania National Insurance Companies

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

(DATE)

REGIONAL OFFICE: CBO

IN LIEU OF: 130

RATING PLAN	PROGRAM	MARKETING PLAN	PROFIT SHARE	VOLUNTARY
03	87	99	00	8

ITEM ONE. INSURED'S NAME AND MAILING ADDRESS (IF INDIVIDUAL, LAST NAME FIRST)

Covil Corp., Inc. (See 70-53)
P.O. Box 1894
Greenville, Greenville, SC 29602

RISK TYPE	RISK CLASS	RISK SIZE	EMPLOYEE NUMBER
2	3	0000	6567

POLICY PERIOD: *POLICY COVERS FROM: 3/31/88 TO: 3/31/89
12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE INSURED AS STATED HEREIN

AGENT: Sam J. Crain & Co., Inc.

AGENCY NUMBER: 22 6729
ISSUING DATE: 5/20/88dp
PRODUCER I.D.: 025

POLICY NO.

FORM OF NAMED INSURED'S BUSINESS: ☒ CORPORATION; ☐ PARTNERSHIP; ☐ INDIVIDUAL OR ☐ OTHER

NAMED INSURED'S BUSINESS: Insulation Contractor

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

ITEM TWO. SCHEDULE OF COVERAGES AND COVERED AUTOS.

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES		COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Business Auto Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS		PREMIUM
LIABILITY		1	$ 1,000,000		$ 20,391.00
PERSONAL INJURY PROTECTION (P.I.P.) (or equivalent No-fault coverage)		5	SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS $ DED.		$ 178.00 $
ADDED P.I.P. (or equivalent added no-fault coverage)			SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT		$
AUTO MEDICAL PAYMENTS		6	$ 1,000,000		$ 609.00
UNINSURED MOTORISTS		6	$ 1,000,000		$ Incl.
UNDERINSURED MOTORISTS		6	$ 1,000,000		$ Incl.
COMPREHENSIVE	PHYSICAL DAMAGE COVERAGE	7	SEE APPLICABLE DED. BELOW. NO DED. APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS DED. FOR EACH COVERED AUTO	$ 5,177.00
SPECIFIED CAUSES OF LOSS			$ 25 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		$
COLLISION		7	SEE APPLICABLE DED. BELOW		$ 9,920.00
TOWING AND LABOR			$ FOR EACH DISABLEMENT OF A PRIVATE PASSENGER AUTO		$
				TOTAL PREMIUM ITEM TWO ▶	$ 36,275.00
				PREMIUM FOR ENDORSEMENTS *	$ 27.26
				Inst. Svc. Fees	$ 16.00
				SC Road Tax	$ 18.00
				ESTIMATED TOTAL POLICY PREMIUM	$ 36,336.26

FORMS AND ENDORSEMENTS CONTAINED IN THIS POLICY AT ITS INCEPTION
CA130 1/87, CA0001 1/87, 70-53, IL0017 11/85, IL0021 11/85, CA2119 1/87, 70-2223 CA0230 1/87, CA0150 1/87, CA2241 1/87, 70-388 (7), CA2001 1/87, NCRF 4/87, 70-1984, CA2116 1/87, CA0126 1/87, CA2171 1/88, CA0029 1/88

CO. USE ONLY: 10ABC-096, 10D-096, 20-096

*NCRF 4/87

ITEM THREE. SCHEDULE OF COVERED AUTOS YOU OWN.

COVERED AUTO NO.	DESCRIPTION: Year Model, Trade Name, Body Type, Serial Number(s), Vehicle Identification Number(s)	Stated GVW, GCW or Vehicle Seating Capacity	Original Cost New	CLASSIFICATION: Business Use (S = service, T = retail, C = commercial)	Terr.	Radius of Operation	Code	Sym./ Age
1								
2								
3	See 70-1968							

COVERAGES-PREMIUMS, AND DEDUCTIBLES (Absence of a deductible entry in any column below means that the deductible entry in the corresponding ITEM TWO column applies instead).

COVERED AUTO NO.	LIABILITY PREMIUM	P.I.P. PREM.	ADDED P.I.P. PREMIUM	AUTO MED. PAY. PREMIUM	U.M. PREMIUM		COMPREHENSIVE $ DED.	COMPREHENSIVE PREMIUM	SPECIFIED CAUSES OF LOSS PREMIUM	COLLISION $ DED.	COLLISION PREMIUM	TOWING & LABOR PREMIUM
1												
2	See 70-1968											
3												
TOTAL PREMIUM												

THIS POLICY PROVIDES LIMITED COVERAGE FOR POLLUTION LIABILITY. READ YOUR POLICY CAREFULLY.

* INFORMATION OMITTED IF SHOWN IN COMMON DECLARATIONS.

CODED BY BR CB0

FORM 70-1963 (ED. 1/87)

Countersigned By _____ AUTHORIZED REPRESENTATIVE

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AUTHORIZED REPRESENTATIVE

PAGE 1 OF 3

FORM 10-1563 (ED. 1/93)

Completed By

CODED BY BR

*INFORMATION OMITTED IF SHOWN IN COMMON DECLARATIONS

THIS POLICY PROVIDES LIMITED COVERAGE FOR POLLUTION LIABILITY. READ YOUR POLICY CAREFULLY.

NO. COVERED	SYMBOL	PERIL	HAZARD	AUTO NO.	LOCATION NO.	COVERAGES	AGENCY NUMBER	CONTRACT NUMBER
1								
2								
3								

COVERAGES-PREMIUMS AND DEDUCTIBLES

NO.	DESCRIPTION	CLASSIFICATION	CODE	PREMIUM BASE	RATE	ADVANCE PREMIUM
1						
2						
3						

ITEM THREE SCHEDULE OF COVERED AUTOS AND GMV

CO. USE ONLY	SYMBOLS FOR DESCRIPTION OF COVERED AUTOS
	1=ANY AUTO, 2=OWNED AUTOS ONLY, 3=SCHEDULED AUTOS, 4=HIRED AUTOS, 5=NON-OWNED AUTOS, 6=OWNED PRIVATE PASSENGER AUTOS ONLY, 7=OWNED AUTOS OTHER THAN PRIVATE PASSENGER AUTOS ONLY, 8=OWNED TRUCKS, TRACTORS AND TRAILERS, 9=OWNED AUTOS SUBJECT TO NO-FAULT, 10=OWNED AUTOS SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW

FORMS AND ENDORSEMENTS CONFORMED TO THIS POLICY AT ITS INCEPTION

		$	ADD EACH DISAGREEMENT OF A COMPANY ASSESSED RATIO	$
		$	JOINT UNDERWRITING FUND CONTRIBUTION	$
		$	PREMIUM FOR ENDORSEMENTS	$
		$	INSP. CHGS. PAID	$
		$	DR. ACCT. FEES	$
		$	TOTAL ADVANCE PREMIUM	$ 36,338.00

TOWING AND LABOR	1	SEE APPLICABLE DED BELOW		$
COLLISION		CAUSED BY MISCHIEF OR VANDALISM $ 50 DED FOR EACH COVERED AUTO FOR LOSS		$
SPECIFIED CAUSES OF LOSS	1	CAUSED BY FIRE OR LIGHTNING SEE APPLICABLE DED BELOW NO DED. APPLIES TO LOSS		$ 2,777.00
COMPREHENSIVE				$ INCL.
UNDESIGNATED MOTORISTS	6	$ 1,000,000		$ 20.00
UNINSURED MOTORISTS	6	$ 1,000,000		$
AUTO MEDICAL EXPENSES		$		$
MODED P.I.P.	5	$		$ 116.00
PERSONAL INJURY PROTECTION (PIP)	1	$ 1,000,000		$ 50,301.00

COVERAGES	CODED	LIMIT	PREMIUM
LIABILITY	1	$ 1,000,000 THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	

ITEM TWO SCHEDULE OF COVERAGES AND COVERED AUTOS

IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL THE TERMS OF THIS POLICY WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY

NAMED INSURED'S BUSINESS: Transportation Contractor

FORM OF NAMED INSURED'S BUSINESS: ☒ CORPORATION ☐ PARTNERSHIP ☐ INDIVIDUAL OR ☐ OTHER

P.O. Box 5294 • Hattiesburg, MS 39406
Pennsylvania National Mutual Casualty Insurance Company

National Interstate Insurance Company

DATE

AUDIT ASSIGNED ☐
INTERIM AUDIT ☐
INSTALLMENTS ☐
EXPERIENCE RATED ☐
SCHEDULE RATED ☐
REINSURANCE ☐
NON-ASSESSABLE
COVERAGE FORM
BUSINESS TYPE

DECLARATIONS

POLICY NO. A 0 0 1 8 5 5 0 5

AGENT

Gem J. Crotin & Co., Inc.

AGENCY NUMBER 55 0169

ISSUING DATE 2\20\1999 052

POLICY PERIOD: FROM 3\31\99 TO 3\31\00
12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE INSURED AS STATED HEREIN

NAME AND ADDRESS OF INSURED (No., Street, Town or City, County, State and Zip Code)

Gravity Corp., Inc. (See 10-23)
P.O. Box 1801
Greenville, Greenville, SC 29605

FROM	TO	CODE	SYMBOL
03	00	0000	2221

AUDIT PERIOD

FOR MAIL INSURED NAME AND MAILING ADDRESS IF DIFFERENT FROM ABOVE

RESIDENT AGENT

AGENT

POLICY NO.

A	0	0	1	8	5	5	0	5			

POLICY NO.

DECLARATIONS – BUSINESS AUTO COVERAGE FORM – (Continued)

POLICY NO. _____

ITEM FOUR. SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS.

LIABILITY COVERAGE - RATING BASIS. COST OF HIRE

STATE	ESTIMATED COST OF HIRE FOR EACH STATE	RATES PER EACH $100 COST OF HIRE	FACTOR (If liability coverage is primary)	PREMIUM
T39-073	if any 6619	.754		$ 29. mp

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

PHYSICAL DAMAGE INSURANCE

COVERAGES	LIMIT OF INSURANCE-THE MOST WE WILL PAY / DEDUCTIBLE	RATE	MINIMUM PREMIUM	PREMIUM
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR $ WHICHEVER IS LESS MINUS $ DED. FOR EACH COVERED AUTO. BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING		$	$
SPECIFIED CAUSES OF LOSS	ACTUAL CASH VALUE, COST OF REPAIRS OR $ WHICHEVER IS LESS, MINUS $25 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM		$	$
COLLISION	ACTUAL CASH VALUE, COST OF REPAIRS OR $ WHICHEVER IS LESS, MINUS $ DED. FOR EACH COVERED AUTO		$	$
			TOTAL PREMIUM ITEM FOUR ▶	$ 29. mp

5% Sch. Cr., 1% Exp. deb.

PHYSICAL DAMAGE COVERAGE for covered "autos" you hire or borrow is excess unless indicated below by "[x]".

☐ If this box is checked, PHYSICAL DAMAGE COVERAGE applies on a direct primary basis and for purposes of the condition entitled OTHER INSURANCE, any covered "auto" you hire or borrow is deemed to be a covered "auto" you own.

ITEM FIVE. SCHEDULE FOR NON-OWNERSHIP LIABILITY

NAMED INSURED'S BUSINESS	RATING BASIS	CLASS	PREMIUM
OTHER THAN A SOCIAL SERVICE AGENCY	EST. NUMBER OF EMPLOYEES: 26-100	6602	$ 72.
	EST. NUMBER OF PARTNERS:		$
SOCIAL SERVICE AGENCY	EST. NUMBER OF EMPLOYEES:		$
	EST. NUMBER OF VOLUNTEERS:		$
		TOTAL PREMIUM ITEM FIVE ▶	$ 72.

ITEM SIX. SCHEDULE FOR GROSS RECEIPTS OR MILEAGE BASIS – LIABILITY COVERAGE – PUBLIC AUTO, LEASING OR RENTAL CONCERNS

PREMIUM BASIS	RATES			PREMIUMS		
☐ Estimated Yearly Gross Receipts	☐ Per $100 of Gross Receipts					
☐ Mileage	☐ Per Mile					
	LIABILITY COVERAGE	P.I.P.	AUTO MEDICAL PAYMENTS	LIABILITY COVERAGE	P.I.P.	AUTO MEDICAL PAYMENTS
				$	$	$
				$	$	$
				$	$	$
				$	$	$
			TOTAL PREMIUMS ITEM SIX	$	$	$
			MINIMUM PREMIUMS	$	$	$

When used as a premium basis:

FOR PUBLIC AUTOS

Gross Receipts means the total amount to which you are entitled for transporting passengers, mail or merchandise during the policy period regardless of whether you or any other carrier originate the transportation. Gross Receipts does not include:

A. Amounts you pay to railroads, steamship lines, airlines and other motor carriers operating under their own ICC or PUC permits.

B. Advertising Revenue.

C. Taxes which you collect as a separate item and remit directly to a governmental division.

D. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing units operated during the policy period.

FOR RENTAL OR LEASING CONCERNS

Gross Receipts means the total amount to which you are entitled for the leasing or rental of "autos" during the policy period and includes taxes except those taxes which you collect as a separate item and remit directly to a governmental division.

Mileage means the total of all live and dead mileage developed by all the "autos" you leased or rented to others during the policy period.

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Pennsylvania National Insurance Companies

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

2983

SCHEDULE OF COVERED AUTOS YOU OWN

BUSINESS AUTO POLICY — GARAGE POLICY — TRUCKERS POLICY

POLICY NO.

UNIT NO.	YEAR MODEL — TRADE NAME Body type; Gross vehicle weight (GVW); Gross combination weight (GCW); Tank gallonage capacity; Bus seating capacity.	SERIAL NO.(S) MOTOR NO.(M) GARAGE LOCATION (TOWN — CITY — STATE)	PURPOSE OF USE* CLASSIFICATION	SYMBOL/AGE COST NEW	Purchased Mo./Yr. NEW (N) USED (U)	RATING TERRITORY RADIUS OF OPERATION	STATISTICAL TERRITORY
34.	1988 Inter. Tractor	1HTL2327?EHD1?425 Greenville, SC	C 365-89	-1 38,000		39-073 Inter.	
35.	1980 Spacemaster Office Trlr.	34587 Greenville, SC	C 68489			39-073 Loc.	

*INDICATE "P & B" FOR "PLEASURE AND BUSINESS", "B" FOR "BUS", "SB" FOR "SCHOOL BUS". FOR COMMERCIAL AUTOMOBILES INDICATE "S" FOR "SERVICE USE", "R" FOR "RETAIL USE" AND "C" FOR ALL OTHERS.

+INDICATE IF STATISTICAL TERRITORY IS OTHER THAN RATING TERRITORY. 5% Sch. Cr., 1% Exp. deb.

SEE LOSS PAYABLE CLAUSE(S) ATTACHED

ENCUMBERED AUTOMOBILES — UNITS NO.

PREMIUMS AND COVERAGES

UNIT NO.	BODILY INJURY AND PROPERTY DAMAGE — COMBINED SINGLE LIMIT	BODILY INJURY AND PROPERTY DAMAGE — SPLIT LIMITS	PERSONAL INJURY PROTECTION	ADDED P.I.P.	MED. PAY.	UNINSURED MOTORISTS		LIMITS OF LIABILITY PHYSICAL DAMAGE (EXCLUDING COLL.)	COMPREHENSIVE $ DED.	COMPREHENSIVE RATE	COMPREHENSIVE PREMIUM	SPECIFIED PERILS RATE	SPECIFIED PERILS PREMIUM	COLLISION (ACV) $ DED.	COLLISION (ACV) PREMIUM
34.	1808.		8.			33.	1.	ACV	100		546.			500	375
35.	87.		1.			—	-								

FORM TO 335 (REV. 8/83)

SCHEDULE OF COVERED AUTOS YOU OWN

Pennsylvania National Insurance Companies

BUSINESS AUTO COVERAGE FORM—GARAGE COVERAGE FORM—TRUCKERS COVERAGE FORM

POLICY NO.

UNIT NO.	YEAR MODEL—TRADE NAME / Body type: Gross vehicle weight (GVW); Gross combination weight (GCW); Tank gallonage capacity; Bus seating capacity.	VIN NO.(S) SERIAL NO.(S) MOTOR NO.(M) / GARAGE LOCATION (TOWN—CITY—STATE)	PURPOSE OF USE* / CLASSIFICATION	SYMBOL/AGE / COST NEW	Purchased Mo./Yr. NEW (N) USED (U)	RATING TERRITORY / RADIUS OF OPERATION	STATISTICAL TERRITORY+
23.	1985 GMC	1GTCE14N4FF70798	S	-4		39-073	
		Greenville, SC	01489	9749		Loc.	
24.	1985 Dodge 4800	1B7FD14T6FS505398	S	-4		39-073	
		Greenville, SC	01489	10,080		Loc.	
25.	1971 Fruehauf Trlr	HPK186705	S	6		39-073	
		Greenville, SC	67489	6000		Loc.	
26.	1985 Ford F150	1FTEF15NFNA42848	S	5-6		39-073	
		Greenville, SC	01489	9000		Loc.	
27.	1985 Ford Van	1FTDF15N5FNA05422	S	-4		39-073	
		Greenville, SC	01489	10,700		Loc.	
28.	1973 Ford 3/4 T. Trk.	V1NF10GCS5093	S	6		39-073	
		Greenville, SC	01489	8500		Loc.	
29.	1973 Totem-All trlr. 45 Ft.	KHC8053	S	-6		39-073	
		Greenville, SC	67489	2054		Loc.	
30.	1987 Inter. 22 ft. Van	1NTLDTVP2HHA25560	C	-2		39-073	
		Greenville, SC	33489	37,713		Loc.	
31.	1987 GMW 528	WBADC840H172231	P&B	-2		39-073	
		Greenville, SC	7398	35,000		Loc.	
32.	1987 BMW I-6	WBEC8402H3265340	P&B	-2		39-073	
		Greenville, SC	7398	50,000		Loc.	
33.	1988 Inter. GVW 32,000	1HTLDTVN4JH553408	C	-1		39-073	
		Greenville, SC	36589	38,000		Inter.	

*INDICATE "P & B" FOR "PLEASURE AND BUSINESS", "B" FOR "BUS", "SB" FOR "SCHOOL BUS". FOR COMMERCIAL AUTOMOBILES INDICATE "S" FOR "SERVICE USE", "R" FOR "RETAIL USE" AND "C" FOR ALL OTHERS.

+INDICATE IF STATISTICAL Tterritory IS OTHER THAN RATING TERRITORY. 5% Sch. Cr. 1% exp. deb.

SEE LOSS PAYABLE CLAUSE(S) ATTACHED

ENCUMBERED AUTOMOBILES—UNITS NO.

PREMIUMS AND COVERAGES

UNIT NO.	BODILY INJURY AND PROPERTY DAMAGE COMBINED SINGLE LIMIT	BODILY INJURY AND PROPERTY DAMAGE SPLIT LIMITS	PERSONAL INJURY PROTECTION	ADDED P.I.P.	MED. PAY.	UNINSURED MOTORISTS	Road Tax	LIMITS OF LIABILITY PHYSICAL DAMAGE (EXCLUDING COLL.)	COMPREHENSIVE $ DED.	COMPREHENSIVE RATE	COMPREHENSIVE PREMIUM	SPECIFIED CAUSES OF LOSS RATE	SPECIFIED CAUSES OF LOSS PREMIUM	COLLISION (ACV) $ DED.	COLLISION (ACV) PREMIUM
23.	578.		8.			33.	1.	ACV	100		86.			500	157.
24.	578.		8.			33.	1.	ACV	100		121.			500	214.
25.	145.		2.			--	--	ACV	100		32.			500	63.
26.	578.		8.			33.	1.	ACV	100		86.			500	157.
27.	578.		8.			33.	1.	ACV	100		121.			500	214.
28.	578.		8.			33.	1.	ACV	100		66.			500	120.
29.	145.		2.			--	--	ACV	100		20.			500	44.
30.	1252.		8.			33.	1.	ACV	100		376.			500	632.
31.	508.		14.			33.	1.	ACV	100		313.			500	598.
32.	508.		14.			33.	1.	ACV	100		485.			500	729.
33.	1808.		8.			33.	1.	ACV	100		546.			500	1375.

FORM 70-1958 (ED. 1/87)

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Pennsylvania National Insurance Companies

SCHEDULE OF COVERED AUTOS YOU OWN

2985

BUSINESS AUTO COVERAGE FORM—GARAGE COVERAGE FORM—TRUCKERS COVERAGE FORM

POLICY NO. _____

UNIT NO.	YEAR MODEL—TRADE NAME	VIN NO.(S) SERIAL NO.(S) MOTOR NO.(M)	PURPOSE OF USE*	SYMBOL AGE	Purchased Mo. Yr.	RATING TERRITORY	STATISTICAL TERRITORY+
	Body type; Gross vehicle weight (GVW); Gross combination weight (GCW); Tank gallonage capacity; Bus seating capacity.	GARAGE LOCATION (TOWN—CITY—STATE)	CLASSIFICATION	COST NEW	NEW (N) USED (U)	RADIUS OF OPERATION	
12.	1976 Ford Van	E03BHC54242	C	6		39-073	
		Greenville, SC	23489	4927		Loc.	
13.	1978 Ford	E37HHAE7908	S	-6		39-073	
	Van	Greenville, SC	01489	4157		Loc.	
14.	1969 Office	WC2425	S	-6		39-073	
	Trlr.	Greenville, SC	68489	5000		Loc.	
15.	1981 Peterbilt	1X202X4BN129692	S	-6		39-073	
	Trac GVW 50,000	Greenville, SC	40489	56,680		Loc.	
16.	1969 Princeton	2432209	S	-6		39-073	
	Semi Trlr.	Greenville, SC	67489	3500		Loc.	
17.	1981 Ford	1FDNF70HXBUJ08126	S	6		39-073	
	F700 Trk. Van GVW 15,000	Greenville, SC	23489	15,600		Loc.	
18.	1984 Inter.	1HTAA19E5EHAJ8059	C	5		32-014	
	Van GVW 27,000	Greensboro, NC	33489	33,176		Loc.	
19.	1088 Inter. Tractor	1HTLCCFN67H568512	C	-1		39-073	
		Greenville, SC	36589	38,000		Inter.	
20.	1984 Dodge	1B7GD14T85527390 7	S	-5		39-073	
	1/2 T. Dkp GVW 9,000	Greenville, SC	01489	10,007		Loc.	
21.	1980 Great Dane	105070	S	-6		39-073	
	45' Trlr.	Greenville, SC	67589	20,400		Inter.	
22.	1980 Great Dane	B18508	C	-6		39-073	
	Trlr.	Greenville, SC	67589	9850		Inter.	

*INDICATE "P & B" FOR "PLEASURE AND BUSINESS", "B" FOR "BUS", "SB" FOR "SCHOOL BUS". FOR COMMERCIAL AUTOMOBILES INDICATE "S" FOR "SERVICE USE", "R" FOR "RETAIL USE" AND "C" FOR ALL OTHERS.

+INDICATE IF STATISTICAL TERRITORY IS OTHER THAN RATING TERRITORY. 5% Sch. Cr. 1% Exp. deb.

ENCUMBERED AUTOMOBILES—UNITS NO. 15 17

SEE LOSS PAYABLE CLAUSE(S) ATTACHED

PREMIUMS AND COVERAGES

UNIT NO.	BODILY INJURY AND PROPERTY DAMAGE COMBINED SINGLE LIMIT	BODILY INJURY AND PROPERTY DAMAGE SPLIT LIMITS	PERSONAL INJURY PROTECTION	ADDED P.I.P.	MED. PAY.	UNINSURED MOTORISTS	Road Tax	LIMITS OF LIABILITY PHYSICAL DAMAGE (EXCLUDING COLL)	COMPREHENSIVE $ DED.	COMPREHENSIVE RATE	COMPREHENSIVE PREMIUM	SPECIFIED CAUSES OF LOSS RATE	SPECIFIED CAUSES OF LOSS PREMIUM	COLLISION (ACV) $ DED.	COLLISION (ACV) PREMIUM
12.	780.		8.			33.	1.	ACV	100		36.			500	704.
13.	578.		8.			33.	1.	ACV	100		24.			500	520.
14.	87.		1.			--	--	ACV	100		24.			500	48.
15.	1816.		8.			33.	1.	ACV	100		457.			500	757.
16.	145.		2.			--		ACV	100		20.			500	44.
17.	780.		8.			33.	1.	ACV	100		124.			500	214.
18.	1348.		--			15.	--	ACV	100		209.			500	365.
19.	1808.		8.			33.	1.	ACV	100		546.			500	1375.
20.	578.		8.			33.	1.	ACV	100		107.			500	188.
21.	173.		2.			--	--	ACV	100		177.			500	301.
22.	173.		2.			--	--	ACV	100		70.			500	126.

FORM 70-1968 (ED. 1/87)

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SCHEDULE OF COVERED AUTOS YOU OWN

Pennsylvania National Insurance Companies

BUSINESS AUTO COVERAGE FORM - GARAGE COVERAGE FORM - TRUCKERS COVERAGE FORM

POLICY NO. 7

UNIT NO.	YEAR MODEL—TRADE NAME Body type; Gross vehicle weight (GVW); Gross combination weight (GCW); Tank gallonage capacity; Bus seating capacity.	VIN NO.(S) SERIAL NO.(S) MOTOR NO.(M) GARAGE LOCATION (TOWN—CITY—STATE)	PURPOSE OF USE* CLASSIFICATION	SYMBOL AGE COST NEW	Pur-chased Mo. Yr. NEW (N) USED (U)	RATING TERRITORY RADIUS OF OPERATION	STATISTICAL TERRITORY +
1.	1952 Kingham Mobile Trlr.	24080 Greenville, SC	S 67489	-6 3000		39-073 Loc.	
2.	1969 Fruehauf Trlr.	AUK215020 Greenville, SC	S 68489	-6 4250		39-073 Loc.	
3.	1962 Fruehauf Trlr.	FWC561747 Greenville, SC	S 68489	-6 4500		39-073 Loc.	
4.	1964 Strick Van Trlr.	55123 Greenville, SC	S 68489	-6 3500		39-073 Loc.	
5.	1958 Trailmobile Van	134916 Greenville, SC	S 68489	-6 4500		39-073 Loc.	
6.	1971 Fruehauf Trlr.	HOK186795 Greenville, SC	S 68489	-6 6000		39-073 Loc.	
7.	1969 Office Trlr.	WC1315 Greenville, SC	S 68489	-6 2989		39-073 Loc.	
8.	1958 Trailmobile 40' Trl. Van Body	134915 Greenville, SC	S 68489	-6 4500		39-073 Loc.	
9.	1987 Inter. Van	1HTLDUXN7HHA28598 Greenville, SC	C 334-89	-2 39,000		39-073 Loc.	
10.	1977 Ford Stake Body	F37HEY04407 Greenville, SC	C 23489	-6 4950		39-073 Loc.	
11.	1964 Ford Brown Van Trlr.	21102 Greenville, SC	C 68489	-6 7750		39-073 Loc.	

*INDICATE "P & B" FOR "PLEASURE AND BUSINESS", "B" FOR "BUS", "SB" FOR "SCHOOL BUS". FOR COMMERCIAL AUTOMOBILES INDICATE "S" FOR "SERVICE USE", "R" FOR "RETAIL USE" AND "C" FOR ALL OTHERS.

+INDICATE IF STATISTICAL TERRITORY IS OTHER THAN RATING TERRITORY. 5% Sch. Cr., 1% Exp. deb.

SEE LOSS PAYABLE CLAUSE(S) ATTACHED

ENCUMBERED AUTOMOBILES – UNITS NO.

PREMIUMS AND COVERAGES

UNIT NO.	BODILY INJURY AND PROPERTY DAMAGE COMBINED SINGLE LIMIT	SPLIT LIMITS	PERSONAL INJURY PROTECTION	ADDED P.I.P.	MED. PAY.	UNINSURED MOTORISTS	Road Tax	LIMITS OF LIABILITY PHYSICAL DAMAGE (EXCLUDING COLL.)	COMPREHENSIVE $ DED.	RATE	PREMIUM	SPECIFIED CAUSES OF LOSS RATE	PREMIUM	COLLISION (ACV) $ DED.	PREMIUM
1.	145.		2.			--	--	ACV	100		20.				
2.	87.		1.			--	--	ACV	100		16.				
3.	87.		1.			--	--	ACV	100		16.				
4.	87.		1.			--	--	ACV	100		16.				
5.	87.		1.			--	--	ACV	100		24.				
6.	87.		1.			--	--	ACV	100		16.				
7.	87.		1.			--	--	ACV	100		16.				
8.	87.		1.			--	--	ACV	100		16.				
9.	1252.		8.			33.	1.	ACV	100		376.			500	632.
10.	780.		8.			33.	1.	ACV	100		36.			500	70.
11.	87.		1.			--	--	ACV	100		33.				

FORM 70-1958 (ED. 1-87)

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ELECTRONICALLY FILED - 2023 Aug-10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002008

COMMERCIAL AUTO

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - LESSOR

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective: 3/31/88	
Named Insured: Covil Corp., Inc. (See 70-53)	Countersigned by

(Authorized Representative)

SCHEDULE

Insurance Company: Pa. Nat. Mut. Cas. Ins. Co.
Policy Number: AU9-0-01 85 16 9
Effective Date: 3/31/88 Expiration Date: 3/31/89

Named Insured: Covil Corp., Inc.
Address: P.O. Box 1804, Greenville, SC 29602
Additional Insured (Lessor): BMW Leasing, P.O. Box 490, Springfield, Ohio 45501
Designation or Description of Leased "Autos":

1987 BMW 528 WBADC840OH172231
1987 BMW L-6 WBAEC8402H3265340

Coverages	Limit of Insurance
Liability	$ Each "Accident"
Personal Injury Protection (or equivalent no-fault coverage)	$
Comprehensive	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ 100 For Each Covered "Auto"
Collision	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ 500 For Each Covered "Auto"
Specified Causes of Loss	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER MINUS: $ For Each Covered "Auto"

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(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Any "leased auto" designated or described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow. For a covered "auto" that is a "leased auto" WHO IS AN INSURED is changed to include as an "insured" the lessor named in the Schedule.

B. LOSS PAYABLE CLAUSE

1. We will pay you and the lessor named in this endorsement for "loss" to a "leased auto" as interest may appear.
2. The insurance covers the interest of the lessor unless the "loss" results from fraudulent acts or omissions on your part.
3. If we make any payment to the lessor we will obtain his or her rights against any other party.

C. CANCELLATION

1. If we cancel the policy, we will mail notice to the lessor in accordance with the CANCELLATION Common Policy Condition.
2. If you cancel the policy, we will mail notice to the lessor.
3. Cancellation ends this agreement.

D. The lessor is not liable for payment of your premiums.

E. ADDITIONAL DEFINITION

The following is added to the DEFINITIONS Section:

"Leased auto" means an "auto" leased or rented to you including any substitute, replacement or extra "auto" needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary insurance for the lessor.

Coverages	Limit of Insurance
Liability	Each Accident
Personal Injury Protection (or equivalent no-fault coverage)	
Comprehensive	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS $ 100 For Each Covered Auto
Collision	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS $ 500 For Each Covered Auto
Specified Causes of Loss	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER MINUS $ For Each Covered Auto

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COMMERCIAL AUTO

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED — LESSOR

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective: 3/31/88	
Named Insured: Covil Corp., Inc. (See 70-53)	Countersigned by

(Authorized Representative)

SCHEDULE

Insurance Company: Pa. Nat. Mut. Cas. Ins. Co.
Policy Number: AU9-0-01 85 16 9
Effective Date: 3/31/88 Expiration Date: 3/31/89
Named Insured: Covil Corp., Inc. (See 70-53)
Address: P.O. Box 1804, Greenville, SC 29602
Additional Insured (Lessor): C & S Nat. Bk. Leasing Dept., P.O. Box 22203, Columbia, SC
Designation or Description of Leased "Autos":
1985 Ford F-150 1FTEF15N1FNA42848

Coverages	Limit of Insurance
Liability	$ 1,000,000 Each "Accident"
Personal Injury Protection (or equivalent no-fault coverage)	$
Comprehensive	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ ACV 100 For Each Covered "Auto"
Collision	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ 500 For Each Covered "Auto"
Specified Causes of Loss.	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER MINUS: $ For Each Covered "Auto"

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(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Any "leased auto" designated or described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow. For a covered "auto" that is a "leased auto" WHO IS AN INSURED is changed to include as an "insured" the lessor named in the Schedule.

B. LOSS PAYABLE CLAUSE

1. We will pay you and the lessor named in this endorsement for "loss" to a "leased auto," as interest may appear.
2. The insurance covers the interest of the lessor unless the "loss" results from fraudulent acts or omissions on your part.
3. If we make any payment to the lessor, we will obtain his or her rights against any other party.

C. CANCELLATION

1. If we cancel the policy, we will mail notice to the lessor in accordance with the CANCELLATION Common Policy Condition.
2. If you cancel the policy, we will mail notice to the lessor.
3. Cancellation ends this agreement.

D. The lessor is not liable for payment of your premiums.

E. ADDITIONAL DEFINITION

The following is added to the DEFINITIONS Section:

"Leased auto" means an "auto" leased or rented to you including any substitute, replacement or extra "auto" needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary insurance for the lessor.

Coverages	Limit of Insurance Each "Accident"
Liability	$ 1,000,000
Personal Injury Protection (or equivalent no-fault coverage)	$
Comprehensive	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS $ 250 For Each Covered "Auto"
Collision	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS $ 500 For Each Covered "Auto"
Specified Causes of Loss	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER MINUS $ For Each Covered "Auto"

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COMMERCIAL AUTO

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - LESSOR

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 3/31/88	AU9-0-01 85 16 9
Named Insured (See 70-53) Covil Corp., Inc.	Countersigned by

(Authorized Representative)

SCHEDULE

Insurance Company: Pa. Nat. Mut. Cas. Ins. Co.
Policy Number: AU9-0-01 85 16 9
Effective Date: 3/31/88 Expiration Date: 3/31/89

Named Insured: Covil Corp., Inc.
Address: P.O. Box 1604, Greenville, SC 29602
Additional Insured (Lessor): C & S Nat. Leasing Co., P.O. Box 22379, Columbia, SC 29222
Designation or Description of Leased "Autos"

1985 Ford F50 1FTEF15N1FNA42848
1985 Ford Van 1FTDF15N5FNA5054422

Coverages	Limit of Insurance
Liability	$ 1,000,000 Each "Accident"
Personal Injury Protection (or equivalent no-fault coverage)	$
Comprehensive	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ ACV 100 For Each Covered "Auto"
Collision	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ 500. ded. For Each Covered "Auto"
Specified Causes of Loss	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER MINUS: $ For Each Covered "Auto"

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(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

A. Any "leased auto" designated or described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow. For a covered "auto" that is a "leased auto" WHO IS AN INSURED is changed to include as an "insured" the lessor named in the Schedule.

B. LOSS PAYABLE CLAUSE

1. We will pay you and the lessor named in this endorsement for "loss" to a "leased auto," as interest may appear.
2. The insurance covers the interest of the lessor unless the "loss" results from fraudulent acts or omissions on your part.
3. If we make any payment to the lessor, we will obtain his or her rights against any other party.

C. CANCELLATION

1. If we cancel the policy, we will mail notice to the lessor in accordance with the CANCELLATION Common Policy Condition.
2. If you cancel the policy, we will mail notice to the lessor.
3. Cancellation ends this agreement.

D. The lessor is not liable for payment of your premiums.

E. ADDITIONAL DEFINITION

The following is added to the DEFINITIONS Section:

"Leased auto" means any "auto" leased or rented to you, including any substitute, replacement or extra "auto" needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary insurance for the lessor.

Coverages	Limit of Insurance
Personal Injury Protection (or equivalent no-fault coverage)	$
Comprehensive	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS $
Collision	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS $
Specified Causes of Loss	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER $

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA UNINSURED MOTORISTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	
Named Insured	Countersigned by (Authorized Representative)

The definition of "uninsured motor vehicle" in this endorsement applies in its entirety unless an "X" is entered below.

☐ If an "X" is entered in this box, paragraph b. of the definition of uninsured motor vehicle does not apply.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay all sums the "insured" is legally entitled to recover as damages from the owner or driver of an uninsured motor vehicle. The damages must result from "bodily injury" sustained by the "insured" or "property damage" caused by an accident. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle." We will pay under this coverage only after the limits of insurance under any applicable liability bonds or policies have been exhausted by payments of judgments or settlements, unless we:
   a. have been given written notice in advance of a settlement between the "insured" and the owner or operator of a vehicle described in paragraph b. of the definition of "uninsured motor vehicle;" and
   b. consent to advance payment to the "insured" in an amount equal to the tentative settlement.
2. If this coverage provides a limit in excess of the amounts required by the North Carolina Motor Vehicle Safety and Responsibility Act, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for damages arising out of a suit brought without sending us a copy of the summons, complaint or other process against an uninsured motorist is not binding on us.

B. WHO IS AN INSURED

1. You.
2. If you are an individual, any "family member."
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto." The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
4. Anyone for damages he is entitled to recover because of "bodily injury" sustained by another "insured."

C. EXCLUSIONS

This coverage does not apply to:

1. Any claim settled by the "insured" or any legal representative of the "insured" without our consent. However, this exclusion does not apply:

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EXHIBIT 3

Part 2

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a. If we have been provided with written notice in advance of a settlement between the "insured" and the owner or driver of an "uninsured motor vehicle" as described in paragraph b. of the definition of "uninsured motor vehicle" and

b. If we fail to advance a payment to the "insured" in an amount equal to the tentative settlement within 30 days following receipt of such written notice.

2. The direct or indirect benefit of any insurer under any workers' compensation, disability benefits or similar law.

3. The direct or indirect benefit of any insurer of property.

4. An "auto" or property contained in the "auto" other than a covered "auto".

5. The first $100 of the amount of "property damage" to the property of each "insured" as the result of any one "accident".

6. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," "insureds," premium paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the limit of UNINSURED MOTORISTS COVERAGE shown in the declarations.

2. Any amount payable under this coverage shall be reduced by:

a. All sums paid or payable under any workers' compensation, disability benefits or similar law exclusive of non-occupational disability benefits.

b. All sums paid by or for anyone who is legally responsible, including all sums paid under this form's LIABILITY COVERAGE and all sums paid or payable under any policy or property insurance.

3. Any amount paid under this insurance will reduce any amount the "insured" may be paid under this coverage form's LIABILITY COVERAGE.

C. EXCLUSIONS

This coverage does not apply for the benefit of any legal representative of the "insured" without our consent. However, this exclusion does not apply

1. The reference in OTHER INSURANCE to "other collectible insurance" applies only to other collectible uninsured motorists coverage.

2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:

a. Promptly notify the police if a hit-and-run driver is involved.

b. Promptly send us copies of the legal papers if a "suit" is brought. A "suit" may not be brought against anyone legally responsible for the use of any "auto" involved in the "accident" until 60 days after an "insured" notifies us or our agent of his belief that the prospective defendant is an uninsured motorist, and

c. Any person who intends to pursue recovery against the owner or operator of an "uninsured motor vehicle," as described in paragraph b. of the definition of "uninsured motor vehicle," for damages beyond those paid or payable under this policy shall give us:

1. Notice of such intent, and

2. The opportunity to participate, at our expense, in the prosecution of such claim.

3. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is changed as follows:

If we make any payment from your behalf we are entitled to recover as against any person or organization from which the "insured" has a right to recover damages, to the extent of our payment. You must transfer all such rights of recovery to us and help us enforce them. You must do nothing after loss to impair them. However, your rights under this paragraph do not apply with respect to vehicles described in paragraph F.4. a, c and d of the definition of "uninsured motor vehicle". For those vehicles, if we make any payment and you recover from another party you must hold the proceeds in trust for us and pay us back the amounts we have paid.

b. With respect to vehicles described in Paragraph F.4. a, c and d of the definition of "uninsured motor vehicle", we will not exercise our TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US or exercise our right in excess of the amounts required by the North Carolina Motor Vehicle Safety and

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA UNINSURED MOTORISTS COVERAGE

COMMERCIAL AUTO

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to approve any settlement with the owner, operator or maintainer of the underinsured vehicle if we have been given written notice in advance of a settlement and fail to advance payment in an amount equal to the tentative settlement within 30 days following receipt of such notice.

4. The following Condition is added.

ARBITRATION

a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages, the "insured" may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

c. If the "insured" elects not to arbitrate, our liability will be determined only in an action against us. In any action against us, except an action to determine whether a vehicle is an "uninsured motor vehicle," we may require the "insured" to join the owner or driver of the vehicle as a party defendant.

F. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS Section:

1. "Family member" means a person related to you by blood, marriage, or adoption who is a resident of your household, including a ward or foster child.

2. "Occupying" means in, upon, getting in, on, out or off.

3. "Property damage" means injury to or destruction of the property of an "insured."

4. "Uninsured motor vehicle" means a land motor vehicle or trailer:

a. For which neither a bond or policy nor cash or securities on file with the North Carolina Commissioner of Motor Vehicles provides at least the amounts required by the North Carolina Motor Vehicle Safety and Responsibility Act;

b. That is an underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle or trailer for which the sum of all bodily injury liability bonds or policies at the time of an "accident" provides at least the amounts required by the North Carolina Motor Vehicle Safety and Responsiblity Act but their limits are less than the limits of this coverage; or

c. For which the insuring or bonding company denies coverage or is or becomes insolvent; or

d. That is a hit-and-run vehicle causing "bodily injury" to an "insured" and neither the driver nor owner can be identified. The vehicle must hit an "insured," a covered "auto" or a vehicle an "insured" is "occupying."

However, "uninsured motor vehicle" does not include any vehicle:

a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and can not provide the amounts required by that motor vehicle law;

b. Owned by a governmental unit or agency; or

c. Designed for use mainly off public roads while not on public roads.

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POLICY NUMBER: COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA UNINSURED MOTORISTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	
Named Insured	Countersigned by (Authorized Representative)

SCHEDULE

The definition of "uninsured motor vehicle" is entered below.

☐ If an "X" is entered in this box, paragraph b. of the definition of "uninsured motor vehicle" does not apply.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. COVERAGE

1. We will pay in accordance with the South Carolina Uninsured Motorists Law all sums the "insured" is legally entitled to recover as damages from the owner or driver of an "uninsured motor vehicle." The damages must result from "bodily injury" sustained by the "insured" or "property damage" caused by "accident." The Owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle."
2. If a vehicle described in paragraph b. of the definition of "uninsured motor vehicle" causes the "bodily injury" or "property damage," we will pay only after all liability bonds or policies have been exhausted by judgments or payments.

B. WHO IS AN INSURED

1. You.
2. If you are an individual, any "family member."
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a "covered auto." The "covered auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.
4. Anyone for damages he is entitled to recover because of "bodily injury" sustained by another "insured."

C. EXCLUSIONS

This insurance does not apply to any of the following:

1. Any claim settled without our consent.
2. The direct or indirect benefit of any insurer or self-insurer under any workers compensation, disability benefits or similar law.
3. Property contained in or struck by any vehicle owned by you or any "family member" which is not a covered "auto."
4. The first $200 of the amount of "property damage" to the property of each "insured" as the result of any one "accident." However, this exclusion does not apply to "property damage" caused by a vehicle described in paragraph b. of the definition of "uninsured motor vehicle."
5. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
6. "Property damage" for which an "insured" has been compensated by insurance or otherwise.

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POLICY NUMBER

COMMERCIAL AUTO

D. LIMIT OF INSURANCE

1. Regardless of the number of covered autos, "insured," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for all damages resulting from any one "accident" is the limit of UNINSURED MOTORISTS COVERAGE shown in the declarations.

2. Any amount payable under this insurance shall be reduced by:

a. All sums paid or payable under any uninsured (or "underinsured") motorists coverage applicable to the vehicle involved in the "accident."

b. All sums paid or payable under any workers compensation, disability benefits or similar law, but only if "bodily injury" was caused by a vehicle described in paragraph b. of the definition of "uninsured motor vehicle," and

c. All sums paid by or for anyone who is legally responsible, including all sums paid under the policy's LIABILITY COVERAGE.

3. Any amount paid under this insurance will reduce any amount an insured may be paid under the policy's LIABILITY COVERAGE.

E. CHANGES IN CONDITIONS

The CONDITIONS of the policy for UNINSURED MOTORISTS INSURANCE are as follows:

1. OTHER INSURANCE applies except as follows:

a. For "property damage" this insurance is excess to all collectible insurance of any kind.

b. Except for property damage, the reference to other collectible insurance applies only to other collectible uninsured motorists insurance.

c. If no covered auto involved in the "accident" provides coverage, or to the extent of coverage, on any one covered "auto." Coverage on any other vehicles shall not be added to that coverage.

2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is changed by adding the following:

a. Promptly notify the police if a hit-and-run driver is involved; and

b. Promptly send us copies of the legal papers if a "suit" is brought.

3. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is changed by adding the following:

If the "insured" has prosecuted to judgment any suit against anyone responsible, we will be entitled to an assignment of the judgment to the extent of payment under this insurance.

b. We will pay our proportionate part of any reasonable costs and expenses incurred for any recovery, including reasonable attorneys' fees. However, we reserve the right to retain an attorney of our choice to pursue a claim instead of reasonable attorneys' fees.

If an "insured" making a claim for "property damage" under this insurance is also entitled to insurance or other compensation for the property damage," we will not be obligated to pay the claim until the "insured" has assigned us the rights to the compensation to the extent of payment under this insurance.

d. If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back in the amount we have paid.

4. The following Condition is added:

CONFORMITY TO STATUTE

This endorsement is intended to be in full conformity with the South Carolina Uninsured Motorists Law. If any provision of this endorsement conflicts with that law, it is changed to comply with the law.

F. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS Section:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.

2. "Occupying" means in, upon, getting in, on, out or off.

3. "Property damage" means injury to or destruction of the property of an "insured."

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4. "Uninsured motor vehicle" means a land motor vehicle or trailer:

   a. For which neither a liability bond or policy nor cash or securities deposited with the State Treasurer provides at least the amounts required by the South Carolina Motor Vehicle Financial Responsibility Act;

   b. That is an underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle or trailer for which the sum of all liability bonds or policies at the time of an accident provides at least the amounts required by the South Carolina Motor Vehicle Financial Responsibility Act, but their limits are less than the limit of this insurance;

   c. For which an insuring or bonding company successfully denies coverage, is or becomes insolvent, is in delinquency proceedings, suspension or receivership, or is proven unable to respond to a judgment;

   d. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an "insured," an "insured's" property, a covered "auto" or a vehicle an "insured" is "occupying."

   However, "uninsured motor vehicle" does not include any vehicle:

   a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or who becomes insolvent and cannot provide the amounts required by that motor vehicle law;

   b. Owned by a governmental unit or agency; or

   c. Designed for use mainly off public roads while not on public roads.

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

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

Policy Number ..... Effective ..... Expiring ..... Issued to .....

Endorsement No. ..... Effective ..... Agent .....

Authorized Representative .....

AMENDATORY ENDORSEMENT

CODE			
1	NCRF CLEAN RISK	9.8%	
2	NCRF ASSESSMENT (OTHER THAN NON-FLEET PRIV. PASS)	2.0%	27.26
3	NCRF ASSESSMENT (NON-FLEET PRIVATE PASSENGER)	34.9%	
4	NCRF ASSESSMENT (LONG HAUL, TAXICABS AND BUSES OTHER THAN SCHOOL BUSES)	1.9%	
	TOTAL		27.26

NCRF (4/87)

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The Attaching Clause need be completed only when any of these endorsements are issued subsequent to preparation of the policy.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

Policy Number ..... Effective ..... Expiring ..... Issued to .....

Endorsement No. ..... Effective ..... Agent .....

..... Authorized Representative

SPECIAL NAMED INSURED ENDORSEMENT

It is agreed that the person(s) or organization(s) named in the Declarations of this policy is(are) as follows:

Covil Corp., Inc., Covil Residential Insualtion, Inc. Covil Construction Co., Inc. (Demant Corp.), John Hamrick Link-President, James P. Covil-Vice President, Yvonne W. Ward - Corporate Secretary and Treasurer, Charles McWhorter - Assistant Corporate Secretary

It is further agreed that all named insureds are owned and controlled by the same financial interest.

It is further agreed that the inclusion of more than one insured shall not operate to increase the limits of the Company's liability.

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEA

IMPORTANT: The attaching clause must be completed whether this endorsement is issued at the time policy is prepared or subsequent thereto.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

AUV-0-01 85 16 9 — Policy Number
3/31/88 — Effective
3/31/89 — Expiring
XXXX — Endorsement No.
3/31/88 — Effective

Covil Corp., Inc. — Issued to
Sam J. Crain & Co., Inc. 22 6729 — Agent

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

BUSINESS AUTO POLICY — TRUCKERS POLICY — GARAGE POLICY

A. We will pay you and the loss payee named below for loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee: BMW Leasing

Address: P.O. Box 490
Springfield, Ohio 45501

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR	TRADE-NAME	Body Type, GVW, GCW, Tank Gallonage, Bus Seating Capacity	Identification No. Serial No. Motor No.	COMPREHENSIVE	SPECIFIED PERILS	FIRE	THEFT	COLL. DED.
1987	BMW	528	WBADC8402H172231	ACV 100				500.
1987	BMW	L-6	WBABC8402H3265340	ACV 100				500.

Form 70-388

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ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002698

IMPORTANT: The attaching clause must be completed whether this endorsement is issued at the time policy is prepared or subsequent thereto.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

AU9-0-01 85 16 9	3/31/88	3/31/89	Covil Corp., Inc.
Policy Number	Effective	Expiring	Issued to
XXXX	3/31/88		Sam J. Crain & Co., Inc. 22 6729
Endorsement No.	Effective		Agent

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

BUSINESS AUTO POLICY — TRUCKERS POLICY — GARAGE POLICY

A. We will pay you and the loss payee named below for loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee Southern Bk. & Tr.

Address P.O. Box 1329

Greenville, SC 29602

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR	TRADE NAME	Body Type, GVW, GCW, Tank Gallonage, Bus Seating Capacity	Identification No. Serial No. Motor No.	COMPREHENSIVE	SPECIFIED PERILS	FIRE	THEFT	COLL. DED.
1980	Great Dane	45 Ft. Trlr.	105070	ACV 100				500.
1980	Great Dane	Trlr.	B18508	ACV 100				500.

Form 70-388

IMPORTANT: The attaching clause must be completed whether this endorsement is issued at the time policy is prepared or subsequent thereto.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

AU9-0-01 85 16 9 — Policy Number
3/31/88 — Effective
3/31/89 — Expiring
Covil Corp., Inc. — Issued to
Endorsement No.
3/31/88 — Effective
Sam J. Craig & Co., Inc. 22 6729 — Agent

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

BUSINESS AUTO POLICY — TRUCKERS POLICY — GARAGE POLICY

A. We will pay you and the loss payee named below for loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee: Southern Bk. & Tr.

Address: Berea Branch
Greenville, SC 29602

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR	TRADE-NAME	Body Type, GVW, GCW, Tank Gallonage, Bus Seating Capacity	Identification No. Serial No. Motor No.	COMPREHENSIVE	SPECIFIED PERILS	FIRE	THEFT	COLL. DED.
1985	GMC		1GTEC14N4FF707987	ACV 100				500.

Form 10-388

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

IMPORTANT: The attaching clause must be completed whether this endorsement is issued at the time policy is prepared or subsequent thereto.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

AU9-0-01 85 16 9	3/31/88	3/31/89	Covil Corp., Inc.
Policy Number	Effective	Expiring	Issued to
		3/31/88	Sam J. Crain & Co., Inc. 22 6729
Endorsement No.		Effective	Agent

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

BUSINESS AUTO POLICY – TRUCKERS POLICY – GARAGE POLICY

A. We will pay you and the loss payee named below for loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee: Southern Bk. & Tr. Co.

Address: P.O. Box 1329
Greenville, SC 29602

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR	TRADE-NAME	Body Type, GVW, GCW, Tank Gallonage, Bus Seating Capacity	Identification No. Serial No. Motor No.	COMPREHENSIVE	SPECIFIED PERILS	FIRE	THEFT	COLL DED.
1981	Peterbilt	Tractor	9692	ACV 100				500.
1981	Ford	F-700	8126	ACV 100				500.

Form 70-388

ELECTRONICALLY FILED - 2023 Aug-10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

IMPORTANT: This attaching clause must be completed whether this endorsement is issued at the time policy is prepared or subsequent thereto.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

AU9-0-01 85 16 9	3/31/88	3/31/89	Covil Corp., Inc.
Policy Number	Effective	Expiring	Issued to
		3/31/88	Sam J. Crain & Co., Inc. 22 6729
Endorsement No.		Effective	Agent

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

BUSINESS AUTO POLICY — TRUCKERS POLICY — GARAGE POLICY

A. We will pay you and the loss payee named below for loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee C & S National Bank

Address P.O. Box 22379

Columbia, SC 29222

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR	TRADE-NAME	Body Type, GVW, GCW, Tank Gallonage, Bus Seating Capacity	Identification No. Serial No. Motor No.	COMPREHENSIVE	SPECIFIED PERILS	FIRE	THEFT	COLL. DED.
85	Ford	F 150	1FTDF15NFNA42848	ACV 100				500.
85	Ford	Van	1FTDF15N5FNA50544 22	ACV 100				500.

Form 70-388

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EXHIBIT 3

Part 3

IMPORTANT: The attaching clause must be completed whether this endorsement is issued at the time policy is prepared or subsequent thereto.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

AU9-0-01 85 16 9	3/31/88	3/31/89	Covil Corp., Inc.
Policy Number	Effective	Expiring	Issued to
		3/31/88	Sam J. Crain & Co., Inc. 22 6729
Endorsement No.		Effective	Agent

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

BUSINESS AUTO POLICY — TRUCKERS POLICY — GARAGE POLICY

A. We will pay you and the loss payee named below for loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee: Foothills Truck Leasing

Address: 2118 Laurens Rd.
Greenville, SC 29607

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR	TRADE-NAME	Body Type, GVW, GCW, Tank Gallonage, Bus Seating Capacity	Identification No. Serial No. Motor No.	COMPREHENSIVE	SPECIFIED PERILS	FIRE	THEFT	COLL. DED.
1987	Inter.	22 Ft. Van	1HTLDTVP2HHA25560	ACV	100			500.

Form 70-388

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

IMPORTANT: The attaching clause must be completed whether this endorsement is issued at the time policy is prepared or subsequent thereto.

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

AUG-0-01 85 16 9	3/31/88	3/31/89	Covil Corp., Inc.	
Policy Number	Effective	Expiring	Issued to	
		3/31/88	Sam J. Crain & Co., Inc.	22 6729
Endorsement No.		Effective	Agent	

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

BUSINESS AUTO POLICY — TRUCKERS POLICY — GARAGE POLICY

A. We will pay you and the loss payee named below for loss to a covered auto, as interest may appear.

B. The insurance covers the interest of the loss payee unless the loss results from fraudulent acts or omissions on your part.

C. We may cancel the policy as allowed by CANCELLING THIS POLICY DURING THE POLICY PERIOD. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee Navistar Financial Corp.

Address c/o Idealease, Inc.

420 N. Wabash Ave. 400

Chicago, Ill. 560611

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR	TRADE-NAME	Body Type, GVW, GCW, Tank Gallonage, Bus Seating Capacity	Identification No. Serial No. Motor No.	COMPRE-HENSIVE	SPECIFIED PERILS	FIRE	THEFT	COLL. DED.
1987	Inter.	22 ft. Van	1HTLDVTVP2HHA25560	ACV 100				500.

Form 70-388

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HOME OFFICE
PREMIUM CODE SHEET

PAGE 1 OF 5

POLICY IDENTIFICATION PREFIX	POLICY IDENTIFICATION NUMBER	AGENCY NUMBER	TRANSACTION MO	TRANSACTION DAY	TRANSACTION YR	TRANSACTION CODE
Aug	0185 16	9 6729				8

-3010

KC	NAMED INSURED	POLICY EFFECTIVE MO	POLICY EFFECTIVE DAY	POLICY EFFECTIVE YR	POLICY EXPIRATION MO	POLICY EXPIRATION DAY	POLICY EXPIRATION YR	TERM	MAJOR LINE	RISK T	RISK C	RISK SIZE	PLAN	DIV	LAS	TELL	STAT	MS	DRM	HOJ	REJ	MKT PLAN	BIL
1	Cov Kil Corporation Inc	03	31	88	03	31	89	1	10	2	3	000091			8							99	

KC	MAILING ADDRESS	APARTMENT IDENTIFICATION
0	PO Box 11304	

KC	CITY/STATE & ZIP CODE
2	Greenville SC 29602

KC	LINE	TRANSACTION %	CONTROL PREMIUM	CONTROL ASSESSMENT/ SURCHARGE	COMM RATE	STATE	CANCEL TRANS	CANCEL REASON	CANCEL T	SURCHARGE DOLLARS	SURCHARGE CENTS	CPP TR	N/R	REINSURANCE PREMIUM	SPP	EMPLOYEE NUMBER	PROD'R ID	LAPSE
3	10		036336	0027		32				2027	26					6567		
3																		
3																		
3																		
3																		
3																		
3																		
3																		
3																		

KC	MATCH CODE	LINE	ITEM	CC	A PREMIUM	B PREMIUM	C PREMIUM	D PREMIUM	EXPOSURE	COMM RATE	TERM	RATE MOD	RATE DEP	CPP LINE
4	001	10	01	1	10002 9					150		096	100	
4	002	10	02	1	10007 2				1200					
4	003	10	03	1	10058 0			0000	48					
4	004	13	04	1	10000 8				48					
4	005	10	05	1	10087 0			0000	120					
4	006	13	06	1	10001 0				120					
4	007	10	07	1	10250 4			0068	24					
4	008	13	68	1	10001 6				24					
4	009	10	09	1	10234 0			0102	36					
4	010	13	10	1	10002 4				36					
4	011	10	11	1	10404 6			0238	84					

STAMP

MAY 31 1988

Am 5-11-88

DATE CODED

CODED BY BR CBO

REMARKS

units 1, 16, 25 + 29 are mtch codes 003-004
units 2, 3, 4, 5, 6, 7, 8, 11, 14, 35 are mtch codes 005-006
units 9 + 30 are mtch codes 007-008
units 10, 12, 17 are mtch codes 009-010

KC	MATCH CODE	LINE	X	CC	STATE	TERR	TAX TERR	TOP	SUBLINE	STATISTICAL INFORMATION	VEHICLE IDENTIFICATION NUMBER ZIP CODE
6	001	10		1	39	073	0023	10	6111	66 19 1	1
6	002	10		1				10	6111	66 02 1	1
6	003	10		1				10	6111	67 48 9 1 18 98	1
6	004	13		1				10	6115	67 48 9 0 10 10	1
6	005	10		1				10	6111	68 48 9 1 18 98	1
6	006	13		1				10	6115	68 48 9 0 10 10	1
6	007	10		1				10	6111	33 48 9 1 18 977	1
6	008	13		1				10	6115	33 48 9 0 10 10	1
6	009	10		1				10	6111	23 48 9 1 18 977	1
6	010	13		1				10	6115	23 48 9 0 10 10	1
6	011	10		1				10	6111	01 48 9 1 18 977	1

Form 80-43 (Rev. 5/84)

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- 3011 -

HOME OFFICE PREMIUM CODE SHEET EXTENSION

PAGE 2 OF 5

POLICY IDENTIFICATION PREFIX	POLICY IDENTIFICATION NUMBER	AGENCY NUMBER	TRANSACTION MO	TRANSACTION DAY	TRANSACTION YR	TRANSACTION CODE
AU9	0185169	6729				8

KC	LINE	TRANSACTION %	CONTROL PREMIUM	CONTROL ASSESSMENT SURCHARGE	COMM RATE	STATE	CANCEL TRANS	CANCEL REASON	SURCHARGE T	SURCHARGE DOLLARS	SURCHARGE CENTS	CPP TR	N/R	REINSURANCE PREMIUM	SPP	EMPLOYEE NUMBER	PROD'R ID	CLS
3																		

KC	MATCH CODE	LINE	ITEM	CC	A PREMIUM	B PREMIUM	C PREMIUM	D PREMIUM	EXPOSURE	COMM RATE	TERM	RATE MODE	RATE DEP	CPP LINE
4	012	13	12	1	10005 6				84	150		096	100	
4	013	10	13	1	18 16			0034	1					
4	014	13	14	1	00008				12					
4	015	10	15	1	01348			0015	12					
4	016	10	16	1	05424			0102	36					
4	017	13	17	1	00024				36					
4	018	10	18	1	00346			0000	24					
4	019	13	19	1	00004				24					
4	020	10	20	1	01016			0068	24					
4	021	13	21	1	00028				24					
4	022	20	01	1	00376	00632			12					
4	023	20	02	1	00036	00070			12					
4	024	20	03	1	00033				12					
4	025	20	04	1	00036	00070			12					
4	026	20	05	1	00024	00052			12					
4	027	20	06	1	00024	00048			12					
4	028	20	07	1	00457	00757			12					
4	029	20	08	1	00020	00044			12					

DATE CODED Am 5-11-88

REMARKS

units 13, 20, 23, 24, 26, 27, 28 are mtch codes 011-012

unit 15 is mtch codes 013-014

unit 18 is mtch code 015

units 19, 33+34 are mtch codes 016-017

units 21, 22, are mtch codes 018-019

unit 31+32 are mtch codes 020-021

* line 20's start units 1 - 8 are at mtch code 048

KC	MATCH CODE	LINE	X	CC	STATE	TERR	TAX TERR	TOP	SUBLINE	STATISTICAL INFORMATION	VEHICLE IDENTIFICATION NUMBER	ZIP CODE
6	012	13		1	39	073	0023	10	615	01V89		1
6	013	10		1				10	611	40489		1
6	014	13		1				10	615	40489		1
6	015	10		1	32	014		10	611	33489		1
6	016	10		1	39	073	0023	10	611	36589		1
6	017	13		1				10	615	36589		1
6	018	10		1				10	611	67589		1
6	019	13		1				10	615	67589		1
6	020	10		1				10	611	73983		1
6	021	13		1				10	615	73983		1
6	022	20		1				10	613	34889	0100772039	1
6	023	20		1				10	618	23489	0100776004	1
6	024	20		1				10	613	63489	0100776007	1
6	025	20		1				10	618	23489	0100776004	1
6	026	20		1				10	613	61489	0100776004	1
6	027	20		1				10	618	68489	0100776005	1
6	028	20		1				10	618	40489	0100776056	1
6	029	20		1				10	618	67489	0100776003	1

TAS MAY 31 1988

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Form 60-50 (Rev. 5/84)

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- 3012 -

HOME OFFICE PREMIUM CODE SHEET EXTENSION

PAGE 3 OF 5

POLICY IDENTIFICATION PREFIX (5-7)	POLICY IDENTIFICATION NUMBER (8-13)	AGENCY NUMBER (14-17)	TRANSACTION MO (18-19)	TRANSACTION DAY (20-21)	TRANSACTION YR (22-23)	TRANSACTION CODE (26)
Aug	01 85 16 9	6729				8

KC	LINE	TRANSACTION %	CONTROL PREMIUM	CONTROL ASSESSMENT/ SURCHARGE	COMM RATE	STATE	CANCEL TRANS	CANCEL REASON	SURCHARGE T	SURCHARGE DOLLARS	SURCHARGE CENTS	CPP TR	N/R	REINSURANCE PREMIUM	SPP	EMPLOYEE NUMBER	PROD'R ID	EFF DATE	
25	26-27	28-31	32-37	38-41	42-44	45-46	47-48	49-50	51	52-54	55-56	57	58	57-64	65	66-69	70-73	72	73-80
3																			

KC	MATCH CODE	LINE	ITEM	CC	A PREMIUM	B PREMIUM	C PREMIUM	D PREMIUM	EXPOSURE	COMM RATE	TERM	RATE MODE	RATE DEP	CPP LINE
25	26-29	29-30	31-32	33	34-38	39-43	44-47	48-51	52-56	59-61	62	63-65	66-68	69-70
4	030	20	09	1	00124	00214			12	150		096	100	
4	031	20	10	1	00209	00365			12					
4	032	20	11	1	00546	01375			12					
4	033	20	12	1	00107	00188			12					
4	034	20	13	1	60177	00301			12					
4	035	20	14	1	00070	00126			12					
4	036	20	15	1	00086	00157			12					
4	037	20	16	1	00121	00214			12					
4	038	20	17	1	00032	00063			12					
4	039	20	18	1	00086	00157			12					
4	040	20	19	1	00121	00214			12					
4	041	20	20	1	00066	00120			12					
4	042	20	21	1	00020	00044			12					
4	043	20	22	1	00376	00632			12					
4	044	20	23	1	00313	00598			12					
4	045	20	24	1	00485	00729			12					
4	046	20	25	1	00546	01375			12					
4	047	20	26	1	00546	01375			12					

DATE CODED: Aug 5 11-88

REMARKS

TAC MAY 31 1988 18

CODED BY BR CBO

KC	MATCH CODE	LINE	X	CC	STATE	TERR	TAX TERR	TOP	SUBLINE	STATISTICAL INFORMATION	VEHICLE IDENTIFICATION NUMBER X	ZIP CODE
25	26-28	29-30	31	32	33-34	35-37	38-41	42-43	44-46	47-50 51-52 53-54 55-56 57 58 59 60 61 62 63 64	65	71-80
6	030	20		1	39	073	0023	10	618	2348 90 10 07 7 60 15	1	
6	031	20		1	32	014	0330	10	618	3348 90 10 07 7 50 33	1	
6	032	20		1	39	073	0023	10	618	3658 90 10 07 7 10 38	1	
6	033	20		1				10	618	0148 90 10 07 7 50 10	1	
6	034	20		1				10	618	6758 90 10 07 7 60 20	1	
6	035	20		1				10	618	6758 90 10 07 7 60 09	1	
6	036	20		1				10	618	0148 90 10 07 7 40 09	1	
6	037	20		1				10	618	0148 90 10 07 7 40 10	1	
6	038	20		1				10	618	6748 90 10 07 7 60 06	1	
6	039	20		1				10	618	0148 90 10 07 7 60 09	1	
6	040	20		1				10	618	0148 90 10 07 7 40 10	1	
6	041	20		1				10	618	0148 90 10 07 7 60 08	1	
6	042	20		1				10	618	6748 90 10 07 7 60 02	1	
6	043	20		1				10	618	3348 90 10 07 7 20 37	1	
6	044	20		1				10	618	7398 80 10 07 7 20 35	1	
6	045	20		1				10	618	7398 80 10 07 7 20 50	1	
6	046	20		1				10	618	3658 90 10 07 7 10 38	1	
6	047	20		1				10	618	3658 90 10 07 7 10 38	1	

Form 60-50 (Rev. 5/84)

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- 3013 -

HOME OFFICE PREMIUM CODE SHEET EXTENSION

PAGE 4 OF 5

POLICY IDENTIFICATION PREFIX (5-7)	POLICY IDENTIFICATION NUMBER (8-13)	AGENCY NUMBER (14-17)	TRANSACTION MO (18-19)	TRANSACTION DAY (20-21)	TRANSACTION YR (22-23)	TRANSACTION CODE (24)
Aug	01 35 16 9	6729				8

KC (25-26)	LINE (27-28)	TRANSACTION % (29-31)	CONTROL PREMIUM (32-40)	CONTROL ASSESSMENT SURCHARGE (41-43)	COMM RATE (44-45)	STATE (46-47)	CANCEL TRANS (48-49)	CANCEL REASON (50-51)	SURCHARGE T (52)	SURCHARGE DOLLARS (53-54)	SURCHARGE CENTS (55-56)	CPP TR (57)	N.R (58)	REINSURANCE PREMIUM (59-64)	SPP (65-66)	EMPLOYEE NUMBER (67-69)	PROD'R ID (70-71)	C C S (72)	(73-80)
3																			

KC (25-26)	MATCH CODE (27-28)	LINE (29-30)	ITEM (31-32)	CC (33)	A PREMIUM (34-38)	B PREMIUM (39-43)	C PREMIUM (44-47)	D PREMIUM (48-52)	EXPOSURE (53-58)	COMM RATE (59-61)	TERM (62)	RATE MODE (63-65)	RATE DEP (66-68)	CPP LINE (69-70)
4	048	20	27	1	00020				12	150		096	100	
4	049	20	28	1	00016				12					
4	050	20	29	1	00016				12					
4	051	20	30	1	00016				12					
4	052	20	31	1	00016				12					
4	053	20	32	1	00024				12					
4	054	20	33	1	00016				12					
4	055	20	34	1	00016				12					

DATE CODED Aug 5-11-88

REMARKS

MAY 31 1988 13

CODED BY BR CBO

KC (25-26)	MATCH CODE (27-28)	LINE (29-30)	X (31)	CC (32)	STATE (33-34)	TERR (35-37)	TAX TERR (38-41)	TOP (42-43)	SUBLINE (44-46)	STATISTICAL INFORMATION (47-70)	VEHICLE IDENTIFICATION NUMBER / ZIP CODE (71-80)
6	048	20		1	39	073	0023	10	618	6748901000 6003	1
6	049	20		1				10	618	6848901000 6004	1
6	050	20		1				10	618	6848901000 6004	1
6	051	20		1				10	618	6848901000 6003	1
6	052	20		1				10	618	6848901000 6004	1
6	053	20		1				10	618	6848901000 6006	1
6	054	20		1				10	618	6848901000 6002	1
6	055	20		1				10	618	6848901000 6004	1

Form 60-50 (Rev. 5/84)

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- 3014 -

HOME OFFICE
INSTALLMENT BILLING CODE SHEET

POLICY IDENTIFICATION		AGENCY NUMBER
PREFIX	NUMBER	
AUG	018516	96729

TRANSACTION			
MO	DAY	YR	CODE
			8

PAGE 5 OF 5

DATE CODED 5-11-88

REMARKS

8 inst.

FAS MAY 31 1988 12

CODED BY BR CBO

KC	LINE	CURRENT BILLING	AMOUNT PER BILLING	COMM RATE
5	10	04236	02120	150
5	10	00000	00002	998
5	20	03025	01509	150

20's 15097 x .8⅓ 8 = 1509.

1509 x 8 = 12072. 15097 - 12072 = 3025

adj line 10's

7288.26 - 27.26 - 3025 = 4236

3631 - 2 = 1509 = 2120

Form 60-76 (Rev. 11/84)

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AU 219 0183 16

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POLICY NUMBER: COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTOS SPECIFIED AS COVERED AUTOS YOU OWN

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 3/31/88	AUG 0 01 85 16 9
Named Insured Covil Corp., Inc. (See 70-53)	Countersigned by

(Authorized Representative)

SCHEDULE

Description of Auto: See 70-1968

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Any "auto" described in the Schedule will be considered a covered "auto" you own and a not covered "auto" you hire, borrow or lease under the coverage for which it is a covered "auto."

While any covered "auto" described in the Schedule is rented or leased to you and is being used by or for you, its owner or anyone else from whom you rent or lease it is an "insured" but only for that covered "auto."

B. **CHANGES IN LIABILITY COVERAGE**

The following is added to WHO IS AN INSURED:

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Pennsylvania National Insurance Companies

Pennsylvania National Mutual Casualty Insurance Company
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- 3017 -

VEHICLE GENERAL CHANGE ENDORSEMENT

INSURED	BRANCH OFFICE		POLICY NUMBER	
Covil Corp., Inc. (See 70-53)	CBO 025		AU9 0 01 85 16 9	
AGENCY	**AGENCY NUMBER**	**PROD'R ID**	**END. NO.**	**END. EFF. DATE**	**POLICY EXP. DATE**
Sam J. Crain & So., Inc.	22 6729		1	3/31/88	3/31/89

It is agreed that this policy is hereby amended as indicated by (X):

- ☐ Name of Insured amended to read: _____
- ☐ Mailing Address of Insured amended to read: _____
- ☐ Garage location amended to read: _____
- ☐ Policy period amended to read: From: _____ To: _____
- ☐ Legal status amended to: ☐ Individual ☐ Partnership ☐ Corporation ☐ Other _____
- ☐ Classifier s(s) and/or Rate(s) amended as stated below, regarding Unit(s) No. _____
- ☐ Re Unit(s) No. _____ ☐ Loss Payee ☐ Individual Insured-Lessor is added; Name _____
  Mailing Address: _____
- ☐ Re Unit(s) No. _____ ☐ Loss Payee ☐ Individual Insured-Lessor is eliminated: Name _____
  Mailing Address: _____
- ☐ Limit(s) of coverage amended to read as stated below.

~~X~~ Form CA9916 is added. (Hired Autos Specified as Covered Autos You Own)
Unit 31 is amended to read: 1987 BMW.
Additional named insured form 70-53 is amended to delete Covil Residential Insulation, Inc.

UNIT(S) ADDED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER	ORIGINAL COST NEW
36	1985	Spacemaster	Office Trlr.	34587	$ 6,000
					$
					$

UNIT NUMBER	STATE	TERRITORY	COMMERCIAL CLASS	STATED AMOUNT	PRIVATE PASSENGER CLASS	MULTI-CAR	SAFE DRIVER	GVW	ADD'L
36	39	073	68489	$					N
				$					
				$					

UNIT(S) ELIMINATED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER
35	1980	Spacemaster	Office Trlr.	34587

PREMIUM ADJUSTMENT

	COVERAGE	SPLIT LIMITS	COMBINED SINGLE LIMIT	FULL POLICY PERIOD PREMIUM UNIT NO. 36	UNIT NO.	UNIT NO.	ADDITIONAL PREMIUM	RETURN PREMIUM
LIABILITY	BODILY INJURY		1,000,000	87.			NC	
	PROPERTY DAMAGE							
	PERSONAL INJURY PROTECTION (PIP)			1.			NC	
	ADDITIONAL PERSONAL INJURY PROTECTION (PIP)							
	MEDICAL PAYMENTS / MEDICAL EXPENSE							
	UNINSURED MOTORISTS / FAMILY PROTECTION		1,000,000	--			--	
	~~SC Road Tax~~			--			--	
PHYSICAL DAMAGE	FIRE AND THEFT							
	COMPREHENSIVE SUBJECT TO DEDUCTIBLE OF $		100	32.			32.	
	SPECIFIED CAUSES OF LOSS							
	COLLISION SUBJECT TO DEDUCTIBLE OF $		500	63.			63.	
	TOWING AND LABOR							

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HEREWITH, AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

TOTAL LIABILITY PREMIUM			NC
TOTAL PHYSICAL DAMAGE PREMIUM			95.
TOTAL ENDORSEMENT PREMIUM	$		95.
PRO-RATA PERCENTAGE	100 %	☒ ADDITIONAL	☐ RETURN

DATE ENDORSEMENT ISSUED #6567 7/26/88dp

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

CODED BY BR CBO

FORM 70-2087 (ED. 7/87)

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Pennsylvania National Insurance Companies

Pennsylvania National Mutual Casualty Insurance Company
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VEHICLE GENERAL CHANGE ENDORSEMENT

INSURED	BRANCH OFFICE	POLICY NUMBER
Covil Corp., Inc. (See 70-53)	CBO 025	AU9 0 01 85 16 9

AGENCY	AGENCY NUMBER	PROD'R ID	END. NO.	END. EFF. DATE	POLICY EXP. DATE
Sam J. Crain & Co., Inc.	22 6729		2	5/1/88	3/31/89

It is agreed that this policy is hereby amended as indicated by (X):

- ☐ Name of Insured amended to read: _____
- ☐ Mailing Address of Insured amended to read: _____
- ☐ Garage location amended to read: _____
- ☐ Policy period amended to read: From: _____ To: _____
- ☐ Legal status amended to: ☐ Individual ☐ Partnership ☐ Corporation ☐ Other _____
- ☐ Classifications(s) and/or Rate(s) amended as stated below, regarding Unit(s) No. _____
- ☒ Re Unit(s) No. 37 ☒ Loss Payee ☒ Individual Insured-Lessor is added: Name Foothills Truck Leasing
  Mailing Address: 2418 Laurens Rd., Greenville, SC 29607
- ☐ Re Unit(s) No. _____ ☐ Loss Payee ☐ Individual Insured-Lessor is eliminated: Name _____
  Mailing Address: _____
- ☐ Limit(s) of coverage amended to read as stated below.
- ☐

UNIT(S) ADDED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER	ORIGINAL COST NEW
37	1988	Inter.	tractor 80,000 GVW	1HJYGUR2JH528633	$ 67,450
					$
					$

UNIT NUMBER	STATE	TERRITORY	COMMERCIAL CLASS	STATED AMOUNT	PRIVATE PASSENGER CLASS	MULTI-CAR	SAFE DRIVER	SYM	ABI
37	39	073	504-89	$					
				$					
				$					

UNIT(S) ELIMINATED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER

PREMIUM ADJUSTMENT

	COVERAGE	SPLIT LIMITS	COMBINED SINGLE LIMIT	FULL POLICY PERIOD PREMIUM UNIT NO: 37	UNIT NO.	UNIT NO.	ADDITIONAL PREMIUM	RETURN PREMIUM
LIABILITY	BODILY INJURY		1,000,000	1502.			1374.	
	PROPERTY DAMAGE							
	PERSONAL INJURY PROTECTION (PIP)			8.			7.	
	ADDITIONAL PERSONAL INJURY PROTECTION (PIP)							
	MEDICAL PAYMENTS / MEDICAL EXPENSE							
	UNINSURED MOTORISTS / FAMILY PROTECTION	1,000,000		33.			30.	
	SC Road Tax			1.			1.	
PHYSICAL DAMAGE	FIRE AND THEFT							
	COMPREHENSIVE SUBJECT TO DEDUCTIBLE OF $	100		1129.			1033.	
	SPECIFIED CAUSES OF LOSS							
	COLLISION SUBJECT TO DEDUCTIBLE OF $	500		2790.			2553.	
	TOWING AND LABOR							

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HEREWITH, AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

TOTAL LIABILITY PREMIUM		1412.
TOTAL PHYSICAL DAMAGE PREMIUM		3586.
TOTAL ENDORSEMENT PREMIUM	$	4998.
PRO-RATA PERCENTAGE	.915 %	☒ ADDITIONAL ☐ RETURN

DATE ENDORSEMENT ISSUED #6567 7/26/88dp

CODED BY BR CBO

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

FORM 70-2087 (ED. 7/87)

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Pennsylvania National
Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement changes the policy effective on the inception date of the policy or as of the date indicated below.

AU9 0 01 85 16 9 — Policy Number — 3/31/88 Effective — 3/31/89 Expiring

Covil Corp., Inc. (See 70-53) — Issued to

XXX — Endorsement No. — 3/31/88 Effective

Sam J. Crain & Co., Inc. 22 6729 — Agent

7/26/88dp

Authorized Representative

LOSS PAYABLE CLAUSE

BUSINESS AUTO COVERAGE FORM - TRUCKERS COVERAGE FORM - GARAGE COVERAGE FORM

A. We will pay you and the loss payee named below for "loss" to a covered "auto", as interest may appear.

B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement of your part.

C. We may cancel the policy as allowed by the CANCELLATION COMMON POLICY CONDITION. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee: Foothills Truck Leasing

Address: 2418 Laurens Rd.

Greenville, SC 29607

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR MODEL; TRADE NAME; BODY TYPE; SERIAL NUMBER(S); VEHICLE IDENTIFICATION NUMBER(S)	COMPREHENSIVE DED.	SPECIFIED CAUSES OF LOSS	COLLISION DED.	FIRE	FIRE AND THEFT
1983 International tractor 1HJYCUR2JH528633	ACV 100		500.		

Form 70-2251 (Ed. 12-87)

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CA 20 01
(Ed. 12 80)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED—LESSOR

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 3/1/88	Policy No. AU9 0 01 85 16 9
Named Insured Covil Corp., Inc. (See 70-53	Countersigned by (Authorized Representative)

Insurance Company Pa. Net. Mut. Cas. Ins. Co.

Policy Number AU9 0 01 85 16 9

Effective Date 3/31/88 Expiration date 3/31/89

Named Insured Covil Corp., Inc. (See 70-53)

Address P.O. Box 1804
Greenville, SC 29602

Additional Insured (Lessor) Foothills Truck Leasing
2418 Laurens Rd., Greenville, SC 29607

Designation or Description of Leased Autos

#37 1988 Inter. Tractor 1HJYGUR2JH526633

Coverages	Limit of Liability
Liability	$ 1,000,000 Each Accident
Personal Injury Protection (or equivalent no-fault coverage)	$ 1,000
Combined Physical Damage	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ For Each Covered Auto
Comprehensive	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ 100 For Each Covered Auto
Collision	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ 500 For Each Covered Auto
Specified Perils	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ For Each Covered Auto

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A. PHRASE WITH SPECIAL MEANING

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following phrase has special meaning in this endorsement:

"Leased auto" means an **auto** leased to **you** for one year or more, including any substitute, replacement or extra **auto** needed to meet seasonal or other needs, under a leasing agreement which requires **you** to provide direct primary insurance for the lessor.

B. Any **leased auto** designated or described in this endorsement will be considered a covered **auto you** own and not a covered **auto you** hire or borrow. For a covered **auto** which is a **leased auto** WHO IS INSURED is changed to include as an **insured** the lessor named in this endorsement. However, the lessor is an **insured** only for **bodily injury** or **property damage** resulting from the acts or omissions of:

1. **You**.
2. Any of **your** employees or agents.
3. Any person, except the lessor or any employee or agent of the lessor, operating a **leased auto** with the permission of any of the above.

C. LOSS PAYABLE CLAUSE

1. We will pay **you** and the lessor named in this endorsement for **loss** to a **leased auto**, as interest may appear.
2. The insurance covers the interest of the lessor unless the **loss** results from fraudulent acts or omissions on **your** part.
3. If we make any payment to the lessor, we will obtain his rights against any other party.

D. CANCELLATION

1. If we cancel the policy, we will mail notice to the lessor in accordance with CANCELLING THIS POLICY DURING THE POLICY PERIOD.
2. If **you** cancel the policy, we will mail notice to the lessor.
3. Cancellation ends this agreement.

E. The lessor is not liable for payment of **your** premiums.

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Pennsylvania National Insurance Companies

Pennsylvania National Mutual Casualty Insurance Company
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- 3022 -

VEHICLE GENERAL CHANGE ENDORSEMENT

INSURED	BRANCH OFFICE	POLICY NUMBER
Covil Corp., Inc. (See 70-53)	CBO 025	AU9 0 01 65 36 9

AGENCY	AGENCY NUMBER	PROD'R ID	END. NO.	END. EFF DATE	POLICY EXP DATE
Sam J. Crain & Co., Inc.	22 6729		3	6/1/88	3/31/89

It is agreed that this policy is hereby amended as indicated by (X):

- ☐ Name of Insured amended to read:
- ☐ Mailing Address of Insured amended to read:
- ☐ Garage location amended to read:
- ☐ Policy period amended to read: From: To:
- ☐ Legal status amended to: ☐ Individual ☐ Partnership ☐ Corporation ☐ Other
- ☐ Classification(s) and / or Rate(s) amended as stated below, regarding Unit(s) No.
- ☒ Re Unit(s) No. ☐ Loss Payee ☐ Individual Insured-Lessor is added: Name
  Mailing Address
- ☒ Re Unit(s) No. 26 ☐ Loss Payee ☒ Individual Insured-Lessor is eliminated: Name C & S National Bank Leasing Dept.
  Mailing Address P.O. Box 22203, Columbia, SC 29222
- ☐ Limit(s) of coverage amended to read as stated below.
- ☐

UNIT(S) ADDED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER	ORIGINAL COST NEW
					$
					$
					$

UNIT NUMBER	STATE	TERRITORY	COMMERCIAL CLASS	STATED AMOUNT	PRIVATE PASSENGER CLASS	SELF-DRIVE	SPE. SERVICE	SYM	AGE
				$					
				$					
				$					

UNIT(S) ELIMINATED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER
26	1985	Ford	F150	1FTEF15N7FNA42848

PREMIUM ADJUSTMENT

	COVERAGE	SPLIT LIMITS	COMBINED SINGLE LIMIT	FULL POLICY PERIOD PREMIUM UNIT NO.	UNIT NO.	UNIT NO.	ADDITIONAL PREMIUM	RETURN PREMIUM
LIABILITY	BODILY INJURY							430.
	PROPERTY DAMAGE							1.
	PERSONAL INJURY PROTECTION (PIP)							
	ADDITIONAL PERSONAL INJURY PROTECTION (PIP)							
	MEDICAL PAYMENTS / MEDICAL EXPENSE							25.
	UNINSURED MOTORIST'S / FAMILY PROTECTION							1.
	SC Road Tax							
PHYSICAL DAMAGE	FIRE AND THEFT							11.
	COMPREHENSIVE SUBJECT TO DEDUCTIBLE OF $							
	SPECIFIED CAUSES OF LOSS							130.
	COLLISION SUBJECT TO DEDUCTIBLE OF $							
	TOWING AND LABOR							

TOTAL LIABILITY PREMIUM		525.
TOTAL PHYSICAL DAMAGE PREMIUM		201.
TOTAL ENDORSEMENT PREMIUM	$ 716.	
PRO-RATA PERCENTAGE	.830 %	☐ ADDITIONAL ☐ RETURN

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HEREWITH AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY FORMS A PART OF THE POLICY DESCRIBED HEREIN.

DATE ENDORSEMENT ISSUED #6567 7/26/88dp

SIGNATURE OF AUTHORIZED REPRESENTATIVE

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Pennsylvania National Mutual Casualty Insurance Company
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3023

VEHICLE GENERAL CHANGE ENDORSEMENT

INSURED	BRANCH OFFICE		POLICY NUMBER
Carril Corp., Inc.	CBO 025		AUG 0 01 85 15 9
AGENCY	AGENCY NUMBER	PROG D SUC NO	END EFF DATE / POLICY EXP DATE
Sam J. Crain & Co., Inc.	22 6729	4	6/2/88 / 3/31/89

It is agreed that this policy is hereby amended as indicated by (X):

- ☐ Name of Insured amended to read:
- ☐ Mailing Address of Insured amended to read:
- ☐ Garage location amended to read:
- ☐ Policy period amended to read: From ____ To ____
- ☐ Legal status amended to: ☐ Individual ☐ Partnership ☐ Corporation ☐ Other
- ☐ Classification(s) and/or Rate(s) amended as stated below, regarding Unit(s) No.
- ☒ Re Unit(s) No. 33 ☒ Loss Payee ☒ Individual Insured-Lessor is added Name: Foothills Truck Leasing
  Mailing Address: 2918 Laurens Rd., Greenville, SC 29607
- ☐ Re Unit(s) No. ____ ☒ Loss Payee ☐ Individual Insured-Lessor is added Name: SB & T, Pares Branch
  Mailing Address: 1954 Cedar Ln. Rd., Greenville, SC 29611
- ☐ Limits of coverage amended to read as stated below.

UNIT(S) ADDED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / RWK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER	ORIGINAL COST NEW
33	1985 Inter.	Van 30,000 GVW	1HTLDTN12FH553420	$ 36,000
3	1965 Ford	F-150 PU 3/4 ton	1F7EF15T7JB36095	$ 11,500
				$

UNIT NUMBER	STATE	TERRITORY	COMMERCIAL CLASS	STATED AMOUNT	PRIVATE PASSENGER CLASS	MED PAY	SAFE DRIVER	SYM	ACV
33	SC	073	33439	$					
3	SC	073	01439	$					
				$					

UNIT(S) ELIMINATED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / RWK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER
3	1987	Inter.	Van	1HTLDUCT7HH288796
15	1988	Inter.	Tractor	1HTLDNNT6JH556512
34	1988	Inter.	Tractor	1HTLJ2P2JHH012425

PREMIUM ADJUSTMENT

	COVERAGE	SPLIT LIMITS	COMBINED SINGLE LIMIT	FULL POLICY PERIOD PREMIUM UNIT NO 33	UNIT NO 39	UNIT NO	ADDITIONAL PREMIUM	RETURN PREMIUM
LIABILITY	BODILY INJURY		1,000,000	1252.	578.			1512.
	PROPERTY DAMAGE							
	PERSONAL INJURY PROTECTION PIP			8.	8.			7.
	ADDITIONAL PERSONAL INJURY PROTECTION PIP							
	MEDICAL PAYMENTS / MEDICAL EXPENSE							
	UNINSURED MOTORISTS FAMILY PROTECTION		1,000,000	33.	33.			27.
	SC Road Tax			1.	1.			1.
PHYSICAL DAMAGE	FIRE AND THEFT							
	COMPREHENSIVE SUBJECT TO DEDUCTIBLE OF $		100	316.	142.			786.
	SPECIFIED CAUSES OF LOSS							
	COLLISION SUBJECT TO DEDUCTIBLE OF $		500	632.	251.			2067.
	TOWING AND LABOR							

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HEREWITH AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY FORMS A PART OF THE POLICY DESCRIBED HEREIN.

TOTAL LIABILITY PREMIUM	2547.
TOTAL PHYSICAL DAMAGE PREMIUM	2553.
TOTAL ENDORSEMENT PREMIUM	$ 5100.
PRO-RATA PERCENTAGE .527	% ☐ ADDITIONAL ☐ RETURN

DATE ENDORSEMENT ISSUED 5567 7/26/88

CODED BY BR CBO

SIGNATURE OF AUTHORIZED REPRESENTATIVE

FORM 70-2087 (ED. 7-87)

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EXHIBIT 3

Part 4

© 1980

CA 20 01
(Ed. 12 80)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED—Lessor

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective 6/2/88	Policy No. AU9 0 01 85 16 9
Named Insured Covil Corp., Inc.	Countersigned by (Authorized Representative)

Insurance Company Pa. Nat. Mut. Cas. Ins. Co.

Policy Number AU9 0 01 85 16 9

Effective Date 3/31/88 Expiration date 3/31/89

Named Insured Covil Corp., Inc. (See 79-53)

Address P.O. Box 1804
Greenville, SC 29602

Additional Insured (Lessor) Foothills Truck Leasing
2418 Laurens Rd., Greenville, SC 29607

Designation or Description of Leased Autos

#38 1968 International Van 1HTLDTVR2JH553410

Coverages	Limit of Liability
Liability	$ 1,000,000 Each Accident
Personal Injury Protection (or equivalent no-fault coverage)	$ 1,000
Combined Physical Damage	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ For Each Covered Auto
Comprehensive	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS $ 100 For Each Covered Auto
Collision	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ 500 For Each Covered Auto
Specified Perils	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS; MINUS: $ For Each Covered Auto

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A. PHRASE WITH SPECIAL MEANING

In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following phrase has special meaning in this endorsement:

"Leased auto" means an **auto** leased to **you** for one year or more, including any substitute, replacement or extra **auto** needed to meet seasonal or other needs, under a leasing agreement which requires **you** to provide direct primary insurance for the lessor.

B. Any **leased auto** designated or described in this endorsement will be considered a covered **auto you** own and not a covered **auto you** hire or borrow. For a covered **auto** which is a **leased auto** WHO IS INSURED is changed to include as an **insured** the lessor named in this endorsement. However, the lessor is an **insured** only for **bodily injury** or **property damage** resulting from the acts or omissions of:

1. **You.**
2. Any of **your** employees or agents.
3. Any person, except the lessor or any employee or agent of the lessor, operating a **leased auto** with the permission of any of the above.

C. LOSS PAYABLE CLAUSE

1. **We** will pay **you** and the lessor named in this endorsement for **loss** to a **leased auto**, as interest may appear.
2. The insurance covers the interest of the lessor unless the **loss** results from fraudulent acts or omissions on **your** part.
3. If **we** make any payment to the lessor, **we** will obtain his rights against any other party.

D. CANCELLATION

1. If **we** cancel the policy, **we** will mail notice to the lessor in accordance with CANCELLING THIS POLICY DURING THE POLICY PERIOD.
2. If **you** cancel the policy, **we** will mail notice to the lessor.
3. Cancellation ends this agreement.

E. The lessor is not liable for payment of **your** premiums.

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Pennsylvania National
Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement changes the policy effective on the inception date of the policy or as of the date indicated below.

Policy Number	Effective	Expiring
AU9 0 01 85 16 9	3/31/88	3/31/89

Issued to: Covil Corp., Inc. (See 70-53)

Endorsement No.	Effective
xxx	6/2/88

Agent: Sam J. Crain & Co., Inc. 22 6729

7/26/88dp

Authorized Representative

LOSS PAYABLE CLAUSE

BUSINESS AUTO COVERAGE FORM - TRUCKERS COVERAGE FORM - GARAGE COVERAGE FORM

A. We will pay you and the loss payee named below for "loss" to a covered "auto", as interest may appear.

B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.

C. We may cancel the policy as allowed by the CANCELLATION COMMON POLICY CONDITION. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee: Foothills Truck Leasing

Address: 2418 Laurens Rd.
Greenville, SC 29607

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR MODEL; TRADE NAME; BODY TYPE; SERIAL NUMBER(S); VEHICLE IDENTIFICATION NUMBER(S)	COMPREHENSIVE DED.	SPECIFIED CAUSES OF LOSS	COLLISION DED.	FIRE	FIRE AND THEFT	
1988 Inter. Van 1HTLJTVN2JH553410	ACV 100		500.			

Form 70-2251 (Ed. 12-87)

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Pennsylvania National
Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 - Harrisburg, PA 17105

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement changes the policy effective on the inception date of the policy or as of the date indicated below.

AU9 0 01 85 16 9 — Policy Number
3/31/88 — Effective
3/31/89 — Expiring
Covil Corp., Inc. (See 70-53) — Issued to

XXX — Endorsement No.
6/2/88 — Effective
Sam J. Crain & Co., Inc. 22 6729 — Agent

7/26/88dp
Authorized Representative

LOSS PAYABLE CLAUSE

BUSINESS AUTO COVERAGE FORM - TRUCKERS COVERAGE FORM - GARAGE COVERAGE FORM

A. We will pay you and the loss payee named below for "loss" to a covered "auto", as interest may appear.

B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.

C. We may cancel the policy as allowed by the CANCELLATION COMMON POLICY CONDITION. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee: BB & T Berea Branch

Address: 1954 Cedar Ln. Rd.
Greenville, SC 29611

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR MODEL; TRADE NAME; BODY TYPE; SERIAL NUMBER(S); VEHICLE IDENTIFICATION NUMBER(S)	COMPREHENSIVE DED.	SPECIFIED CAUSES OF LOSS	COLLISION DED.	FIRE	FIRE AND THEFT
1988 Ford F-150 PU 1FTEF15Y7JNB36090	ACV 100		500.		

- 3029 -

HOME OFFICE
PREMIUM CODE SHEET

PAGE 1 OF 4

POLICY IDENTIFICATION PREFIX	POLICY IDENTIFICATION NUMBER	AGENCY NUMBER	TRANSACTION MO	TRANSACTION DAY	TRANSACTION YR	TRANSACTION CODE
AUG	01 85 16 9	6729	03	31	88	4

KC	NAMED INSURED	POLICY EFFECTIVE MO	POLICY EFFECTIVE DAY	POLICY EFFECTIVE YR	POLICY EXPIRATION MO	POLICY EXPIRATION DAY	POLICY EXPIRATION YR	TERM	MAJOR LINE	RISK T	RISK C	RISK SIZE	TERR	DIV	LAST	SYMBOL	UNIT	PS	FORM	POL	MKT PLAN	SFX
1																						

KC	MAILING ADDRESS	APARTMENT IDENTIFICATION
0		

CITY STATE & ZIP CODE

2

KC	LINE	TRANSACTION %	CONTROL PREMIUM	CONTROL ASSESSMENT SURCHARGE	COMM RATE	STATE	CANCEL TRANS	CANCEL REASON	SURCHARGE DOLLARS	SURCHARGE CENTS	SPP	INSURANCE PREMIUM	SPP	EMPLOYEE NUMBER	PRODR ID
3	10	1000	00095											6567	
3															
3															
3															
3															
3															
3															
3															
3															

TAS AUG 3 1988 19

KC	MATCH CODE	LINE	ITEM	CC	A PREMIUM	B PREMIUM	C PREMIUM	D PREMIUM	EXPOSURE	COMM RATE	TERM	RATE BOOK	RATE DEP	CPP LINE
4	001	20	35	1	00032	00063			12	150		096	100	
4	002													
4	003													
4	004													
4	005													
4	006													
4	007													
4	008													
4	009													
4	010													
4	011													

STAMP

Am #7786 7-25-88
DATE CODED

REMARKS

Audoc#1

CODED BY BR CBO

KC	MATCH CODE	LINE	X	CC	STATE	TERR	TAX TERR	TOP	SUBLINE	STATISTICAL INFORMATION	VEHICLE IDENTIFICATION NUMBER	ZIP CODE
6	001	20			139	073	0023	10	6	1863489 01307774006 1		
6	002											
6	003											
6	004											
6	005											
6	006											
6	007											
6	008											
6	009											
6	010											
6	011											

Form 60-42 (Rev. 5-84)

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- 3030 -

HOME OFFICE PREMIUM CODE SHEET EXTENSION

PAGE 3 OF 4

POLICY IDENTIFICATION PREFIX (5-7)	POLICY IDENTIFICATION NUMBER (8-13)	AGENCY NUMBER (14-17)	TRANSACTION MO (18-19)	TRANSACTION DAY (20-21)	TRANSACTION YR (22-23)	TRANSACTION CODE (24)
A49	018516 9	6729	06	01	88	4

KC	LINE (25-27)	TRANSACTION % (29-31)	CONTROL PREMIUM (32-37)	CONTROL ASSESSMENT SURCHARGE (38-41)	COMM RATE (42-44)	STATE (45-46)	CANCEL TRANS (47-48)	CANCEL REASON (49-50)	T (51)	SURCHARGE DOLLARS (52-54)	SURCHARGE CENTS (55-56)	OPP TP (57)	NR (58)	REINSURANCE PREMIUM (59-66)	SP (67)	EMPLOYEE NUMBER (68-73)	PROD ID (74-77)	(78-80)
3	10	08830	X00716													6567		

DATE CODED Amt 7796 7-25-88

REMARKS

Audit #3

CODED BY BR CBO

KC	MATCH CODE (25-26)	LINE (27-30)	ITEM (31-33)	CC (34)	A PREMIUM (35-38)	B PREMIUM (39-43)	C PREMIUM (44-47)	D PREMIUM (48-51)	EXPOSURE (52-53)	COMM RATE (54-57)	SP (58)	RATE MODE (59-62)	RATE SEP (63-65)	IRP LINE (66-67)
4	005	10	11	2	X0573			X0348	X	12150		996	100	
4	006	13	12	2	X0008				X	12	?	?	?	
4	007	20	13	3										

KC	MATCH CODE (25-26)	LINE (27-30)		CC (32)	STATE (33-34)	TERR (35-37)	TAX TERR (38-41)	TOP (42-43)	SUBLINE (44-46)	STATISTICAL INFORMATION (47-70)	VEHICLE DESCRIPTION NUMBER 2nd CODE (71-80)
6	005	10		2	39	073	0023	10	611	0148911 8 9 7	1
6	006	13		2	?	?	?	10	615	0148901 0 1 0	1
6	007	20		3							

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Form 60-50 (Rev. 5/84)

- 3031 -

HOME OFFICE PREMIUM CODE SHEET EXTENSION

PAGE 2 OF 4

POLICY IDENTIFICATION PREFIX (5-7)	POLICY IDENTIFICATION NUMBER (8-17)	AGENCY NUMBER (18-27)	TRANSACTION MO (28-29)	TRANSACTION DAY (30-31)	TRANSACTION YR (32-33)	TRANSACTION CODE (34)
AUG	01 85 16	9 6729	05	03	84	

XC (25)	LINE (26-27)	TRANSACTION % (28-31)	CONTROL PREMIUM (32-37)	CONTROL ASSESSMENT SURCHARGE (38-43)	COMM RATE (44-48)	STATE (49-50)	CANCEL TRANS (51)	CANCEL REASON (52)	SURCHARGE DOLLARS (53-54)	SURCHARGE CENTS (55-56)	DF (57)	AR (58)	REINSURANCE PREMIUM (59-64)	SP (65)	EXPLOSIVES CLASSES (66-67)	PROT CL (68-69)
3	10	0915	004993										65.67			

XC (25)	MATCH CODE (25-29)	LINE (29-30)	ITEM (31-32)	CC (33)	A PREMIUM (34-39)	B PREMIUM (40-45)	C PREMIUM (46-51)	D PREMIUM (46-51)	EXPOSURE (52-56)	COMM RATE (57-61)	TYPE (62)	RATE MODE (63-64)	RATE DEF (65-66)	DEF RG (67-68)
4	002	10	22	1	01502			C034		12	150	69.100		
4	003	13	23	1	00008					12	)	)	)	
4	004	20	36	1	01129	02790				12	(	(	(	

RATE NUMBER Am#7716 7-25-83

REMARKS

TAD AUG 3 1984 12

Au dec # 2

CODED BY BR CBO

XC (25)	MATCH CODE (25-29)	LINE (29-30)	X (31)	CC (32)	STATE (33-34)	TERR (35-37)	TAX TERR (38-41)	TOP (42-45)	SUBLINE (46-48)	STATISTICAL INFORMATION (49-72)	VEHICLE DESCRIPTION NUMBER / ZIP CODE (73-80)
6	002	10		1	39	073	0023	10	611	5843 9 1 8 9 7	
6	003	13		1	)	)	)	10	611	5843 9 0 1 0 1 0	
6	004	20		1	(	(	(	10	611	5843 9 0 1 0 0 3 7 1 0 6 7	

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

POLICY CONTRACTION

PREFIX	NUMBER	AGENCY NUMBER
Aug	0135 16	9 6729

TRANSACTION

MO	DAY	YR	CODE
06	02	88	4

HOME OFFICE PREMIUM CODE SHEET EXTENSION

PAGE 4 OF 4

LINE	TRANSACTION	CONTROL PREMIUM	CONTROL ASSESSMENT SURCHARGE	RATING RATE	STATE	CANCEL TRANS REASON	SURCHARGE DOLLARS CENTS	OFF TR	NP	REINSURANCE PREMIUM	SPP	EMPLOYEE NUMBER	PROD'R ID	
3	10 3 527X05403											6567		

MAJOR CODE	LINE	NEW	A PREMIUM	B PREMIUM	C PREMIUM	D PREMIUM	EXPOSURE	COMM RATE	SPP M	RATE MODE	RATE DEP	OFP LINE
4	002 1 1 52X3616											
4	009 1 3 72XOC16					XC63X	24150			096	100	
4	010 20113						24150			096	100	
4	01 22263											
4	012 #C24100573											
4	013 1325 100003					CC3X	12150			096	100	
4	014 2237 100-200251						12	?		?	?	

DATE CODED Am7786 7-25-88

REMARKS Audit #4

TAB AUG 3 1988 19

CODED BY BR CBO

MAJOR CODE	LINE	STATE	TERR	TAX TERR	TP	SUBLINE	STATISTICAL INFORMATION	VEHICLE IDENTIFICATION NUMBER ZIP CODE
6	001 10	23	073	0023	10	61136539	113 9 7	1
6	009 13	?	?	?		136539	01010	1
6	010 20							
6	011 20							
6	012 10	59	073	0023	10	61150499	113 9 7	1
6	013 13	?	?	?		150499	01010	1
6	014 20					150499	0100771011	1

Form 60-50 (Rev. 5/84)

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Pennsylvania National Insurance Companies

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

- 3034 -

VEHICLE GENERAL CHANGE ENDORSEMENT

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

INSURED	BRANCH OFFICE		POLICY NUMBER	
Covil Corporation, Inc (see 70-53)	CBO 025		AU9-0-01 85 16 9	
AGENCY	**AGENCY NUMBER**	**PROD'R ID / END. NO.**	**END. EFF. DATE**	**POLICY EXP. DATE**
Sam J. Crain & bo.	22 6729	4	3/31/88	3/31/89

It is agreed that this policy is hereby amended as indicated by (X):

- ☐ Name of Insured amended to read: _____
- ☐ Mailing Address of Insured amended to read: _____
- ☐ Garage location amended to read: _____
- ☐ Policy period amended to read: From: _____ To: _____
- ☐ Legal status amended to: ☐ Individual ☐ Partnership ☐ Corporation ☐ Other _____
- ☐ Classifications(s) and/or Rate(s) amended as stated below, regarding Unit(s) No. _____
- ☐ Re Unit(s) No. _____ ☐ Loss Payee ☐ Individual Insured-Lessor is added: Name _____
  Mailing Address: _____
- ☐ Re Unit(s) No. _____ ☐ Loss Payee ☐ Individual Insured-Lessor is eliminated: Name _____
  Mailing Address: _____
- ☐ Limit(s) of coverage amended to read as stated below.
- ☒ **Declarations page is amended to show no installment service fees. For return premium, see SU portion of this policy.**

UNIT(S) ADDED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW)/ GROSS COMBINATION WEIGHT (GCW)/ TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER	ORIGINAL COST NEW
					$
					$
					$

UNIT NUMBER	STATE	TERRITORY	COMMERCIAL CLASS	STATED AMOUNT	PRIVATE PASSENGER CLASS	MULTI-CAR	SAFE DRIVER	SYM	ANT
				$					
				$					
				$					

UNIT(S) ELIMINATED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW)/ GROSS COMBINATION WEIGHT (GCW)/ TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER

PREMIUM ADJUSTMENT

	COVERAGE	SPLIT LIMITS	COMBINED SINGLE LIMIT	FULL POLICY PERIOD PREMIUM UNIT NO.	UNIT NO.	UNIT NO.	ADDITIONAL PREMIUM	RETURN PREMIUM
LIABILITY	BODILY INJURY							
	PROPERTY DAMAGE							
	PERSONAL INJURY PROTECTION (PIP)							
	ADDITIONAL PERSONAL INJURY PROTECTION (PIP)							
	MEDICAL PAYMENTS / MEDICAL EXPENSE							
	UNINSURED MOTORISTS / FAMILY PROTECTION							
PHYSICAL DAMAGE	FIRE AND THEFT							
	COMPREHENSIVE SUBJECT TO DEDUCTIBLE OF $							
	SPECIFIED CAUSES OF LOSS							
	COLLISION SUBJECT TO DEDUCTIBLE OF $							
	TOWING AND LABOR							
	TOTAL LIABILITY PREMIUM							
	TOTAL PHYSICAL DAMAGE PREMIUM							
	TOTAL ENDORSEMENT PREMIUM						$	
	PRO-RATA PERCENTAGE				100 %		☐ ADDITIONAL	☐ RETURN

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HEREWITH, AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

DATE ENDORSEMENT ISSUED 9/29/88 lh

NC

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

FORM 70-2087 (ED. 7/87)

CODED BY BR CBO

HOME OFFICE COPY

HOME OFFICE
PREMIUM CODE SHEET

PAGE 1 OF 2

POLICY IDENTIFICATION PREFIX (5-7)	POLICY IDENTIFICATION NUMBER (8-13)	AGENCY NUMBER (14-17)	TRANSACTION MO (18-19)	TRANSACTION DAY (20-21)	TRANSACTION YR (22-23)	TRANSACTION CODE (24)
AU9	01 85 16 9	6729	06	03	88	7

- 3035

KC	NAMED INSURED	POLICY EFFECTIVE MO	DAY	YR	POLICY EXPIRATION MO	DAY	YR	TERM	MAJOR LINE	RISK T	C	SIZE	PLAN	DIV	LAS	BILL	EXT	STAT	P/S	FORM	HOD	REJ	MKT PLAN	BILL
1	Covil Corporation Inc	03	31	88	03	31	89	1	10	23	00	000	0										99	

KC	MAILING ADDRESS	APARTMENT IDENTIFICATION
0		

KC	CITY/STATE & ZIP CODE
2	

KC	LINE	TRANSACTION %	CONTROL PREMIUM	CONTROL ASSESSMENT/ SURCHARGE	COMM RATE	STATE	CANCEL TRANS	CANCEL REASON	SURCHARGE T	SURCHARGE DOLLARS	SURCHARGE CENTS	CPP TIE	N/R	REINSURANCE PREMIUM	SPP	EMPLOYEE NUMBER	PROD'R ID	CLASS
3	1	01000	X 00016													8053		
3																		
3																		
3																		
3																		
3																		
3																		
3																		
3																		

KC	MATCH CODE	LINE	ITEM	C C	A PREMIUM	B PREMIUM	C PREMIUM	D PREMIUM	EXPOSURE	COMM RATE	TERM	RATE MOD	RATE DEP	CPP LINE
4	001													
4	002													
4	003													
4	004													
4	005													
4	006													
4	007													
4	008													
4	009													
4	010													
4	011													

STAMP

Am 7786 9-23

DATE CODED: CODED BY BR CBO

corrected 10-26-88

REMARKS: All doc #4 resubmitted am 35-5 sent 10-14 4-02 10-14 Pro Rata $ 25 deleting pay plans

ERROR LIST 1-24 6 Cussin 88 9 00

KC	MATCH CODE	LINE	C C	STATE	TERR	TAX TERR	TOP	SUBLINE	STATISTICAL INFORMATION	VEHICLE IDENTIFICATION NUMBER / ZIP CODE
6	001									
6	002									
6	003									
6	004									
6	005									
6	006									
6	007									
6	008									
6	009									
6	010									
6	011									

Form 60-43 (Rev. 5/84)

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- 3036 -

HOME OFFICE
INSTALLMENT BILLING CODE SHEET

POLICY IDENTIFICATION			AGENCY NUMBER
PREFIX 5-7	NUMBER 8-13		14-17
AUG	01 85 16	9	6729

TRANSACTION			
MO 18-19	DAY 20-21	YR 22-23	CODE 24
06	03	88	7

PAGE 2 OF 2

DATE CODED
Am 7786 9-23-88

REMARKS

~~7~~ 6 charged
~~12~~ left

CODED BY BR CBO

Corrected only because
of date returned —
1 more had been charged

KC	LINE	CURRENT BILLING	AMOUNT PER BILLING	COMM RATE
25	26-27	28-32	33-37	38-40
5	10	02120	X21200	150
5	10	X0015	X00029	998
5	20	01509	X15091	150

8-31-88 Adv

OCT 6 '88 ERROR LIST

12-24 Cancellation

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ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4



Pennsylvania National Insurance Companies

Pennsylvania National Mutual Casualty Insurance Company • P.O. Box 2361 • Harrisburg, PA 17105

3039

VEHICLE GENERAL CHANGE ENDORSEMENT

INSURED	BRANCH OFFICE	POLICY NUMBER
Covil Corp., Inc.	CBO 025	AU9 0 01 65 16-9

AGENCY	AGENCY NUMBER	PROD'R ID	END. NO.	END. EFF. DATE	POLICY EXP. DATE
Sam J Crain & Co., Inc.	22 6729		7	9/30/88	3/31/89

It is agreed that this policy is hereby amended as indicated by (X):

- ☐ Name of Insured amended to read:
- ☐ Mailing Address of Insured amended to read:
- ☐ Garage location amended to read:
- ☐ Policy period amended to read: From: To:
- ☐ Legal status amended to: ☐ Individual ☐ Partnership ☐ Corporation ☐ Other
- ☐ Classifications(s) and/or Rate(s) amended as stated below, regarding Unit(s) No.
- ☒ Re Unit(s) No. 33 ☒ Loss Payee ☐ Individual Insured-Lessor is added: Name First Federal of SC
  Mailing Address: 1533 Wade Hampton Blvd., Greenville, SC 29609
- ☒ Re Unit(s) No. 38 ☒ Loss Payee ☒ Individual Insured-Lessor is eliminated: Name Foothill Truck Leasing
  Mailing Address: 2418 Laurens Rd., Greenville, SC 29607
- ☐ Limit(s) of coverage amended to read as stated below.
- ☐

UNIT(S) ADDED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER	ORIGINAL COST NEW
					$
					$
					$

UNIT NUMBER	STATE	TERRITORY	COMMERCIAL CLASS	STATED AMOUNT	PRIVATE PASSENGER CLASS	MULTI-CAR	SAFE DRIVER	SYM	ADD
				$					
				$					
				$					

UNIT(S) ELIMINATED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER

PREMIUM ADJUSTMENT

	COVERAGE	SPLIT LIMITS	COMBINED SINGLE LIMIT	FULL POLICY PERIOD PREMIUM UNIT NO.	UNIT NO.	UNIT NO.	ADDITIONAL PREMIUM	RETURN PREMIUM
LIABILITY	BODILY INJURY							
	PROPERTY DAMAGE							
	PERSONAL INJURY PROTECTION (PIP)							
	ADDITIONAL PERSONAL INJURY PROTECTION (PIP)							
	MEDICAL PAYMENTS / MEDICAL EXPENSE							
	UNINSURED MOTORISTS / FAMILY PROTECTION							
PHYSICAL DAMAGE	FIRE AND THEFT							
	COMPREHENSIVE SUBJECT TO DEDUCTIBLE OF $							
	SPECIFIED CAUSES OF LOSS							
	COLLISION SUBJECT TO DEDUCTIBLE OF $							
	TOWING AND LABOR							

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HEREWITH, AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

TOTAL LIABILITY PREMIUM		
TOTAL PHYSICAL DAMAGE PREMIUM		
TOTAL ENDORSEMENT PREMIUM	$ NC	
PRO-RATA PERCENTAGE	%	☐ ADDITIONAL ☐ RETURN

DATE ENDORSEMENT ISSUED 11/11/88tr #5280

SIGNATURE OF AUTHORIZED REPRESENTATIVE

FORM 70-2087 (ED. 7/87)

HOME OFFICE COPY

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2023CP4002098

Pennsylvania National
Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
Southeastern Regional Office
P.O. Box 21727 • Greensboro, NC 27420
(919) 275-0931

Foothills Truck Leasing
2418 Laurens Rd.
Greenville, SC 29607

Sam J Crain & Co Inc
22 6729

Date: 11/14/88tr

Re: Cancellation of Certificate of Insurance and/or
Additional Insured-Lessor Endorsement

Our Certificate of Insurance and/or Additional Insured-Lessor Endorsement, issued under Policy Number AU9 0 01 85 16-9 to Covil Corp., Inc. (Name)

PO Box 1804, Greenville, SC 29602 (Address) is withdrawn and cancelled effective 11/29/88 (Date)

Yours truly,

Carolyn Preble (JR)

Underwriter

re: 1988 International Van 1HTLDTVN2JH553410

Form 70-32 (Rev. 8/85)

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Pennsylvania National Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 - Harrisburg, PA 17105

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement changes the policy effective on the inception date of the policy or as of the date indicated below.

AU9 0 01 85 16-9	3/31/88	3/31/89	Covil Corp., Inc.
Policy Number	Effective	Expiring	Issued to
XX		9/30/88	Sam J Crain & Co Inc 22 6729
Endorsement No.		Effective	Agent

Authorized Representative

LOSS PAYABLE CLAUSE

BUSINESS AUTO COVERAGE FORM - TRUCKERS COVERAGE FORM - GARAGE COVERAGE FORM

A. We will pay you and the loss payee named below for "loss" to a covered "auto", as interest may appear.

B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.

C. We may cancel the policy as allowed by the CANCELLATION COMMON POLICY CONDITION. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee First Federal of SC

Address 1533 Wade Hampton Blvd.
Greenville, SC 29609

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR MODEL; TRADE NAME; BODY TYPE; SERIAL NUMBER(S); VEHICLE IDENTIFICATION NUMBER(S)	COMPREHENSIVE DED.	SPECIFIED CAUSES OF LOSS	COLLISION DED.	FIRE	FIRE AND THEFT	
1988 International 24' Van 1HTLDZYN4JH553408	ACV 100		500			

- 3042 -

Pennsylvania National Insurance Companies

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

VEHICLE GENERAL CHANGE ENDORSEMENT

INSURED	BRANCH OFFICE	POLICY NUMBER
Covil Corp., Inc.	CBO 025	AU9 0 01 85 16-9
AGENCY	AGENCY NUMBER / PROD'R ID / END. NO.	END. EFF. DATE / POLICY EXP. DATE
Sam J Crain & Co., Inc.	22 6729 / / 8	10/3/88 / 3/31/89

It is agreed that this policy is hereby amended as indicated by (X):

- ☐ Name of Insured amended to read: _____
- ☐ Mailing Address of Insured amended to read: _____
- ☐ Garage location amended to read: _____
- ☐ Policy period amended to read: From: _____ To: _____
- ☐ Legal status amended to: ☐ Individual ☐ Partnership ☐ Corporation ☐ Other _____
- ☐ Classifications(s) and/or Rate(s) amended as stated below, regarding Unit(s) No. _____
- ☒ Re Unit(s) No. 30 ☒ Loss Payee ☐ Individual Insured-Lessor is added: Name First Federal of SC
  Mailing Address: 1533 Wade Hampton Blvd., Greenville, SC 29609
- ☒ Re Unit(s) No. 30 ☒ Loss Payee ☐ Individual Insured-Lessor is eliminated: Name Foothills Truck Leasing
  Mailing Address: 2418 Laurens Rd., Greenville, SC 29607
- ☐ Limit(s) of coverage amended to read as stated below.
- ☒ Re Unit No. 30: Loss payee is eliminated: Navistar Financial Corp. c/o Idealease, Inc., 420 N. Wabash Ave.-400- Chicago, ILL 560611

UNIT(S) ADDED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER	ORIGINAL COST NEW
					$
					$
					$

UNIT NUMBER	STATE	TERRITORY	COMMERCIAL CLASS	STATED AMOUNT	PRIVATE PASSENGER CLASS	MULTI-CAR	SAFE DRIVER	SYM	AGE
				$					
				$					
				$					

UNIT(S) ELIMINATED

UNIT NUMBER	YEAR	TRADE NAME	BODY TYPE / GROSS VEHICLE WEIGHT (GVW) / GROSS COMBINATION WEIGHT (GCW) / TANK GALLONAGE / BUS SEATING CAPACITY	VEHICLE IDENTIFICATION NUMBER / SERIAL NUMBER / MOTOR NUMBER

PREMIUM ADJUSTMENT

	COVERAGE	SPLIT LIMITS	COMBINED SINGLE LIMIT	FULL POLICY PERIOD PREMIUM UNIT NO.:	UNIT NO.:	UNIT NO.:	ADDITIONAL PREMIUM	RETURN PREMIUM
LIABILITY	BODILY INJURY							
	PROPERTY DAMAGE							
	PERSONAL INJURY PROTECTION (PIP)							
	ADDITIONAL PERSONAL INJURY PROTECTION (PIP)							
	MEDICAL PAYMENTS / MEDICAL EXPENSE							
	UNINSURED MOTORISTS / FAMILY PROTECTION							
PHYSICAL DAMAGE	FIRE AND THEFT							
	COMPREHENSIVE SUBJECT TO DEDUCTIBLE OF $							
	SPECIFIED CAUSES OF LOSS							
	COLLISION SUBJECT TO DEDUCTIBLE OF $							
	TOWING AND LABOR							
				TOTAL LIABILITY PREMIUM				
				TOTAL PHYSICAL DAMAGE PREMIUM				
				TOTAL ENDORSEMENT PREMIUM			$ NC	
				PRO-RATA PERCENTAGE		%	☐ ADDITIONAL	☐ RETURN

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HEREWITH, AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

DATE ENDORSEMENT ISSUED 11/11/88 tc #5280

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

FORM 70-2087 (ED. 7/87)

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EXHIBIT 3

Part 5

Pennsylvania National
Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 - Harrisburg, PA 17105

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement changes the policy effective on the inception date of the policy or as of the date indicated below.

AU9 0 01 85 16-9	3/31/88	3/31/89	Covil Corp., Inc.
Policy Number	Effective	Expiring	Issued to
XX		10/3/88	Sam J Crain & Co Inc 22 6729
Endorsement No.		Effective	Agent

Authorized Representative

LOSS PAYABLE CLAUSE

BUSINESS AUTO COVERAGE FORM - TRUCKERS COVERAGE FORM - GARAGE COVERAGE FORM

A. We will pay you and the loss payee named below for "loss" to a covered "auto", as interest may appear.

B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.

C. We may cancel the policy as allowed by the CANCELLATION COMMON POLICY CONDITION. Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payment to the loss payee, we will obtain his rights against any other party.

Loss Payee First Federal of SC

Address 1533 Wade Hampton Blvd.
Greenville, SC 29609

APPLICABLE TO THE FOLLOWING COVERED AUTOS

YEAR MODEL; TRADE NAME; BODY TYPE; SERIAL NUMBER(S); VEHICLE IDENTIFICATION NUMBER(S)	COMPREHENSIVE DED.	SPECIFIED CAUSES OF LOSS	COLLISION DED.	FIRE	FIRE AND THEFT	
1987 International 22' Van 1HTLDTVP2HHA25560	ACV 100		500			

Form 70-2251 (Ed. 12/87)

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EXHIBIT 4

Part 1

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PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
INLAND MARINE DAILY REPORT

POLICY NO. 900 05 20 41 - 7
TYPE LAST DIGIT OF EXPIRATION YEAR

POLICY NO. 900 05 20 41 - 7

Supporting Coverages

Pol. No.	Exp. Date

NAME	CONTRACT NUMBER	CESSION	%	EFFECTIVE DATE

UNDERWRITING CONTROL OFFICE	UND. CLASS	IN LIEU OF
SERO 015	2 3 0100	New

Insured's Name and Mailing Address (If Individual, Indicate Last Name First)

Covil Corp. Inc.
P.O. Box 1804
Greenville, Greenville, S.C. 29602

Policy Period From: 3-31-86 To: 3-31-87
NOON STANDARD TIME AT THE ADDRESS OF THE INSURED AS STATED HEREIN

AGENCY	AGENCY NO	ISSUING DATE
Sam J. Crain & Co.	22 6729	4-7-86 cc

Part Two. "This Declaration Page with 'Policy Provisions - Part One' (along with appended floaters, forms or endorsements) completes the above numbered policy".

Amount $ see forms
Rate various
Premium $ 6271.

In consideration of the stipulations herein named and of the premium above specified the Company does insure the above Named Insured, hereinafter called the Insured, whose address is shown above, from the inception date shown above, at noon (standard time), to the expiration date shown above, at noon (standard time), at place of issuance to an amount not exceeding the amount(s) above specified, on property described below or in schedule attached.

Item No.	AMOUNT INSURED	SCHEDULE: DETAILED DESCRIPTION
		Code 798+ = 25,000 @1.00 = 250. Code 798+ = 2,000 @2.00 = 40. Code 382+ =100,000 @various=5981.flat

Subject to Form No(s). 70-1283(5-84) 70-1071(5-84) IM226(3-77) IM322(12-83) attached hereto.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

Countersigned by _____ Authorized Representative

RATE PLAN	PROGRAM	MKT. PLAN	P.S.	VOL.	FORM 70-1419
		99			

T	C	RISK SIZE	EMPLOYEE NO.	PROD'R ID
2	3	0100	6567	

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Form 70-112DR

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Pennsylvania National... Mutual Casualty Insurance Company

SCHEDULED PROPERTY FLOATER

(All Risks Form)

Attached to and forming part of Policy No.
of the
issued to
at its

Code 798+

Agency. Dated

PROPERTY COVERED AND AMOUNT OF INSURANCE

1. Item No. Description Amount of Insurance $ 27,000

$25000 telephone system located @ 131 Pinsley Circle, Greenville, S.C.(1.00 rate)
$2000 contents of 1985 space master office trailer S#SM824($2.00 rate)

TERRITORIAL LIMITS

2. This policy covers within the limits of the Continental United States and Canada.

THIS POLICY INSURES AGAINST

3. All risks of direct loss or damage from any external cause except as hereinafter provided.

THIS POLICY DOES NOT INSURE AGAINST

4. (a) Loss or damage caused by wear and tear, gradual deterioration, insects, vermin, inherent vice, latent defect, mechanical breakdown or faulty manufacture;
   (b) Damage sustained due to or resulting from any repairing, restoration or retouching process;
   (c) Breakage, unless caused by any of the following perils: fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, earthquake, flood, explosion, malicious damage, or collision, derailment or overturning of conveyance;
   (d) Loss of market, damage or deterioration arising from delay;
   (e) Loss or damage by theft by any person in the Insured's service or employment;
   (f) Loss by disappearance; loss or shortage disclosed upon taking inventory; or unexplained loss;
   (g) Loss resulting from any electrical injury or disturbance to electrical appliances, devices or wiring from artificial causes unless fire ensues, and if fire does ensue, the company shall be liable only for its proportion of loss caused by such ensuing fire;
   (h) Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy, however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy;
   (i) Loss or damage caused by or resulting from:
      (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (A) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (B) by military, naval or air forces; or (C) by an agent of any government, power, authority or forces;
      (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
      (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

COINSURANCE

5. In no event shall the company be liable for a greater proportion of any loss or damage to the property described herein than the amount hereby insured bears to the actual value of such property at the time when such loss or damage shall occur. If this policy covers two or more items, this condition shall apply to each item separately.

DEDUCTIBLE CLAUSE

6. Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim the sum of $ 100. shall be deducted.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

.....Agent

Form 70-1283 (Ed. 5/84)

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

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

Policy Number ..... Effective ..... Expiring ..... Issued to .....

Endorsement No. ..... Effective ..... Agent .....

..... Authorized Representative

BUILDERS' RISK / INSTALLATION FLOATER

SCHEDULE: Limits of Liability

The Company shall not be liable for more than:

☐ **ITEM 1.** **Code 382+**

$ N/A at the construction site located at N/A

and described as: _____

OR

XX ☐ **ITEM 2.**

$ 100,000 at any one construction site;

$ nil at any one temporary storage location;

$ 10,000 in transit in or on any one conveyance or combination thereof;

$ 100,000 any one loss, disaster or casualty, including general average, salvage charges or other expenses.

Premium Payment Basis:		
XX ☐ Flat Premium	Deposit Premium $ 5981.	
Completed Value Reporting	Rate per $100 of Completed Value $ .049	Deductible Amount
☐ Monthly	Minimum Annual Premium $ 1500.	$ 1000.
☐ Quarterly	Date First Report Due Annual adjustment	(See Clause H)
(See Clause M)		

A. BEGINNING AND TERMINATION OF COVERAGE

This policy covers from the time property is at the risk of the Insured during transit, while temporarily detained at locations and thereafter at construction site, but coverage will cease:

1. Upon acceptance of the property by the owner or purchaser, or
2. When the Insured's interest ceases, or
3. 60 days after completion of the project unless written consent of the Company is obtained, or
4. On each building, structure or addition when occupied for its intended purpose unless written consent of the Company is obtained, or
5. Upon expiration or termination of this policy;

whichever first occurs.

B. PROPERTY INSURED

This policy insures, except as otherwise provided:

1. Materials, supplies, machinery, equipment, fixtures designated to become a permanent part of:
   a. the construction, installation or completion of buildings or structures, including foundations;
   b. the improvement, alteration, repair or addition to existing buidlings or structures.
2. Similar property of others for which the Insured has prior to loss assumed liability therefore, but only to the extent of the Insured's liability.
3. Temporary structures (excluding inflatable structures).

C. PROPERTY EXCLUDED

This policy does not cover:

1. Machinery, tools, equipment, or any other property (except temporary structures at the construction site), not designated to become a permanent part of the building or structure;
2. Existing buildings or structures to which improvements, alterations, repairs or additions are being made;
3. Trees, shrubs, lawns, or plants;
4. Blueprints, plans, mechanical drawings, architects' drawings, designs or specifications, accounts, bills, deeds, evidence of debt, currency, securities or notes;
5. Property while waterborne other than by a regular scheduled ferry boat;
6. Property while airborne via unscheduled airlines or private aircraft.

D. INSURING AGREEMENT

This policy insures against all risk of direct physical loss or damage to the Insured property from any external cause except as otherwise provided.

E. DEBRIS REMOVAL EXTENSION

This policy covers expense incurred in the removal of debris of property covered hereunder which may be occasioned by loss caused by any of the perils insured against in this policy. The total amount recoverable for both loss to property and debris removal expense shall not exceed the actual limit of liability applying at the time of loss to the item of insurance in the application of this clause.

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HOME OFFICE
PREMIUM CODE SHEET

PAGE 1 OF 1

POLICY IDENTIFICATION PREFIX (5-7)	POLICY IDENTIFICATION NUMBER (8-13)	AGENCY NUMBER (14-17)	TRANSACTION MO (18-19)	DAY (20-21)	YR (22-23)	CODE (24)
900	052041	6729				1

KC	NAMED INSURED	POLICY EFFECTIVE MO	DAY	YR	POLICY EXPIRATION MO	DAY	YR	TERM	MAJOR LINE	RISK T	C	SIZE	PLAN	DIV	LAS	BLX	STAT	P/S	FORM	REJ	MKT PLAN	BILL
25	26-48	49-50	51-52	53-54	55-56	57-58	59-60	61	62-65	64	65	66-69	70	71	72	73	74	75	76	77	78-79	80
1	Colvil Corp Inc	03	31	86	03	31	87	1	9023	0	1	0000									979	

KC	MAILING ADDRESS	APARTMENT IDENTIFICATION
25	26-48	49-71
0	PO Box 11804	

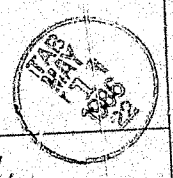
CITY/STATE & ZIP CODE (26-38/39-48)

2 Greenville [redacted] 29602

KC	LINE	TRANSACTION %	CONTROL PREMIUM	CONTROL ASSESSMENT/ SURCHARGE	COMM RATE	STATE	CANCEL TRANS	CANCEL REASON	SURCHARGE T	SURCHARGE DOLLARS	SURCHARGE CENTS	CPP TR	N/R	REINSURANCE PREMIUM	SPP	EMPLOYEE NUMBER	PROD'R ID	LAS
25	25-27	28-31	32-37	38-41	42-44	45-46	47-48	49-50	51	52-54	55-56	57	58	59-64	65	66-69	70-71	72
3	910		006271													6567		
3																		
3																		
3																		
3																		
3																		
3																		
3																		

KC	MATCH CODE	LINE	ITEM	CC	A PREMIUM	B PREMIUM	C PREMIUM	D PREMIUM	EXPOSURE	COMM RATE	TERM	RATE MOD	RATE DEP	CPP LINE
25	26-28	29-30	31-32	33	34-38	39-43	44-47	48-51	52-58	59-61	62	63-65	66-68	69-70
4	001	91	01	1	00250					200				
4	002	91	02	1	00040									
4	003	91	03	1	05981									
4	004													
4	005													
4	006													
4	007													
4	008													
4	009													
4	010													
4	011													

STAMP



DATE CODED 4-21-86 mBeverly

REMARKS

KC	MATCH CODE	LINE		CC	STATE	TERR	TAX TERR	TOP	SUBLINE	STATISTICAL INFORMATION
25	26-28	29-30	31	32	33-34	35-37	38-41	42-43	44-46	47-71
6	001	91		1	39	999	0023	10	920	798489089503
6	002	91		1				10	920	798139085503
6	003	91		1				10	620	382589085007
6	004									
6	005									
6	006									
6	007									
6	008									
6	009									
6	010									
6	011									

VEHICLE IDENTIFICATION NUMBER

ZIP CODE (71-80)



Form 60-43 (Rev. 5/84)

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9000520
41

DECLARATIONS

INLAND MARINE POLICY

RENEWAL DECLARATION * * * * * 03/31/87

POLICY NUMBER	POLICY PERIOD FROM	TO	COVERAGE IS PROVIDED IN THE	AGENCY	P
900 0052041	03/31/87	03/31/88	PA NATIONAL MUTUAL CAS INS CO	2226729	00

NAMED INSURED AND ADDRESS	AGENCY
ITEM COVIL CORP. INC. ONE. P. O. BOX 1804 GREENVILLE, GREENVILLE, S. C. 29602	SAM J CRAIN & CO INC PO BOX 2563 GREENVILLE SC 029602

POLICY PERIOD: NOON STD. TIME AT THE ADDRESS OF THE INSURED AS STATED HEREIN.

PART TWO: "THIS DECLARATION PAGE WITH POLICY PROVISIONS--PART ONE (ALONG WITH APPENDED FLOATERS, FORMS OR ENDORSEMENTS) COMPLETES THE ABOVE NUMBERED POLICY".

AMOUNT$ SEE FORM
RATE VARIOUS
PREMIUM$ 6484

IN CONSIDERATION OF THE STIPULATIONS HEREIN NAMED AND OF THE PREMIUM ABOVE SPECIFIED THE COMPANY DOES INSURE THE ABOVE NAMED INSURED, HEREINAFTER CALLED THE INSURED, WHOSE ADDRESS IS SHOWN ABOVE, FROM THE INCEPTION DATE SHOWN ABOVE, AT NOON (STD. TIME), TO THE EXPIRATION DATE SHOWN ABOVE, AT NOON (STD. TIME), AT PLACE OF ISSUANCE TO AN AMOUNT NOT EXCEEDING THE AMOUNT(S) ABOVE SPECIFIED, ON PROPERTY DESCRIBED BELOW OR IN SCHEDULE ATTACHED.

ITEM NO.	AMOUNT INSURED	SCHEDULE: DETAILED DESCRIPTION	
1.	SEE FORM	70-1280	PREMIUM $ 463
2.	SEE FORM	70-1283	PREMIUM $ 40
3.	SEE FORM	70-1071	PREMIUM $5981
			INSTALLMENT SERVICE : $
			TOTAL POLICY PREMIUM: $
			SEE PROVISIONS ATTACHED HERETO

SEE PAGE TWO (CON'T)

Pennsylvania National Insurance Companies

PMS

FORM 70-1572

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DECLARATIONS

INLAND MARINE POLICY

RENEWAL DECLARATION * * * * * 03/31/87

POLICY NUMBER	FROM POLICY PERIOD	TO	COVERAGE IS PROVIDED IN THE	AGENCY	P
900 0052041	03/31/87	03/31/88	PA NATIONAL MUTUAL CAS INS CO	2226729	00

NAMED INSURED AND ADDRESS	AGENCY
ITEM COVIL CORP. INC. ONE. P. O. BOX 1804 GREENVILLE, GREENVILLE, S. C. 29602	SAM J CRAIN & CO INC PO BOX 2563 GREENVILLE SC 029602

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING PROVISIONS AND STIPULATIONS AND THOSE HEREINAFTER STATED, WHICH ARE HEREBY MADE A PART OF THIS POLICY, TOGETHER WITH SUCH OTHER PROVISIONS, STIPULATIONS AND AGREEMENTS AS MAY BE ADDED HERETO, AS PROVIDED IN THIS POLICY.

DOCUMENT NUMBER:

APPLICABLE FORMS- 70-1283 05/84 70-1071 04/83 70-1843 03/86 IM322 12/83
IM226 03/77 70-1682 07/85 IL0249 07/86 70-1831 03/86

02/26/87

AUTHORIZED SIGNATURE DATE

-STATEMENT OF ACCOUNT-

906 0052041 01 20 ACCOUNT CUR

COVIL CORP. INC.

PREMIUM DUE -------- $6,484.00

PREMIUM DUE --- $6,484.00
PLEASE MAKE CHECK PAYABLE TO-
AND MAIL TO-
SAM J CRAIN & CO INC
PO BOX 2563
GREENVILLE SC 029602

Pennsylvania National Insurance Companies

THANK YOU FOR LETTING US SERVE YOU

FORM 70-1572

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INLAND MARINE

IM 322
(Ed. 12-83)

CM 01 04 (Ed. 12 83)

COMMERCIAL INLAND MARINE AMENDATORY ENDORSEMENT

This endorsement, effective , forms a part of policy No. or supplemental endorsement (form) No. attached to policy No.
issued to

by
located at its Agency

City and State Date of endorsement

Agent

(When this endorsement forms a part of a supplemental endorsement (form) the word "policy" wherever appearing in the following provisions is to be construed to mean "supplemental endorsement (form)".)

The provisions of the following forms are amended as indicated: (ENTER BELOW)

70-1283 (5-84) 70-1071(4-83)

1. PERILS INSURED

The Perils Insured section of the above forms is deleted and replaced by the following:
This policy insures against risks of direct physical loss or damage to the insured property unless the loss or damage is excluded under the Perils Excluded section of this policy.

2. PERILS EXCLUDED

The following are added to the Perils Excluded section:

A. When any of the following Perils Excluded apply:
   (1) Earthquake;
   (2) Flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray;
   (3) Water which backs up through sewers or drains;
   (4) Water below the surface of the ground;
   (5) War risk and governmental action;
   (6) Nuclear reaction or radiation;

   Such loss or damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss or damage.

B. This policy does not insure against loss or damage caused by any of the following. However, any ensuing loss or damage not excluded or excepted in this policy is covered.
   1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with any of the following Perils Excluded in this policy relating to:
      a. Earthquake;
      b. Flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray;
      c. Water which backs up through sewers or drains;
      d. Water below the surface of the ground;
      e. War risk and governmental action;
      f. Nuclear reaction or radiation;

(over)

AUTHENTIC

Copyright, Insurance Services Office, 1983

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

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

Policy Number ..... Effective ..... Expiring ..... Issued to .....

Endorsement No. ..... Effective ..... Agent .....

..... Authorized Representative .....

BUILDERS' RISK / INSTALLATION FLOATER

SCHEDULE: Limits of Liability

The Company shall not be liable for more than:

Code 382+

☐ ITEM 1.

$ N/A at the construction site located at N/A

and described as:

OR

☐ ITEM 2.

$ 100,000 at any one construction site;

$ Nil at any one temporary storage location;

$ 10,000 in transit in or on any one conveyance or combination thereof;

$ 100,000 any one loss, disaster or casualty, including general average, salvage charges or other expenses.

Premium Payment Basis:		
☒ Flat Premium	Deposit Premium $ ~~See 70-1843~~	
Completed Value Reporting	Rate per $100 of Completed Value $ ~~See 70-1843~~	Deductible Amount
☐ Monthly	Minimum Annual Premium $ See 70-1843	$ 1000.
☐ Quarterly	Date First Report Due ~~See 70-1843~~	
(See Clause M)		(See Clause H)

A. BEGINNING AND TERMINATION OF COVERAGE

This policy covers from the time property is at the risk of the Insured during transit, while temporarily detained at locations and thereafter at construction site, but coverage will cease:

1. Upon acceptance of the property by the owner or purchaser, or
2. When the Insured's interest ceases, or
3. 60 days after completion of the project unless written consent of the Company is obtained, or
4. On each building, structure or addition when occupied for its intended purpose unless written consent of the Company is obtained, or
5. Upon expiration or termination of this policy;

whichever first occurs.

B. PROPERTY INSURED

This policy insures, except as otherwise provided:

1. Materials, supplies, machinery, equipment, fixtures designated to become a permanent part of:
   a. the construction, installation or completion of buildings or structures, including foundations;
   b. the improvement, alteration, repair or addition to existing buidlings or structures.
2. Similar property of others for which the Insured has prior to loss assumed liability therefore, but only to the extent of the Insured's liability.
3. Temporary structures (excluding inflatable structures).

C. PROPERTY EXCLUDED

This policy does not cover:

1. Machinery, tools, equipment, or any other property (except temporary structures at the construction site), not designated to become a permanent part of the building or structure;
2. Existing buildings or structures to which improvements, alterations, repairs or additions are being made;
3. Trees, shrubs, lawns, or plants;
4. Blueprints, plans, mechanical drawings, architects' drawings, designs or specifications, accounts, bills, deeds, evidence of debt, currency, securities or notes;
5. Property while waterborne other than by a regular scheduled ferry boat;
6. Property while airborne via unscheduled airlines or private aircraft.

D. INSURING AGREEMENT

This policy insures against all risk of direct physical loss or damage to the Insured property from any external cause except as otherwise provided.

E. DEBRIS REMOVAL EXTENSION

This policy covers expense incurred in the removal of debris of property covered hereunder which may be occasioned by loss caused by any of the perils insured against in this policy. The total amount recoverable for both loss to property and debris removal expense shall not exceed the actual limit of liability applying at the time of loss to the item of insurance in the application of this clause.

Form 70-1071 (Ed. 4/83)

(Over)

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Pennsylvania National Mutual Casualty Insurance Company

SCHEDULED PROPERTY FLOATER
(All Risks Form)

Attached to and forming part of Policy No. Code 798+
of the
issued to
at its

Agency. Dated

PROPERTY COVERED AND AMOUNT OF INSURANCE

1. Item No. Description Amount of Insurance $ 27,000

1) 25000 telephone system located @ 131 Pinsley Circle, Greenville,S.C. (1.851 rate)
2) $2000 contents of 1985 Space master office trialer S#SM824($2.00 rate)
Maximum $250. per item or set applicable to contents of trailer
$25,000 @ 1.851 = $463.
2,000 @ 2.00 = $40.

TERRITORIAL LIMITS

2. This policy covers within the limits of the Continental United States and Canada.

THIS POLICY INSURES AGAINST

3. All risks of direct loss or damage from any external cause except as hereinafter provided.

THIS POLICY DOES NOT INSURE AGAINST

4. (a) Loss or damage caused by wear and tear, gradual deterioration, insects, vermin, inherent vice, latent defect, mechanical breakdown or faulty manufacture;
(b) Damage sustained due to or resulting from any repairing, restoration or retouching process;
(c) Breakage, unless caused by any of the following perils: fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, earthquake, flood, explosion, malicious damage, or collision, derailment or overturning of conveyance;
(d) Loss of market, damage or deterioration arising from delay;
(e) Loss or damage by theft by any person in the Insured's service or employment;
(f) Loss by disappearance; loss or shortage disclosed upon taking inventory; or unexplained loss;
(g) Loss resulting from any electrical injury or disturbance to electrical appliances, devices or wiring from artificial causes unless fire ensues, and if fire does ensue, the company shall be liable only for its proportion of loss caused by such ensuing fire;
(h) Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy, however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy;
(i) Loss or damage caused by or resulting from:
(1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (A) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (B) by military, naval or air forces; or (C) by an agent of any government, power, authority or forces;
(2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
(3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

COINSURANCE

5. In no event shall the company be liable for a greater proportion of any loss or damage to the property described herein than the amount hereby insured bears to the actual value of such property at the time when such loss or damage shall occur. If this policy covers two or more items, this condition shall apply to each item separately.

DEDUCTIBLE CLAUSE

6. Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim the sum of $ 100. shall be deducted.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

Form 70-1283 (Ed. 5/84)

.....Agent

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Pennsylvania National
Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

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

Policy Number ..... Effective ..... Expiring .....

Endorsement No. ..... Effective .....

Issued to .....

Agent .....

Authorized Representative .....

INSTALLATION FLOATER
GROSS RECEIPTS, ANNUAL REPORTING
ENDORSEMENT

Premium Basis

Deposit Premium: $ 5981

Rate Per $100 of Gross Receipts: $ .199

Minimum Annual Premium: $ 1500.

It is agreed that the policy to which this endorsement is attached is amended as follows:

~~Clause L and M are hereby declared null and void.~~

The following clauses are hereby added:

Premium Adjustment and Report of Gross Receipts:

The Deposit Premium charged for this policy is provisional, having been calculated at the rate shown per $100. of the gross annual receipts of the insured. On or before the 30th day following the expiration or anniversary date of this policy, the insured agrees to submit to the Company, or its agent a true report of actual gross receipts *(collected or uncollected)* made during the policy period. If such reported gross receipts exceeds the amount on which the provisional premium is based, the Insured agrees to pay additional premium on the excess amount at the policy rate. Such additional premium shall become due and payable to the Company immediately upon the furnishing of the aforesaid report. In the event the actual gross receipts are less than the amount on which the provisional premium is based, the Company agrees to return premium at the same rate on the deficiency. In no event, however, shall the premium retained by the Company be less than the Minimum Annual Premium.

Audit:

The Company through its authorized representative shall be privileged to inspect the books and records of the Insured pertaining to the subject matter of this insurance at all reasonable times during the policy record and for twelve (12) months after the expiration or termination of this insurance.

All other terms, conditions and exclusions of the policy, not in conflict herewith, remain unchanges.

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9000520

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EXHIBIT 4

Part 2

Code 382+ IM 2048 (Ed. 3-62)

INLAND MARINE

GENERAL CHANGE ENDORSEMENT

This endorsement, effective 3/31/87 forms a part of policy No. 900-0-052041-8 issued to Covil Corp., Inc.

by PMI at its Agency located Greenville, SC AND STATE

Date of endorsement 3/31/87ar

It is agreed that this policy is hereby amended as indicated by (X):

- ☐ Additional premium of $
- ☒ Amount of insurance increased by $ 5,000 to total of $ 15,000
- ☐ Amount of insurance unchanged.
- ☐ Name of Insured amended to read as shown below.
- ☐ Premium rate amended as shown below.
- ☐ Item(s) listed below added to schedule.
- ☐ Description of scheduled items amended as shown below.
- ☐ Return premium of $
- ☐ Amount of insurance reduced by $ to total of $
- ☐ Insurance reduced by loss payment of $ is reinstated. made (date)
- ☐ Address of Insured amended to read as shown below.
- ☐ Policy conditions amended as shown below.
- ☐ Item(s) listed below deleted from schedule.
- ☐ Description of property insured corrected to read as shown below.

Amending limit of coverage on form 70-1071 to $15,000 in lieu of $10,000 with no change in rates or premiums.

Doc. #1

Old 6484. New 6484.

All other terms and conditions of this policy remain unchanged.

Sam J Crain & Co. 22 6729 Agent

PMS

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9000520

41

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

INLAND MARINE 025

GENERAL CHANGE ENDORSEMENT

IM 2048
(Ed. 3-62)

This endorsement, effective 3-31-87 forms a part of policy No. 900—0-05 20 41-8 issued to Covil Corp. Inc.

by Pa. Natl. Mut. Cas. Ins.Co.

located Greenville, CITY, STATE at its Agency

P/R .100 rate 2.00

Date of endorsement 6-10-87,mc

It is agreed that this policy is hereby amended as indicated by (X):

☐ Additional premium of $

☐ Amount of insurance increased by $
to total of $

☐ Amount of insurance unchanged.

☒ Return premium of $ 40

☒ Amount of insurance reduced by $ 2,000
to total of $ 13,000

☐ Insurance reduced by loss payment of $
made (date) is reinstated.

☐ Name of Insured amended to read as shown below.

☐ Premium rate amended as shown below.

☐ Item(s) listed below added to schedule.

☐ Description of scheduled items amended as shown below.

☐ Address of Insured amended to read as shown below.

☐ Policy conditions amended as shown below.

☐ Item(s) listed below deleted from schedule.

☐ Description of property insured corrected to read as shown below.

Item 2) Contents of trailer on form 70-1283, Scheduled Property.

Doc. # 2

All other terms and conditions of this policy remain unchanged.

Prev. $6484. Rev. $6444.

Sam J. Crain & Co. 22 5729 Agent

PMS

900 05 20

41

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DECLARATIONS

INLAND MARINE POLICY

RENEWAL DECLARATION * * * * * 03/31/88

POLICY NUMBER	FROM POLICY PERIOD	TO	COVERAGE IS PROVIDED IN THE	AGENCY	P
900 0052041	03/31/88	03/31/89	PA NATIONAL MUTUAL CAS INS CO	2226729	00

NAMED INSURED AND ADDRESS	AGENCY
ITEN COVIL CORP. INC. ONE. P. O. BOX 1804 GREENVILLE, GREENVILLE. S. C. 29602	SAM J CRAIN & CO INC PO BOX 2563 GREENVILLE SC 029602

POLICY PERIOD: NOON STD. TIME AT THE ADDRESS OF THE INSURED AS STATED HEREIN.

PART TWO: "THIS DECLARATION PAGE WITH POLICY PROVISIONS-PART ONE (ALONG WITH APPENDED FLOATERS, FORMS OR ENDORSEMENTS) COMPLETES THE ABOVE NUMBERED POLICY".

AMOUNT$ SEE FORM
RATE VARIOUS
PREMIUM$ 6444

IN CONSIDERATION OF THE STIPULATIONS HEREIN NAMED AND OF THE PREMIUM ABOVE SPECIFIED THE COMPANY DOES INSURE THE ABOVE NAMED INSURED, HEREINAFTER CALLED THE INSURED, WHOSE ADDRESS IS SHOWN ABOVE, FROM THE INCEPTION DATE SHOWN ABOVE, AT NOON (STD. TIME), TO THE EXPIRATION DATE SHOWN ABOVE AT NOON (STD. TIME), AT PLACE OF INSURANCE TO AN AMOUNT NOT EXCEEDING THE AMOUNT(S) ABOVE SPECIFIED, ON PROPERTY DESCRIBED BELOW OR IN SCHEDULE ATTACHED.

SCHEDULE

ITEM NO.	AMOUNT INSURED	DETAILED DESCRIPTION	
1.	SEE FORM	70-1383	PREMIUM $ 463
2.	SEE FORM	70-1071	PREMIUM $5981
			INSTALLMENT SERVICE
			TOTAL POLICY PREMIUM
			SEE PROVISIONS ATTACHED HERETO

SEE PAGE TWO (COUNT)

PMS

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DECLARATIONS

INLAND MARINE POLICY

RENEWAL DECLARATION * * * * * 03/31/88

POLICY NUMBER	FROM POLICY PERIOD	TO	COVERAGE IS PROVIDED IN THE	AGENCY	
900 0052041	03/31/88	03/31/89	PA NATIONAL MUTUAL CAS INS CO	2226729	00

NAMED INSURED AND ADDRESS	AGENCY
ITEM COVIL CORP. INC. ONE. P. O. BOX 1804 GREENVILLE, GREENVILLE, S. C. 29602	SAM J CRAIN & CO INC PO BOX 2563 GREENVILLE SC 029602

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING PROVISIONS AND STIPULATIONS AND THOSE HEREINAFTER STATED, WHICH ARE HEREBY MADE A PART OF THIS POLICY, TOGETHER WITH SUCH OTHER PROVISIONS, STIPULATIONS AND AGREEMENTS AS MAY BE ADDED HERETO, AS PROVIDED IN THIS POLICY.

DOCUMENT NUMBER

APPLICABLE FORMS 70-1283 05/84 70-1071 04/85 70-1843 03/86 IM322 12/84
IM226 03/77 70-1682 03/85 IL0249 07/86 70-1831 03/86

03/26/89

AUTHORIZED SIGNATURE DATE

-STATEMENT OF ACCOUNT-

900 0052041 03 20 ACCOUNT CUR

COVIL CORP. INC.

PREMIUM DUE ---------- $6,441.00

PREMIUM DUE ---- $6,441.00
PLEASE MAKE CHECK PAYABLE TO
AND MAIL TO:
SAM J CRAIN & CO INC
PO BOX 2563
GREENVILLE SC 029602

THANK YOU FOR LETTING US SERVE YOU

FORM PC-1872

HOME OFFICE COPY

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INLAND MARINE

IM 322
(Ed. 12-83)

CM 01 04 (Ed. 12 83)

COMMERCIAL INLAND MARINE AMENDATORY ENDORSEMENT

This endorsement, effective , forms a part of policy No. or supplemental endorsement (form) No. attached to policy No.
issued to at its Agency
by Date of endorsement
located City and State .....Agent

(When this endorsement forms a part of a supplemental endorsement (form) the word "policy" wherever appearing in the following provisions is to be construed to mean "supplemental endorsement (form)".)

The provisions of the following forms are amended as indicated: (ENTER BELOW)

70-1283 5/84 70-1071 4/83

1. **PERILS INSURED**
The Perils Insured section of the above forms is deleted and replaced by the following:
This policy insures against risks of direct physical loss or damage to the insured property unless the loss or damage is excluded under the Perils Excluded section of this policy.

2. **PERILS EXCLUDED**
The following are added to the Perils Excluded section:
A. When any of the following Perils Excluded apply:
(1) Earthquake;
(2) Flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray;
(3) Water which backs up through sewers or drains;
(4) Water below the surface of the ground;
(5) War risk and governmental action;
(6) Nuclear reaction or radiation;
Such loss or damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss or damage.
B. This policy does not insure against loss or damage caused by any of the following. However, any ensuing loss or damage not excluded or excepted in this policy is covered.
1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with any of the following Perils Excluded in this policy relating to:
a. Earthquake;
b. Flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray;
c. Water which backs up through sewers or drains;
d. Water below the surface of the ground;
e. War risk and governmental action;
f. Nuclear reaction or radiation;

(over)

AUTHENTIC

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2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body;
3. Faulty, inadequate or defective:
   a. Planning, zoning, development; surveying, siting;
   b. Design, specifications, workmanship, repair, constructions, renovation, remodeling, grading, compaction;
   c. Materials used in repair, construction, renovation or remodeling; or
   d. Maintenance;

   of part or all of any property wherever located.
4. Collapse except as provided in the Additional Coverage—Collapse section of this endorsement.

3. **THE FOLLOWING IS ADDED:**

Additional Coverage—Collapse. This policy insures against risk of direct physical loss or damage involving collapse of a building or structure or any part thereof caused by one or more of the following:

a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this policy;
b. Hidden decay;
c. Hidden insect or vermin damage;
d. Weight of people or personal property;
e. Weight of rain which collects on a roof;
f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the limits of liability provided in this policy.

All other terms and conditions remain unchanged.

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

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY
HARRISBURG, PENNSYLVANIA

Policy Number | Effective | Expiring | Issued to

Endorsement No. | Effective | Agent

Authorized Representative

BUILDERS' RISK / INSTALLATION FLOATER

SCHEDULE: Limits of Liability

The Company shall not be liable for more than:

☐ ITEM 1.

$ _____ at the construction site located at _____

_____

and described as: _____

OR

☒ ITEM 2.

$ 100,000 at any one construction site;

$ NIL at any one temporary storage location;

$ 15,000 in transit in or on any one conveyance or combination thereof;

$ 100,000 any one loss, disaster or casualty, including general average, salvage charges or other expenses.

Premium Payment Basis:		
☒ Flat Premium	Deposit Premium $ see 70-1843	
Completed Value Reporting	Rate per $100 of Completed Value $ see 70-1843	Deductible Amount
☐ Monthly		
☐ Quarterly	Minimum Annual Premium $ see 70-1843	$ 1000.
(See Clause M)	Date First Report Due see 70-1843	(See Clause H)

A. BEGINNING AND TERMINATION OF COVERAGE

This policy covers from the time property is at the risk of the Insured during transit, while temporarily detained at locations and thereafter at construction site, but coverage will cease:

1. Upon acceptance of the property by the owner or purchaser, or
2. When the Insured's interest ceases, or
3. 60 days after completion of the project unless written consent of the Company is obtained, or
4. On each building, structure or addition when occupied for its intended purpose unless written consent of the Company is obtained, or
5. Upon expiration or termination of this policy;

whichever first occurs.

B. PROPERTY INSURED

This policy insures, except as otherwise provided:

1. Materials, supplies, machinery, equipment, fixtures designated to become a permanent part of:
   a. the construction, installation or completion of buildings or structures, including foundations;
   b. the improvement, alteration, repair or addition to existing buildings or structures.
2. Similar property of others for which the Insured has prior to loss assumed liability therefore, but only to the extent of the Insured's liability.
3. Temporary structures (excluding inflatable structures).

C. PROPERTY EXCLUDED

This policy does not cover:

1. Machinery, tools, equipment, or any other property (except temporary structures at the construction site), not designated to become a permanent part of the building or structure;
2. Existing buildings or structures to which improvements, alterations, repairs or additions are being made;
3. Trees, shrubs, lawns, or plants;
4. Blueprints, plans, mechanical drawings, architects' drawings, designs or specifications, accounts, bills, deeds, evidence of debt, currency, securities or notes;
5. Property while waterborne other than by a regular scheduled ferry boat;
6. Property while airborne via unscheduled airlines or private aircraft.

D. INSURING AGREEMENT

This policy insures against all risk of direct physical loss or damage to the Insured property from any external cause except as otherwise provided.

E. DEBRIS REMOVAL EXTENSION

This policy covers expense incurred in the removal of debris of property covered hereunder which may be occasioned by loss caused by any of the perils insured against in this policy. The total amount recoverable for both loss to property and debris removal expense shall not exceed the actual limit of liability applying at the time of loss to the item of insurance in the application of this clause.

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F. This policy does not insure against:

1. Any unexplained loss, mysterious disappearance of property (except property in the custody of carriers or bailees for hire) or shortage disclosed on taking inventory;
2. Loss or damage caused by or resulting from earthquake, volcanic action, mudflow, earth sinking, earth rising or shifting, landslide or other earth movement, except for property in due course of transit or unless loss by fire or explosion ensues, and then only for such ensuing loss;
3. Loss or damage caused by or resulting from:
   a. flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not;
   b. water which backs up through sewers or drains;
   c. water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings;
   d. release of water impounded by a dam or reservoir regardless of cause;

   unless loss by fire or explosion ensues and then only for such ensuing loss. This exclusion shall not apply to property in due course of transit.
4. Loss or damage caused by or resulting from rain, snow, sleet, (whether driven by wind or not) unless the property is contained in a permanently enclosed building, and then only for such loss or damage caused by rain, snow or sleet entering through an opening made by wind or hail; however, loss or damage to property insured due to collapse of a building caused by the weight of snow, ice or rainwater is covered. This exclusion shall not apply to property in the custody of carriers for hire;
5. The cost of making good any faulty or defective workmanship or material, but this exclusion shall not apply to physical damage directly resulting from such faulty or defective workmanship or material;
6. Loss or damage caused by or resulting from fault, defect, error or omission in design, plan or specifications, but this exclusion shall not apply to loss or damage by fire, lightning, wind, hail, aircraft, vehicles, smoke, discharge from fire protection or building service equipment, explosion, riot or civil commotion, to the extent that such perils are insured against in this policy;
7. Loss or damage caused by or resulting from inherent vice, latent defect, wear and tear, deterioration, rust, corrosion, dampness or dryness of atmosphere, wet or dry rot, mold, extremes or changes of temperature, freezing, insects or vermin;
8. Loss or damage resulting from short circuit, blow-out, or other electrical disturbance caused by electrical currents artificially generated, unless fire or explosion ensues, and then only for loss or damage caused by such ensuing fire or explosion;
9. Loss or damage caused by or resulting from mechanical breakdown or derangement including rupture, bursting or disintegration of the rotating or moving parts of machines or machinery resulting from centrifugal or reciprocating force, unless loss by a peril not otherwise excluded ensues, and then only for such ensuing loss;
10. Misappropriation, secretion, conversion, infidelity or any other dishonest act on the part of the Insured or other party of interest, his or their employees or others to whom the property may be entrusted, whether or not such acts are committed during working hours, (carriers for hire excepted);
11. Loss occasioned directly or indirectly by order of any government authority or by enforcement of any local or state ordinance or law regulating the construction, repair, or demolition of building(s) and structure(s);
12. Loss of use, delay, loss of market, penalties for noncompletion or noncompliance with contract conditions, or consequential loss of any kind;
13. Loss or damage caused by or resulting from subsidence, settling, cracking, shrinkage or expansion of walls, pavements, foundations, sidewalks, driveways, patios, floors, roofs or ceilings;
14. Loss or damage covered under any guarantee, warranty or similar obligation (expressed or implied) by any contractor, manufacturer or supplier, whether or not such contractor, manufacturer or supplier is an insured under this policy.
15. Loss or damage caused by or resulting from testing, unless fire or explosion ensues, and then only for the ensuing fire or explosion.
16. Loss or damage to steam boilers, steam pipes, steam turbines, or steam engines caused by or resulting from bursting, rupture or explosion of such objects, whether during testing or otherwise.

G. VALUATION AND LIMITS OF LIABILITY

This Company shall be liable for the full replacement cost of the property at the time of loss, including labor and other charges and expenses accrued thereto but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss; and in no event shall this Company be liable in any one loss for more than the limits stated in the Schedule.

The term "Replacement Cost" shall not include:

1. Penalties for or expenses incurred as a result of delay in completion or noncompletion of contract terms or conditions or noncompliance with contract terms or conditions or from any guarantee of performance or production;
2. Cost of land clearing; cost of excavations for foundations; sidewalk paving, street or parking lot paving or curbing, cost of landscaping;
3. Interest on money loaned or advanced.

H. DEDUCTIBLE

Each claim for loss or damage (separately occurring), shall be adjusted separately and from the amount of each such adjusted claim, the amount stated in the Schedule shall be deducted.

I. TERRITORIAL LIMITS

This policy covers only while the property is within and between the contiguous states of the United States of America and the District of Columbia, excluding Alaska and Hawaii.

J. OTHER INSURANCE

If at the time of loss or damage there is available to a named or unnamed Insured or any other interested party any other insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance.

K. IMPAIRMENT OF RECOVERY RIGHTS

This policy shall not cover a loss:

a. If any act or agreement of the Insured after such loss impairs the Insured's rights of recovery from others for the loss; or
b. If any act or agreement of the Insured, either before or after such loss, with any architect, engineer or other party or entity responsible for any design, specifications or plans relating to the property insured hereunder impairs the Insured's rights of recovery from such parties.

This insurance, however, shall not be invalidated should the Insured waive in writing, prior to a loss, its rights of recovery against any party (except those listed in b. above) for loss occurring to the property insured hereunder.

L. FLAT PREMIUM BASIS

If this policy is issued on a flat premium basis the following clause applies:

1. COINSURANCE

   This Company shall be liable for no greater proportion of any loss than the limit of liability at construction site, as stated in the Schedule, bears to the projected full value of insured property at date of completion. If this policy covers two or more structures under construction, the foregoing shall apply to each structure separately.

M. COMPLETED VALUE REPORTING BASIS

If this policy is issued on a completed value reporting basis the following clauses apply:

1. REPORTING CLAUSE

   The Insured agrees to report in writing to the Company or its authorized agent not later than the date specified in the Schedule, and thereafter within fifteen (15) days following the last day of the reporting period specified:

   a. The projected total completed value of each structure at risk under this insurance during the reporting period.
   b. The address or location of the construction site(s).

2. PREMIUM ADJUSTMENT

   a. The deposit premium specified in the Schedule is due and payable as of the inception date of this policy.
   b. Earned premium shall be computed at the rate specified in the Schedule and shall be applied against the deposit premium. If earned premiums exceed the deposit premium such additional premium shall be due and payable to the Company as of the date of each report as herein required. If the total earned premium for the term of the policy is less than the deposit premium, a return premium equal to the difference shall be due the Insured by the Company. The annual premium for this policy shall in no event be less than the minimum Annual Premium specified in the Schedule.

3. FULL REPORTING

   In the event of loss or damage to property covered hereunder, the Company shall be liable for no greater proportion of such loss or damage at the location reported than the Completed Value reported by the Insured prior to the loss or damage bears to the projected value at date of completion. This clause shall apply separately to each building or structure insured under this policy.

4. OTHER REPORTING CONDITIONS

   a. AT THE TIME OF ANY LOSS, IF THE INSURED HAS FAILED TO FILE WITH THIS COMPANY REPORTS OF VALUES AS ABOVE REQUIRED THIS POLICY SHALL COVER ONLY AT THE LOCATIONS REPORTED AND FOR NOT MORE THAN THE AMOUNTS INCLUDED IN THE LAST REPORT OF VALUES FILED PRIOR TO THE LOSS.
   b. Notwithstanding the requirements of this policy that premium be paid upon the projected total completed values at risk thereunder, the Company's liability shall in no event exceed the limits of liability as specified in the policy.
   c. The Company or its authorized representatives, shall at all reasonable times have access to the Insured's books and records for the purpose of determining the actual premium due hereunder or any other matter pertaining to this insurance.
   d. In the event of cancellation, the Insured shall report the Completed Value of all property covered by this policy as of the date of cancellation and premium shall be adjusted on a pro rata basis.

All other terms, conditions and exclusions of the policy not in conflict herewith remain unchanged.

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Pennsylvania National
Insurance Companies

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

SCHEDULED PROPERTY FLOATER
(All Risks Form)

Attached to and forming part of Policy No.
of the
Issued to
at its

code 798+ rate 1.85

Agency. Dated

PROPERTY COVERED AND AMOUNT OF INSURANCE

1. Item No. Description Amount of Insurance $ 25,000

1. 25000 Telephone system located @ 131 Pinsley Cir. Greenville, SC

TERRITORIAL LIMITS

2. This policy covers within the limits of the Continental United States and Canada.

THIS POLICY INSURES AGAINST

3. All risks of direct loss or damage from any external cause except as hereinafter provided.

THIS POLICY DOES NOT INSURE AGAINST

4. (a) Loss or damage caused by wear and tear, gradual deterioration, insects, vermin, inherent vice, latent defect, mechanical breakdown or faulty manufacture;
(b) Damage sustained due to or resulting from any repairing, restoration or retouching process;
(c) Breakage, unless caused by any of the following perils: fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, earthquake, flood, explosion, malicious damage, or collision, derailment or overturning of conveyance;
(d) Loss of market, damage or deterioration arising from delay;
(e) Loss or damage by theft by any person in the Insured's service or employment;
(f) Loss by disappearance; loss or shortage disclosed upon taking inventory; or unexplained loss;
(g) Loss resulting from any electrical injury or disturbance to electrical appliances, devices or wiring from artificial causes unless fire ensues, and if fire does ensue, the company shall be liable only for its proportion of loss caused by such ensuing fire;
(h) Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy, however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy;
(i) Loss or damage caused by or resulting from:
(1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (A) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (B) by military, naval or air forces; or (C) by an agent of any government, power, authority or forces;
(2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
(3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

COINSURANCE

5. In no event shall the company be liable for a greater proportion of any loss or damage to the property described herein than the amount hereby insured bears to the actual value of such property at the time when such loss or damage shall occur. If this policy covers two or more items, this condition shall apply to each item separately.

DEDUCTIBLE CLAUSE

6. Each claim for loss or damage shall be adjusted separately and from the amount of each such adjusted claim the sum of $ 100 shall be deducted.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

Agent

Pennsylvania National
Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 3361 • Harrisburg, PA 17105

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

Policy Number ..... Effective ..... Expiring .....

Issued to .....

Endorsement No. ..... Effective .....

Agent .....

Authorized Representative .....

INSTALLATION FLOATER
GROSS RECEIPTS, ANNUAL REPORTING ENDORSEMENT

Premium Basis	
Deposit Premium: $	5981.
Rate Per $100 of Gross Receipts: $	.199
Minimum Annual Premium: $	1500.

It is agreed that the policy to which this endorsement is attached is amended as follows:

Clause L and M are hereby declared null and void.

The following clauses are hereby added:

Premium Adjustment and Report of Gross Receipts:

The Deposit Premium charged for this policy is provisional, having been calculated at the rate shown per $100. of the gross annual receipts of the insured. On or before the 30th day following the expiration or anniversary date of this policy, the insured agrees to submit to the Company, or its agent a true report of actual gross receipts *(collected or uncollected)* made during the policy period. If such reported gross receipts exceeds the amount on which the provisional premium is based, the Insured agrees to pay additional premium on the excess amount at the policy rate. Such additional premium shall become due and payable to the Company immediately upon the furnishing of the aforesaid report. In the event the actual gross receipts are less than the amount on which the provisional premium is based, the Company agrees to return premium at the same rate on the deficiency. In no event, however, shall the premium retained by the Company be less than the Minimum Annual Premium.

Audit:

The Company through its authorized representative shall be privileged to inspect the books and records of the Insured pertaining to the subject matter of this insurance at all reasonable times during the policy record and for twelve (12) months after the expiration or termination of this insurance.

All other terms, conditions and exclusions of the policy, not in conflict herewith, remain unchanges.

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900 05 20

41

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002

COMPANY COPY

Pennsylvania National
Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2257 • Harrisburg, PA 17105

AGENT: SAM J CRAIN & CO INC
PO BOX 2563
GREENVILLE SC 29602
TELEPHONE 803 2424071

DATE OF THIS NOTICE 06/14/88
POLICY NUMBER 9000052041 02 20
POLICY TERM 03/31/88 TO 03/31/89
AGENCY NUMBER 2226729

BILL TO:
SAM J CRAIN & CO INC
PO BOX 2563
GREENVILLE SC 29602

INSURED:
COVIL CORP. INC.
P. O. BOX 1804
GREENVILLE, GREENVILLE, S.

CANCELLATION MEMO

900 0052041
INLAND MARINE POLICY
FLAT - CANCELLATION EFFECTIVE 03/31/88

TOTAL POLICY PREMIUM 6,444.00

KEEP THIS PORTION FOR YOUR RECORDS

FORM 50-84(REV. 2/87)

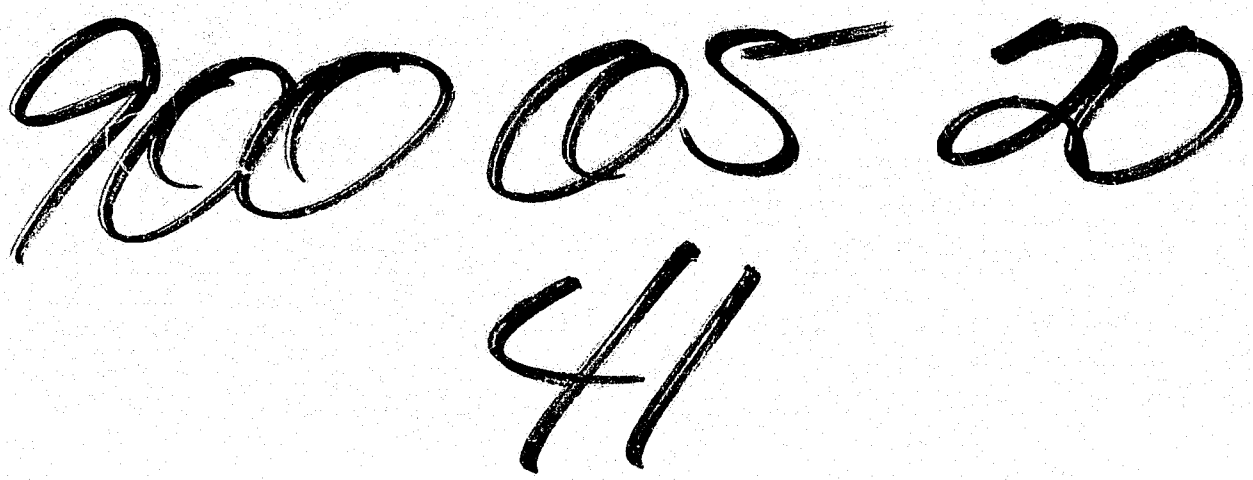
RETURN THIS PORTION IF PAYMENT IS DUE

POLICY NUMBER	NAME OF INSURED	DUE DATE	AMOUNT
9000052041 02 20	COVIL CORP. INC.		

DO NOT PAY IN CASH
MAKE CHECK PAYABLE TO
AND MAIL TO

PNI CAS. CO.
P.O. BOX 2257
HARRISBURG, PA 17105

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ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLE

900.0.05-20.41-9

Conc eff 3:31.88

mb

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS

- 3076 -

TO Carolyn Preble
Penn. National
Greensboro, N.C

FROM 22-6729 (803) 242-4071
SAM J. CRAIN & CO., INC.
All Forms of Insurance
225 West Stone Avenue
GREENVILLE, SC 29609

SUBJECT: Coast Corp. Inc DATE: 5-25-88

FOLD

90000 52041-9 Renewal 3/31/88-89
90 70000570-9 Renewal 3/31/88-89

Carolyn, I am attaching originals of the above policy for flat cancellation as per our phone conversation today.
Thanks so much for your excellent help.
We appreciate it.

PLEASE REPLY TO SIGNED Mildred

REPLY

MAY 27 1988
MAY 31 1988

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3077

DECLARATIONS
INLAND MARINE POLICY

RENEWAL DECLARATION * * * * * 03/31/88

POLICY NUMBER	POLICY PERIOD FROM	POLICY PERIOD TO	COVERAGE IS PROVIDED IN THE	AGENCY
900 0052041	03/31/88	03/31/89	PA NATIONAL MUTUAL CAS INS CO	22267290

NAMED INSURED AND ADDRESS	AGENCY
ITEM COVIL CORP. INC. ONE. P. O. BOX 1804 GREENVILLE, GREENVILLE, S. C. 29602	SAM J CRAIN & CO INC PO BOX 2563 GREENVILLE SC 029602

POLICY PERIOD: NOON STD. TIME AT THE ADDRESS OF THE INSURED AS STATED HEREIN.

PART TWO: "THIS DECLARATION PAGE WITH POLICY PROVISIONS-PART ONE (ALONG WITH APPENDED FLOATERS, FORMS OR ENDORSEMENTS) COMPLETES THE ABOVE NUMBERED POLICY".

AMOUNT$ SEE FORM
RATE VARIOUS
PREMIUM$ 6444

IN CONSIDERATION OF THE STIPULATIONS HEREIN NAMED AND OF THE PREMIUM ABOVE SPECIFIED THE COMPANY DOES INSURE THE ABOVE NAMED INSURED, HEREINAFTER CALLED THE INSURED, WHOSE ADDRESS IS SHOWN ABOVE, FROM THE INCEPTION DATE SHOWN ABOVE, AT NOON (STD. TIME), TO THE EXPIRATION DATE SHOWN ABOVE, AT NOON (STD. TIME), AT PLACE OF ISSUANCE TO AN AMOUNT NOT EXCEEDING THE AMOUNT(S) ABOVE SPECIFIED, ON PROPERTY DESCRIBED BELOW OR IN SCHEDULE ATTACHED.

ITEM NO.	AMOUNT INSURED	SCHEDULE: DETAILED DESCRIPTION	
1.	SEE FORM	70-1283	PREMIUM $ 463
2.	SEE FORM	70-1071	PREMIUM $5981
			INSTALLMENT SERVICE : $
			TOTAL POLICY PREMIUM: $
			SEE PROVISIONS ATTACHED HERETO

SEE PAGE TWO (CON'T)

MAY 31 1988

Pennsylvania National Insurance Companies

PMS

DECLARATIONS

INLAND MARINE POLICY

RENEWAL DECLARATION * * * * * 03/31/88

POLICY NUMBER	POLICY PERIOD FROM	TO	COVERAGE IS PROVIDED IN THE	AGENCY	P
900 0052041	03/31/88	03/31/89	PA NATIONAL MUTUAL CAS INS CO	222672700	

NAMED INSURED AND ADDRESS	AGENCY
ITEM COVIL CORP. INC. ONE. P. O. BOX 1804 GREENVILLE, GREENVILLE, S. C. 29602	SAM J CRAIN & CO INC PO BOX 2563 GREENVILLE SC 029602

THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING PROVISIONS AND STIPULATIONS AND THOSE HEREINAFTER STATED, WHICH ARE HEREBY MADE A PART OF THIS POLICY, TOGETHER WITH SUCH OTHER PROVISIONS, STIPULATIONS AND AGREEMENTS AS MAY BE ADDED HERETO, AS PROVIDED IN THIS POLICY.

DOCUMENT NUMBER:

APPLICABLE FORMS- 70-1283 05/84 70-1071 04/83 70-1843 03/86 IM322 12/83
IM226 03/77 70-1682 07/85 IL0249 07/86 70-1831 03/86

MAY 3 1 1988

03/26/88

AUTHORIZED SIGNATURE DATE

-STATEMENT OF ACCOUNT-

900 0052041 02 20 ACCOUNT CUR

COVIL CORP. INC.

PREMIUM DUE -------- $6,444.00

PREMIUM DUE --- $6,444.00
PLEASE MAKE CHECK PAYABLE TO-
AND MAIL TO-
SAM J CRAIN & CO INC
PO BOX 2563
GREENVILLE SC 029602

THANK YOU FOR LETTING US SERVE YOU

Pennsylvania National Insurance Companies

FORM 70-1972

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EXHIBIT 4

Part 3

ACORD COMMERCIAL INSURANCE APPLICATION
APPLICANT INFORMATION SECTION

SEE TOP STUBS AT UPPER RIGHT
DATE (MM/DD/YY) FEB. 03, 1986

PRODUCER
SAM J. CRAIN & COMPANY, INC.
P. O. BOX 2563
GREENVILLE, S. C. 29602

CODE | SUB-CODE

CARRIER | UNDERWRITER

POLICIES OR PROGRAM REQUESTED

PLEASE INDICATE THE SECTIONS ATTACHED

X	PROPERTY	X	GENERAL LIABILITY
	GLASS & SIGN	X	BUSINESS AUTO
	ACCTS. REC./VAL. PAPERS		GARAGE
X	CRIME ☐ FIDELITY		TRUCKERS
	TRANSPORTATION		WORKERS COMP.

X UMBRELLA

STATUS OF SUBMISSION
X QUOTE ☐ ISSUE POLICY
☐ BOUND (Give Date and/or Attach Copy)

PACKAGE POLICY INFORMATION
ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES.

PROPOSED EFF. DATE	PROPOSED EXP. DATE	BILLING PLAN	PAYMENT PLAN	AUDIT
MARCH 31, 1986	MARCH 31, 1987	X AGENCY BILL ☐ DIRECT BILL		

APPLICANT INFORMATION
NAME
COVIL CORPORATION, INC. ET AT (SEE ATTACHED LIST OR SCHEDULE)

MAILING ADDRESS (Include Zip Code)
POST OFFICE BOX 1804 - GREENVILLE, S. C. 29602

☐	INDIVIDUAL	X	CORPORATION
☐	PARTNERSHIP	☐	JOINT VENTURE

☐ OTHER (DESCRIBE)

YRS. IN BUSINESS: 32

INSPECTION (Contact/Phone): 803-246-1521

ACCOUNTING RECORDS (Contact/Phone): 803-246-1521

LOCATION INFORMATION

STREET, CITY, COUNTY, STATE, ZIP CODE	INTEREST	YR. BUILT	PART OCCUPIED
131 PINSLEY CIRCLE- BEREA INDUSTRIAL PARK-GREENVILLE, S. C. 29611	OWNER		ENTIRE

NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS/OCCUPANCY BY LOCATION

HOT AND COLD PIPE INSULATION
RESIDENTIAL INSULATION

GENERAL INFORMATION

#	EXPLAIN ALL "YES" RESPONSES	Yes	No
1	Is the applicant a subsidiary of another entity or does the applicant have any subsidiaries?	X	
2	Is a formal safety program in operation?		
3	Any exposure to flammables, explosives, chemicals?		X
4	Any catastrophe exposure?		X
5	Any other insurance with this company or being submitted?	X	
6	Any policy or coverage declined, cancelled or non-renewed during the prior 3 years?		X

REMARKS (1.) APPLICANT HAS SUBSIDIARIES (SEE ATTACHED SCHEDULE OF NAMED INSURED TO BE USED)
(5.) ALL LINES OF COVERAGE BEING SUBMITTED EXCEPT. WORKERS COMPENSATION

APPLICABLE IN NEW YORK STATE
Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

APPLICANT'S SIGNATURE | PRODUCER'S SIGNATURE

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ACORD EQUIPMENT FLOATER SECTION

PRODUCER	APPLICANT
SAM J. CRAIN & COMPANY, INC. P. O. BOX 2563 GREENVILLE, S. C. 29602	COVIL CORPORATION, INC. (SEE ATTACHED SCHEDULE OF INSUREDS)

PROPOSED EFF. DATE	PROPOSED EXP. DATE	BILLING PLAN	PAYMENT PLAN
03-31-86	03-31-87	☒ AGENCY ☐ DIRECT	INSTALLMENT FROM CO.

FOR COMPANY USE ONLY

TERRITORY OF OPERATION

SOUTH CAROLINA, NORTH CAROLINA, GEORGIA
FLORDIA, TENN, KY.

TYPE OF OPERATION (ACORD 125)

INSULATION CONTRACTOR -HOT AND COLD PIPE INSULATION & SPRAY INSULATION

COVERAGE

INSTALLATION FLOATER COVERAGE
ALL RISK COVERAGE

DEDUCTIBLE

$250.00

EQUIPMENT STORAGE (ACORD 125)

LOC #	MO. IN STORAGE	MAXIMUM VALUE IN BUILDING	MAXIMUM VALUE OUTSIDE	TYPE OF SECURITY
1.		$	$	
2.		$	$	
3.		$	$	

UNSCHEDULED EQUIPMENT

DESCRIPTION	MAXIMUM ITEM	AMT. OF INSURANCE	% COINS
ON SITE-INSTALLATION	--------	$100,000	
WHILE IN TRANSIT	----------	$ 10,000	
ANY ONE ACCIDENT	----------	$100,000	

ADDITIONAL INTERESTS/CERTIFICATE RECIPIENTS (ATTACH SEPARATE SHEET IF NECESSARY)

#	NAME AND ADDRESS	INTEREST	CERT.

GENERAL INFORMATION

#	EXPLAIN ALL "YES" RESPONSES.	YES	NO
1.	EQUIPMENT RENTED, LOANED TO/FROM OTHERS WITH/WITHOUT OPERATORS?	☐	☒
2.	IS APPLICANT OPERATING EQUIPMENT NOT LISTED HERE?	☐	☒

#	EXPLAIN ALL "YES" RESPONSES.	YES	NO
3.	PROPERTY USED UNDERGROUND?		☒
4.	ANY WORK DONE AFLOAT?		☒

REMARKS:

SEE ATTACHED PRESENT POLICY - AETNA C & S EXPIRING 03/31/86

sent apt app
must have to rate
Ok
2-19-86

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SCHEDULED EQUIPMENT

#	MODEL YEAR	DESCRIPTION (TYPE, MANUFACTURER, MODEL, CAPACITY, ETC.)	ID/SERIAL NO.	DATE PURCHASED	NEW/USED	AMOUNT OF INSURANCE
						$
						$
						$

Rating - 1987 Leawal

90-05-26-41-7

Rating telephone equipment
131 Linsley Circle, Brunswick, O.
(EC 947 m. 62 SWR) .113 + .003

fire	.705
EC	.114
VMP	.01
AOP (office)	1.02
	1.851

Rating - contr & office trailer

fire + EC 0702 frame	.74 + .209 = .949
theft	.50
Transit	.50
flood	.05
quake	.02
	2.019 2.00 nat

Installation rate

Step I — 10 X 15,000 = 150,000.

Step II — 75% X 150,000 = 112,500

Step III — 112,500 av. val at risk

Step IV — (a) Comm NC-1 Residential BV

(b) 3-4

(c) .133 } = .383
(d) .25

(e) .383 X 112,500 = # 431.

Step V — 3,000,000 X .185 = 5550.

Step VI — 5981 ÷ 3,000,000 = .199 (par #100 of receipts)

Deposit #5981.

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Pennsylvania National Insurance Companies
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

TECHNICAL UNDERWRITING SPECIALIST

REFERRAL SHEET

FROM: TECHNICAL UNDERWRITING SPECIALIST

Production Team Alan/Carolyn Policy Number 900005 2041-8

Transaction: ☑ Renewal ☐ Endorsement ☐ Other _____

Reason For Referral Need rates

Move Forward

Susan H
Technical Underwriting Specialist

2-19-88
Date

TO: TECHNICAL UNDERWRITING SPECIALIST

☑ OK to process

Additional Instructions no changes in rates

Signature of Underwriter Who Authorized Action

2/29
Date

Form 70-1842

RETAIN THIS FORM IN FILE

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COVIL CORP. INC.	900-0052041	20-[illegible]	SC	12/24/87
INSURED	POLICY NUMBER	REG/SE[illegible]	STATE	RUN DATE
SAM J CRAIN & CO INC	00006729	03/31/87		025
AGENCY	AGENCY NUMBER	ANNIVERSARY DATE		UNDERWRITING GROUP
03/31/87 - 03/31/88	COMMERCIAL / AVERAGE / 0	MANUAL EXPIRATION		25
CURRENT TERM EFF. EXP. DATE	BUSINESS TYPE / RISK CLASS / RISK SIZE	TYPE OF PRINTOUT/COMMERCIAL BRANCH		

SUMMARY	PERIOD EFFECTIVE DATE	03/31/87	86						
	CLAIM CHANGE	Reem: ***** dR 6444 239%	6271	12/15 1538	12.19 RR				
	LOSSES	1537.55	.00	.00	.00	.00	.00	.00	.00
	NO. OF LOSSES REPORTED	1	0	0	0	0	0	0	0

CLAIM NUMBER	LINE	ACCIDENT DATE	DAY OF WEEK	TIME OF DAY	LOSS CODE	DRIVER	ACCIDENT DESCRIPTION	TOTAL RESERVE	TOTAL PAID	CLAIM VALUE CHANGE
000007134007	909	05/04/87	MON	18	0253	LIGHTNING HIT PHONE SYSTE	INLAND MARINE PERSONAL ARTICLES		1537	
						Secret o/c 216	907 000 0570			
							130 0 038 700			
							450 0 000 0/00			
							515 0 50 28 53			
						2-19-88				

D & B Rating None

REVIEWED BY: NAME _____ DATE _____ NAME _____ DATE _____

ACTION TAKEN: _____

70-1608 (REV. 2/87)

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COVIL CORP. INC. (INSURED)	900-0052041 (POLICY NUMBER)
SAM J CRAIN & CO INC (AGENCY)	00006729 (AGENCY NUMBER)
03/31/87 - 03/31/88 (CURRENT TERM EFF. - EXP. DATE)	COMMERCIAL (BUSINESS TYPE)
AVERAGE (RISK CLASS)	0 (RISK SIZE)

20-02 (REG/SEC)	SC (STATE)	10/01/87 (RUN DATE)	
03/31/87 (ANNIVERSARY DATE)	025 (UNDERWRITING GROUP)		
QUARTERLY (TYPE OF PRINTOUT)			

SUMMARY									
	PERIOD EFFECTIVE DATE	03/31/87							
	CLAIM CHANGE	*****							
	LOSSES	2000.00	.00	.00	.00	.00	.00	ATTACH	.00
	NO. OF LOSSES REPORTED	1	0	0	0	0	0	0	0

CLAIM NUMBER	LINE	ACCIDENT DATE	DAY OF WEEK	TIME OF DAY	LOSS CODE	DRIVER	ACCIDENT DESCRIPTION	TOTAL RESERVE	TOTAL PAID	CLAIM VALUE CHANGE
000007134007	909	05/04/87	MON	18	0253	LIGHTNING HIT PHONE SYSTE	INLAND MARINE PERSONAL ARTICLES	2000		

REVIEWED BY: NAME _____ DATE _____ NAME _____ DATE _____

ACTION TAKEN: _____

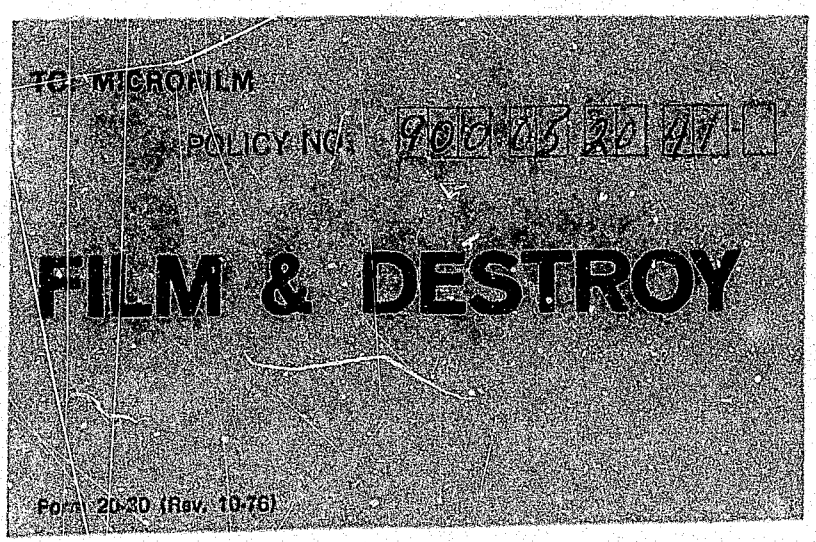
70-1668 (REV. 2/07)

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900520

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FILE 82

- 3089 -

COVIL CORP INC (INSURED)	900 052041 (POLICY NUMBER)
SAM J CRAIN & CO INC (AGENCY)	22 6729 (AGENCY NUMBER)

CURRENT TERM EFF - EXP DATE	BUSINESS TYPE	RISK CLASS	RISK SIZE
03/31/86 03/31/87	COMMERCIAL	AVERAGE	100000

EXPIRATION OFF LINE

12 22 86

SUMMARY

PERIOD EFFECTIVE DATE	03/86			
PREMIUM	$6271.			
LOSSES				
NUMBER OF LOSSES REPORTED				

TYPE	CLAIM NO	ACCIDENT DATE	LINE	AUTO DRIVER / WC EMPLOYEE	AGE	SEX	VIOL	LOSS CODE	ACCIDENT DESCRIPTION	S	CLAIM VALUE PAID/RESERVED	CLAIM VALUE CHANGE
									907-00-05-70 1-19			

D & B Rating 3H3 PF

Ordered 03/86 2-27-87 AK

CLAIM TYPE - N NEW S SUBROGATION R REOPEN

AGE 1 UNDER 18 2 18 TO 24 3 25 TO 29 4 30 TO 39 5 40 TO 49 6 50 TO 59 7 60 AND OVER 9 UNKNOWN

STATUS O OPEN C CLOSED

FORM 70-08 (REV. 5/82)

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY

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PENNSYLVANIA NATIONAL... Mutual Casualty INSURANCE COMPANY

RECEIVED FEB 2 0 1986

INLAND MARINE
APPLICATION FOR INSTALLATION FLOATER

Agency SAM J. CRAIN & Co. INC.

Agency No. 22-6729

Name of Insured (If individual, indicate last name first)

→ COVIL CORP.

Mailing Address (No., street, town or city, state, zip code)

POST OFFICE BOX 1804 - GREENVILLE, SC 29602

Policy Period (Annual only) From 03-31-1986 To 03-31-1987

Other insurance carried in Pennsylvania National.

ALL LINES BEING QUOTED.

Has any company ever cancelled or refused insurance of this type for Applicant?

Company NO Reason N/A

Give details of any losses sustained during the past three years that would have been covered under the desired form of policy.

NONE

Give description of operations HOT AND COLD PIPE INSULATION, RESIDENTIAL INSULATION

General description of kinds of property installed INSULATION - BLOWN OR ROLLS - MOULDED FOR PIPES

Kind of equipment used in loading, unloading and hoisting (*Describe equipment used i.e. cranes, skids, rollers, etc.*)

Length of time the Applicant has been engaged in this type of work? 32 YEARS

IF POLICY IS TO COVER ONE SPECIFIC JOB

Address of site

Length of time to complete Total Value $ Limit in transit $

IF POLICY IS TO COVER ALL INSTALLATIONS ON REPORTING OR ADJUSTMENT BASIS

Maximum number in progress at any one time 20

Average number in progress at any one time 10

Disaster limit, in policy $ 100,000

Annual values installed $ 3,000,000

Policy to be: Annual Adjustment ✓ or Monthly Reporting

Maximum value at any one location $ 100,000

Average value at any one location $ 15,000

Limit in transit $ 12,000

FEB 21 1986

POLICY COVERAGE

All Risks ✓ Named Perils

(Optional Coverages)

Burglary (forcible entry) ;

Strikes, Riots, Malicious Mischief, Vandalism ;

Tools and Equipment - Value $;

Loading, Unloading, or Hoisting - Limit $;

Policy deductible desired $ 100

White Copy - Regional
Canary Copy - Agency

Form 70-297

ELECTRONICALLY FILED - 2023 Aug 10 4:53 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

ELECTRONICALLY FILED - 2023 Sep 11 2:34 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Company, *et. al*, Defendants.	C.A. No. 2020-CP-40-02098 **AFFIDAVIT OF BRENT REIFSNYDER**

PERSONALLY appeared before me Brent Reifsnyder, who deposes and states that the following is based upon his own personal knowledge:

1. I am over 18 years of age, of sound mind, and under no mental disability.

2. I am fully competent to make this affidavit, and I make this affidavit upon personal knowledge of the facts herein, and they are true and accurate to the best of my knowledge.

3. I am currently, and at all times relevant herein, employed at Pennsylvania National Mutual Casualty Insurance Company ("Penn National") as Director – Corporate Services and serve as Penn National's Custodian of Records, in which capacity I have been involved with, coordinated, and have firsthand knowledge of Penn National's digitization of documents that deal with historic commercial lines and general liability policies.

4. All Penn National documents related to historic commercial lines and general liability policies issued between 1973 and 1992 were to be stored on microfiche as its official company repository of commercial lines policy records.

5. Pursuant to this Court's May 5, 2022, Order on Discovery Motions, Penn National has made available the microfiche from Penn National's repository in its possession for scanning

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and digitization every Penn National document, as of the date of corporate litigation hold that was put in place for this matter, related to historic commercial lines and general liability policies for the years 1973 to 1992, and such documents have been made available to the Receiver in a searchable database so that the records can be searched for coverage of Covil.

6. There are no other document repositories, whether contained in paper, microfiche, or otherwise, at Penn National Insurance from 1973 to 1992 for commercial lines policies.

Brent Reifsnyder

Sworn and subscribed before me
this 11th day of September 2023.

Dana Ann Shanaberger

Commonwealth of Pennsylvania - Notary Seal
Dana Ann Shanaberger, Notary Public
Dauphin County
My commission expires December 24, 2024
Commission number 1201399
Member, Pennsylvania Association of Notaries

Notary Public for Dauphin County
My Commission Expires: 12/24/24

ELECTRONICALLY FILED - 2023 Sep 11 2:34 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Company, *et. al*, Defendants.	C.A. No. 2020-CP-40-02098 **AFFIDAVIT OF BRENT REIFSNYDER**

PERSONALLY appeared before me Brent Reifsnyder, who deposes and states that the following is based upon his own personal knowledge:

1. I am over 18 years of age, of sound mind, and under no mental disability.

2. I am fully competent to make this affidavit, and I make this affidavit upon personal knowledge of the facts herein, and they are true and accurate to the best of my knowledge.

3. I am currently, and at all times relevant herein, employed at Pennsylvania National Mutual Casualty Insurance Company ("Penn National") as Director – Corporate Services and serve as Penn National's Custodian of Records, in which capacity I have been involved with, coordinated, and have firsthand knowledge of Penn National's digitization of documents that deal with historic commercial lines and general liability policies.

4. All Penn National documents related to historic commercial lines and general liability policies issued between 1973 and 1992 were to be stored on microfiche as its official company repository of commercial lines policy records.

5. Pursuant to this Court's May 5, 2022, Order on Discovery Motions, Penn National has made available the microfiche from Penn National's repository in its possession for scanning

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6. There are no other document repositories, whether contained in paper, microfiche, or otherwise, at Penn National Insurance from 1973 to 1992 for commercial lines policies.

Brent Reifsnyder

Sworn and subscribed before me
this 11th day of September 2023.

Dana Ann Shanaberger

Commonwealth of Pennsylvania - Notary Seal
Dana Ann Shanaberger, Notary Public
Dauphin County
My commission expires December 24, 2024
Commission number 1201399
Member, Pennsylvania Association of Notaries

Notary Public for Dauphin County
My Commission Expires: 12/24/24

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ADAMS AND REESE LLP

Attorneys at Law
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Colorado
Florida
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Mississippi
North Carolina
South Carolina
Tennessee
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Washington, DC

September 11, 2023

VIA E-MAIL AND FEDEX
Honorable Jean H. Toal
jtoal@sccourts.org
Eva Diaz
ediaz@sccourts.org
Judicial Law Clerk
South Carolina Court Administration
1220 Senate Street, Suite 221
Columbia, SC 29201

RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

NINTH INTERIM STATUS REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 12, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, and the Court's September 7, 2023 Order, which reinstated the bi-weekly status reports, this is to provide you with the ninth interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

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- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

- On June 22, 2023, the parties held the reoccurring status conference to discuss the progress of BMI's scanning project. Ellis & Winters reported that BMI scanned 19,249 microfiche between June 4, 2023 and June 10, 2023, and 46,661 microfiche between June 11, 2023 and June 17, 2023. As of June 20, 2023, a total of 114,068 microfiche had been scanned. BMI is in the process of providing Ellis & Winters, the Receiver and Penn National with the proper credentials so that the microfiche that have been scanned to date can be searched in real time on BMI's propriety search platform, known as "Digital Reel." Additionally, BMI has shipped a hard drive to Ellis & Winters on which PDF copies of the microfiche scanned to date are stored. It is anticipated that Ellis & Winters will upload these copies to a litigation-oriented digital platform, such as Relativity, and that both the Receiver and Penn National will be provided access to this platform as well.

- Penn National previously requested that BMI provide it with the means to ship an additional 14 microfiche for immediate processing by BMI. These microfiche were identified by Ellis & Winters during its 2022 review as containing Covil-related policy information and were sequestered from the remaining dataset at that time. BMI provided an appropriate shipping container for the microfiche, which was returned and delivered to BMI by FedEx on June 30, 2023.

- On July 6, 2023, the parties held their reoccurring conference call to discuss the status of the microfiche scanning project. Ellis & Winters reported that BMI scanned 53,298 fiches during the week of June 25, 2023 to June 1, 2023. As of today, BMI has scanned a total of

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189,191 fiche and is still on schedule to finish the scanning project by the Court's deadline. BMI also discussed scheduling training for those who will be reviewing the scanned fiches and requested the IP addresses from the individuals who will be reviewing the documents so that they can be given access to the database.

- On July 20, 2023, the parties held their bi-weekly conference call to discuss the status of the microfiche scanning process. As of July 17, 2023, BMI had scanned a total of 286,344 fiche, which included 50,161 fiche scanned during the week of July 9, 2023 to July 15, 2023. Earlier in the week, BMI also conducted two training sessions on the software for reviewing the scanned microfiche. The trainings sessions were recorded, and access to those sessions is being made available to the parties not able to attend.

- On July 31, 2023, Ellis & Winters notified the parties that BMI had completed the scanning project, totaling 356,944 fiche. No conference call was held this week.

- On August 3, 2023, Penn National submitted its Eighth Interim Status Report informing the Court that BMI had completed the microfiche scanning process. On August 10, 2023, counsel for the Receiver submitted a report that took issue with several aspects of the scanned policy information, including the searchability and digitization of the documents. The Court held a hearing on the Receiver's report on August 21, 2023. During the hearing, the Court ordered Penn National to address the searchability issues and to continue providing bi-weekly status reports based on the issues raised in the Receiver's August 10, 2023 report.

- On August 28, 2023, Penn National held a conference call with Ellis & Winters' IT personnel and the Receiver's counsel. Regarding the searchability issues, Ellis & Winters reported that the accuracy of the Optical Character Recognition ("OCR") depends upon which OCR engine is being used to compare the images of the microfiche to typographical characters. BMI prepared two datasets—a bitonal image that is 1.75 TB and a grayscale that is about 10 TB. Ellis & Winters indicated that the 1.75 TB bitonal image file is the better of the two datasets for OCR purposes, and that Ellis & Winters will charge $5/GB to host that dataset in its discovery platform iPro, plus hourly charges for time spent administering the dataset and helping either side if they have issues. The Receiver's counsel indicated that they had no objection to using iPro.

- On August 30, 2023, Penn National solicited a hosting agreement from Ellis & Winters for them to host the scanned microfiche repository on their litigation platform iPro. On September 1, 2023, counsel for Penn National held a conference call with the Receiver's counsel and an IT consultant named Dan Regard to see what recommendations he might have for another level of processing to improve the OCR accuracy.

Pursuant to the Court's Order, a tenth interim report will be provided to the Court on or before September 25, 2023, unless the parties are ordered otherwise.

With best regards,

Sincerely,

/s/ David G. Harris
/s/ Kirby D. Shealy III
/s/ David Brown

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake)

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ADAMS AND REESE LLP

Attorneys at Law
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Florida
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September 25, 2023

VIA E-MAIL AND FEDEX
Honorable Jean H. Toal
jtoal@sccourts.org
Eva Diaz
ediaz@sccourts.org
Judicial Law Clerk
South Carolina Court Administration
1220 Senate Street, Suite 221
Columbia, SC 29201

RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

TENTH INTERIM STATUS REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 12, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, and the Court's September 7, 2023 Order, which reinstated the bi-weekly status reports, this is to provide you with the tenth interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

- On June 22, 2023, the parties held the reoccurring status conference to discuss the progress of BMI's scanning project. Ellis & Winters reported that BMI scanned 19,249 microfiche between June 4, 2023 and June 10, 2023, and 46,661 microfiche between June 11, 2023 and June 17, 2023. As of June 20, 2023, a total of 114,068 microfiche had been scanned. BMI is in the process of providing Ellis & Winters, the Receiver and Penn National with the proper credentials so that the microfiche that have been scanned to date can be searched in real time on BMI's propriety search platform, known as "Digital Reel." Additionally, BMI has shipped a hard drive to Ellis & Winters on which PDF copies of the microfiche scanned to date are stored. It is anticipated that Ellis & Winters will upload these copies to a litigation-oriented digital platform, such as Relativity, and that both the Receiver and Penn National will be provided access to this platform as well.

- Penn National previously requested that BMI provide it with the means to ship an additional 14 microfiche for immediate processing by BMI. These microfiche were identified by Ellis & Winters during its 2022 review as containing Covil-related policy information and were sequestered from the remaining dataset at that time. BMI provided an appropriate shipping container for the microfiche, which was returned and delivered to BMI by FedEx on June 30, 2023.

- On July 6, 2023, the parties held their reoccurring conference call to discuss the status of the microfiche scanning project. Ellis & Winters reported that BMI scanned 53,298 fiches during the week of June 25, 2023 to June 1, 2023. As of today, BMI has scanned a total of

189,191 fiche and is still on schedule to finish the scanning project by the Court's deadline. BMI also discussed scheduling training for those who will be reviewing the scanned fiches and requested the IP addresses from the individuals who will be reviewing the documents so that they can be given access to the database.

- On July 20, 2023, the parties held their bi-weekly conference call to discuss the status of the microfiche scanning process. As of July 17, 2023, BMI had scanned a total of 286,344 fiche, which included 50,161 fiche scanned during the week of July 9, 2023 to July 15, 2023. Earlier in the week, BMI also conducted two training sessions on the software for reviewing the scanned microfiche. The trainings sessions were recorded, and access to those sessions is being made available to the parties not able to attend.

- On July 31, 2023, Ellis & Winters notified the parties that BMI had completed the scanning project, totaling 356,944 fiche. No conference call was held this week.

- On August 3, 2023, Penn National submitted its Eighth Interim Status Report informing the Court that BMI had completed the microfiche scanning process. On August 10, 2023, counsel for the Receiver submitted a report that took issue with several aspects of the scanned policy information, including the searchability and digitization of the documents. The Court held a hearing on the Receiver's report on August 21, 2023. During the hearing, the Court ordered Penn National to address the searchability issues and to continue providing bi-weekly status reports based on the issues raised in the Receiver's August 10, 2023 report.

- On August 28, 2023, Penn National held a conference call with Ellis & Winters' IT personnel and the Receiver's counsel. Regarding the searchability issues, Ellis & Winters reported that the accuracy of the Optical Character Recognition ("OCR") depends upon which OCR engine is being used to compare the images of the microfiche to typographical characters. BMI prepared two datasets—a bitonal image that is 1.75 TB and a grayscale that is about 10 TB. Ellis & Winters indicated that the 1.75 TB bitonal image file is the better of the two datasets for OCR purposes, and that Ellis & Winters will charge $5/GB to host that dataset in its discovery platform iPro, plus hourly charges for time spent administering the dataset and helping either side if they have issues. The Receiver's counsel indicated that they had no objection to using iPro.

- On August 30, 2023, Penn National solicited a hosting agreement from Ellis & Winters for them to host the scanned microfiche repository on their litigation platform iPro. On September 1, 2023, counsel for Penn National held a conference call with the Receiver's counsel and an IT consultant named Dan Regard to see what recommendations he might have for another level of processing to improve the OCR accuracy.

- On September 18, 2023, Counsel for the Receiver furnished a scope of work and estimate from Mr. Regard for the work described during the September 1, 2023 conference call. Penn National is reviewing this scope of work and estimate now. Penn National also expects to receive a proposed hosting agreement from Ellis & Winters on September 26, 2023.

Pursuant to the Court's Order, an eleventh interim report will be provided to the Court on or before October 9, 2023, unless the parties are ordered otherwise.

With best regards,

Sincerely,

/s/ David G. Harris
/s/ Kirby D. Shealy III
/s/ David Brown

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake)

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ADAMS AND REESE LLP

Attorneys at Law
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October 9, 2023

VIA E-MAIL AND FEDEX
Honorable Jean H. Toal
jtoal@sccourts.org
Eva Diaz
ediaz@sccourts.org
Judicial Law Clerk
South Carolina Court Administration
1220 Senate Street, Suite 221
Columbia, SC 29201

RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

ELEVENTH INTERIM STATUS REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 12, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, and the Court's September 7, 2023 Order, which reinstated the bi-weekly status reports, I write to provide you with the eleventh interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

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- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

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- Penn National previously requested that BMI provide it with the means to ship an additional 14 microfiche for immediate processing by BMI. These microfiche were identified by Ellis & Winters during its 2022 review as containing Covil-related policy information and were sequestered from the remaining dataset at that time. BMI provided an appropriate shipping container for the microfiche, which was returned and delivered to BMI by FedEx on June 30, 2023.

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189,191 fiche and is still on schedule to finish the scanning project by the Court's deadline. BMI also discussed scheduling training for those who will be reviewing the scanned fiches and requested the IP addresses from the individuals who will be reviewing the documents so that they can be given access to the database.

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- On July 31, 2023, Ellis & Winters notified the parties that BMI had completed the scanning project, totaling 356,944 fiche. No conference call was held this week.

- On August 3, 2023, Penn National submitted its Eighth Interim Status Report informing the Court that BMI had completed the microfiche scanning process. On August 10, 2023, counsel for the Receiver submitted a report that took issue with several aspects of the scanned policy information, including the searchability and digitization of the documents. The Court held a hearing on the Receiver's report on August 21, 2023. During the hearing, the Court ordered Penn National to address the searchability issues and to continue providing bi-weekly status reports based on the issues raised in the Receiver's August 10, 2023 report.

- On August 28, 2023, Penn National held a conference call with Ellis & Winters' IT personnel and the Receiver's counsel. Regarding the searchability issues, Ellis & Winters reported that the accuracy of the Optical Character Recognition ("OCR") depends upon which OCR engine is being used to compare the images of the microfiche to typographical characters. BMI prepared two datasets—a bitonal image that is 1.75 TB and a grayscale that is about 10 TB. Ellis & Winters indicated that the 1.75 TB bitonal image file is the better of the two datasets for OCR purposes, and that Ellis & Winters will charge $5/GB to host that dataset in its discovery platform iPro, plus hourly charges for time spent administering the dataset and helping either side if they have issues. The Receiver's counsel indicated that they had no objection to using iPro.

- On August 30, 2023, Penn National solicited a hosting agreement from Ellis & Winters for it to host the scanned microfiche repository on its litigation platform, iPro. On September 1, 2023, counsel for Penn National held a conference call with the Receiver's counsel and an IT consultant named Dan Regard to see what recommendations he might have for another level of processing to improve the OCR accuracy.

- On September 18, 2023, Counsel for the Receiver furnished a scope of work and estimate from Mr. Regard for the work described during the September 1, 2023 conference call.

- On September 27, 2023, Ellis & Winters furnished a proposed hosting agreement to counsel for the Receiver and for Penn National setting forth the terms upon which it would agree to upload and maintain the scanned microfiche repository on its litigation platform,

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iPro. On October 2, 2023, counsel for Penn National convened a call with counsel for the Receiver in which the parties discussed holding off on the work proposed by Dan Regard until after they had a chance to see if the search capability and accuracy of results might be substantially improved following the anticipated upload of the scanned microfiche repository to iPro. On October 2, 2023, counsel for Penn National provided Ellis & Winters with some suggested edits to the proposed hosting agreement. On October 4, 2023, counsel for the Receiver indicated that it had no additional comments on Penn National's proposed revisions. The parties are now awaiting word from Ellis & Winters as to whether Penn National's proposed revisions are acceptable or not.

Pursuant to the Court's Order, a twelfth interim report will be provided to the Court on or before October 23, 2023, unless the parties are ordered otherwise.

With best regards,

Sincerely,

/s/ David G. Harris
/s/ Kirby D. Shealy III
/s/ David Brown

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake)

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Company; Sam J. Crain & Co., Inc.; and South Carolina Property & Casualty Insurance Guaranty Association, Defendants.	CASE NUMBER: 2020-CP-40-02098 **THE RECEIVER FOR COVIL CORPORATION'S PRE-TRIAL HEARING STATUS REPORT**

In response to this Court's scheduling of a pre-trial hearing on October 25, 2023, the Receiver for Covil Corporation provides this pretrial report of the case containing (1) an update on the status of discovery and pre-trial filings, and (2) a proposed schedule for the trial during the week of November 13, 2022.

I. Status of Pre-Trial Filings

Covil will be prepared to begin trial the week of November 13, 2023, as previously scheduled by the Court.

The parties submitted and exchanged trial witness lists and pre-marked trial exhibit lists, deposition designations, motions in limine, and their respective proposed Findings of Fact and Conclusions of Law in accordance with a scheduling order for previously-scheduled trial in December 2022. At the time of Penn National's appeal three days before trial in December 2022, the parties had not yet filed their oppositions to the opposing party's motions in limine or proposed Findings of Fact and Conclusions of Law.

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Accordingly, immediately following the pretrial hearing on October 25, the Receiver will file with the Court (1) oppositions to Penn National's Motions in Limine to exclude the testimony of the Receiver's expert witnesses, Charles Miller and Sharla Frost, and (2) an amended trial exhibit list with additional exhibits discovered after submission of its original trial exhibit list.

Finally, Covil will file an opposition to Penn National's Findings of Fact and Conclusions of Law by November 9, consistent with the timing of the original scheduling order.

II. Proposed Trial Schedule

The Receiver respectfully requests that this Court enter a trial schedule similar to the one it entered for the bench trial in *Ann Finch v. United States Fidelity & Guaranty Company*, 2020-CP-40-001663, in January 2021. Following the outline of that trial schedule, the Receiver respectfully requests that this Court enter a trial scheduling order as follows:

A. Daily Schedule

1. Day 1 belongs to plaintiff for presentation of Plaintiff's case.
2. Day 2 belongs to defendant for presentation of Defendant's case.
3. Day 3 will proceed as follows:
    a. Beginning at 9:30 and ending at 12:00 p.m., Plaintiff may offer its reply case.
    b. One hour break for lunch beginning at 12:00 p.m.
    c. Beginning at 1:00 p.m., attorneys will present their closing arguments, with 2 hours for each side and an additional 30 minutes for plaintiff's reply.
4. The Court will then take the case under advisement and render a decision thereafter.

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B. Limitations on Witnesses and Times of Presentation

Each side must designate the witnesses it intends to present by live testimony. Each side will have no more than three hours total for direct and re-direct examinations and no more than three hours total for cross-examinations. Every witness to be presented will be listed in advance, as well as the name of the attorney examining or cross-examining.

In addition to the presentation of live testimony, the parties will be allowed to present as a trial exhibit any of the deposition testimony that has been taken previously. If deposition testimony will be presented at trial, page and line designations must be provided to the Court no later than seven days before trial. Any responses or objections to what is designated by opposing counsel must be provided to the Court no later than four days before trial. Any objections to counter page/line designations and any final counter designations must be provided to the Court no later than two days before trial.

Finally, one of the Receiver's proffered expert witnesses, Charles Miller, is unable to travel to South Carolina for trial due to the ongoing COVID-19 pandemic. The parties conferred and Penn National agreed to allow Mr. Miller to offer his trial testimony remotely by video deposition prior to trial, on November 3, 2023. Likewise, the parties agreed that Penn National's proffered expert witness, James Robertson, would offer his trial testimony on either October 31 or November 1, 2023, remotely for similar reasons.

C. Pre-trial Admission of Exhibits

The Receiver respectfully requests that exhibits be pre-admitted into evidence by the Court due to the abbreviated trial schedule.

This Court has inherent power to manage its docket in the most efficient manner to avoid unnecessary costs or use of the Court's time. *Landis v. North Am. Co.*, 299 U.S. 248, 254 (1936).

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Pre-admitting evidence will save this Court the time and burden of lawyers arguing about exhibits during the trial day. Therefore, pursuant to South Carolina Rules of Evidence, the Receiver requests that this Court set forth an order which includes a deadline by which the parties are to submit a list of exhibits that they seek to pre-admit into evidence.

III. Status of Non-Compliance With May 5, 2022 Discovery Order

Finally, on June 7, 2023, this Court held a hearing on the status of Penn National's compliance with the Court's May 5, 2022 Discovery Order, which arose out of multiple motions to compel filed starting in January 2021 on various discovery disputes between the Receiver and Penn National. At the June 7 hearing, the Court noted that it was "disappointed" with the slow pace in which Penn National is moving to comply with the Court's May 5, 2022 Discovery Order. The Court further expressed frustration that "every attempt to delay this thing that could be made has been made" by Penn National. Accordingly, the Court rejected the proposed "eight month" schedule for scanning microfiche and making the policy information available for searching. Instead, the Court ordered Penn National to have both issues completed within sixty days.

On June 16, the Court followed up with a written Order declaring that "Penn National shall complete the digitization of the microfiche and provide access to a searchable database containing all digitized material to the Receiver by July 31, 2023." On July 31, the outside vendor reported to the parties that it had completed its initial scanning of all of the microfiche provided by Penn National.

However, as explained by the Receiver in his August 10, 2023 Interim Report, significant problems remain with (1) the searchability of the database and (2) the digitization of certain scanned microfiche, which must be remedied by Penn National before it will be in compliance with the Court's May 5, 2022 and June 16, 2023 Discovery Orders. For example, there are

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significant limitations with the Optical Character Recognition ("OCR") process that was employed. OCR is the process that converts an image of text into a machine-readable text format. Here, the OCR process missed a significant number of references to "Covil" in the documents. The Receiver's counsel notified opposing counsel and the Court that he had been advised by his expert witness, Dan Regard of iDS, that an available next step would be to run a secondary OCR process and to test that with alternative image processing for better contrast.

On August 21, the Court held a status conference and expressed its frustration with the errors identified, noting that this process has taken too long, and that time is of the essence with an upcoming November 2023 trial date. The Court therefore entered a written order mandating that Penn National correct the significant errors identified in the Receiver's August 10 Report and ordering Penn National to continue to submit written reports to the Court every two weeks until those errors are corrected.

On September 1, at the request of Penn National, the parties held a conference call with the Receiver's expert consultant, Dan Regard of iDS, to see what recommendations he had for another level of processing to correct the OCR errors. After the presentation, Penn National requested a written proposal from Mr. Regard's company, iDS, to undertake the work to correct the errors. On September 18, 2023, counsel for the Receiver provided a scope of work and estimate for iDS to complete the corrective work outlined during the September 1 call.

Separately, on September 27, Ellis & Winters furnished a proposal for hosting the data to correct certain "search" functionality issues. This was a separate proposal to correct a separate set of problems with the searchability of the data.

On October 2, over the Receiver's counsel's concerns with timing, counsel for Penn National notified the Receiver that Penn National planned to "**hold off**" on the work proposed by

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iDS to correct the errors with OCR. To date, the Receiver is not aware of any progress that has been made to correct the significant OCR issues identified in its August 10 Report.

Moreover, while Penn National recently signed the separate "hosting agreement" that Ellis & Winters proposed back on September 27, the Receiver is unaware of any progress that has been made on the searchability issues identified in its August 10 Report.

This Court noted during the August 21 hearing that it remained "so disappointed and frustrated" with Penn National's conduct. The Court observed that Penn National has taken the approach that "'what can we do de minimis to keep the Court off our back but not really do what needs to be done to get this records matter pushed through to conclusion.'" (August 21, 2023 Hearing Tr. at 22:23-23:1). The Court further observed that "this is outrageous behavior by a major national insurance corporation. There is no way to believe that all this couldn't have been accomplished." (*Id.* at 23:7-9). Penn National's "foot-dragging" response appears to be continuing with respect to its non-compliance with this Court's May 5, 2022 Discovery Order.

Respectfully submitted,

SMITH ROBINSON, LLC

/s/ Jonathan M. Robinson
G. Murrell Smith, Jr.
Jonathan M. Robinson
Shanon N. Peake
2530 Devine Street, 3rd Floor
Columbia, SC 29205
Phone: (803) 254-5445

Counsel for the Receiver for Covil Corporation

DATED: October 24, 2023

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ADAMS AND REESE LLP

Attorneys at Law
Alabama
Colorado
Florida
Georgia
Louisiana
Mississippi
North Carolina
South Carolina
Tennessee
Texas
Washington, DC

October 24, 2023

VIA E-MAIL AND FEDEX
Honorable Jean H. Toal
jtoal@sccourts.org
Eva Diaz
ediaz@sccourts.org
Judicial Law Clerk
South Carolina Court Administration
1220 Senate Street, Suite 221
Columbia, SC 29201

RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

TWELFTH INTERIM STATUS REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 12, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, and the Court's September 7, 2023 Order, which reinstated the bi-weekly status reports, I write to provide you with the eleventh interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

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- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

- On June 22, 2023, the parties held the reoccurring status conference to discuss the progress of BMI's scanning project. Ellis & Winters reported that BMI scanned 19,249 microfiche between June 4, 2023 and June 10, 2023, and 46,661 microfiche between June 11, 2023 and June 17, 2023. As of June 20, 2023, a total of 114,068 microfiche had been scanned. BMI is in the process of providing Ellis & Winters, the Receiver and Penn National with the proper credentials so that the microfiche that have been scanned to date can be searched in real time on BMI's propriety search platform, known as "Digital Reel." Additionally, BMI has shipped a hard drive to Ellis & Winters on which PDF copies of the microfiche scanned to date are stored. It is anticipated that Ellis & Winters will upload these copies to a litigation-oriented digital platform, such as Relativity, and that both the Receiver and Penn National will be provided access to this platform as well.

- Penn National previously requested that BMI provide it with the means to ship an additional 14 microfiche for immediate processing by BMI. These microfiche were identified by Ellis & Winters during its 2022 review as containing Covil-related policy information and were sequestered from the remaining dataset at that time. BMI provided an appropriate shipping container for the microfiche, which was returned and delivered to BMI by FedEx on June 30, 2023.

- On July 6, 2023, the parties held their reoccurring conference call to discuss the status of the microfiche scanning project. Ellis & Winters reported that BMI scanned 53,298 fiches during the week of June 25, 2023 to June 1, 2023. As of today, BMI has scanned a total of

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189,191 fiche and is still on schedule to finish the scanning project by the Court's deadline. BMI also discussed scheduling training for those who will be reviewing the scanned fiches and requested the IP addresses from the individuals who will be reviewing the documents so that they can be given access to the database.

- On July 20, 2023, the parties held their bi-weekly conference call to discuss the status of the microfiche scanning process. As of July 17, 2023, BMI had scanned a total of 286,344 fiche, which included 50,161 fiche scanned during the week of July 9, 2023 to July 15, 2023. Earlier in the week, BMI also conducted two training sessions on the software for reviewing the scanned microfiche. The trainings sessions were recorded, and access to those sessions is being made available to the parties not able to attend.

- On July 31, 2023, Ellis & Winters notified the parties that BMI had completed the scanning project, totaling 356,944 fiche. No conference call was held this week.

- On August 3, 2023, Penn National submitted its Eighth Interim Status Report informing the Court that BMI had completed the microfiche scanning process. On August 10, 2023, counsel for the Receiver submitted a report that took issue with several aspects of the scanned policy information, including the searchability and digitization of the documents. The Court held a hearing on the Receiver's report on August 21, 2023. During the hearing, the Court ordered Penn National to address the searchability issues and to continue providing bi-weekly status reports based on the issues raised in the Receiver's August 10, 2023 report.

- On August 28, 2023, Penn National held a conference call with Ellis & Winters' IT personnel and the Receiver's counsel. Regarding the searchability issues, Ellis & Winters reported that the accuracy of the Optical Character Recognition ("OCR") depends upon which OCR engine is being used to compare the images of the microfiche to typographical characters. BMI prepared two datasets—a bitonal image that is 1.75 TB and a grayscale that is about 10 TB. Ellis & Winters indicated that the 1.75 TB bitonal image file is the better of the two datasets for OCR purposes, and that Ellis & Winters will charge $5/GB to host that dataset in its discovery platform iPro, plus hourly charges for time spent administering the dataset and helping either side if they have issues. The Receiver's counsel indicated that they had no objection to using iPro.

- On August 30, 2023, Penn National solicited a hosting agreement from Ellis & Winters for it to host the scanned microfiche repository on its litigation platform, iPro. On September 1, 2023, counsel for Penn National held a conference call with the Receiver's counsel and an IT consultant named Dan Regard to see what recommendations he might have for another level of processing to improve the OCR accuracy.

- On September 18, 2023, Counsel for the Receiver furnished a scope of work and estimate from Mr. Regard for the work described during the September 1, 2023 conference call.

- On September 27, 2023, Ellis & Winters furnished a proposed hosting agreement to counsel for the Receiver and for Penn National setting forth the terms upon which it would agree to upload and maintain the scanned microfiche repository on its litigation platform,

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iPro. On October 2, 2023, counsel for Penn National convened a call with counsel for the Receiver in which the parties discussed holding off on the work proposed by Dan Regard until after they had a chance to see if the search capability and accuracy of results might be substantially improved following the anticipated upload of the scanned microfiche repository to iPro. On October 2, 2023, counsel for Penn National provided Ellis & Winters with some suggested edits to the proposed hosting agreement. On October 4, 2023, counsel for the Receiver indicated that it had no additional comments on Penn National's proposed revisions.

- On October 11, 2023, Ellis & Winters indicated that Penn National's proposed revisions to the hosting agreement were acceptable. Penn National executed the agreement on the same day, and the Receiver returned a fully-executed copy of the agreement on October 13. On October 24, 2023, Penn National inquired of Ellis & Winters as to the status of the scanned microfiche repository on the iPro platform and was told that it would be available to the parties no later than October 25, 2023.

Pursuant to the Court's Order, a thirteenth interim report will be provided to the Court on or before November 7, 2023, unless the parties are ordered otherwise.

With best regards,

Sincerely,

/s/ David G. Harris
/s/ Kirby D. Shealy III
/s/ David Brown

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake)

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, Vs. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	Case Number: 2020-CP-40-02098 **RECEIVER FOR COVIL CORPORATION'S AMENDED FACT AND EXPERT DISCLOSURES**

TO: PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE CO., THROUGH ITS COUNSEL OF RECORD

COMES NOW Peter Protopapas, as Court Appointed Receiver for Covil Corporation (the "Receiver"), by and through his counsel of record, and supplements his initial fact and expert witness designations served on November 7, 2022 and his response to Penn National's Interrogatory Number 7.

The Receiver hereby incorporates into this listing, as if fully reproduced herein, any and all expert and/or lay witnesses who may be listed by any other party. The Receiver further reserves the right to supplement this witness list and to call any witness necessary to authenticate documents or exhibits and/or for rebuttal. The Receiver further reserves the right to use any depositions noticed in this case in accordance with the provisions governing the use of depositions contained in the South Carolina Rules of Civil Procedure and the applicable rules of evidence. The Receiver reserves the right to call as a witness any person deposed in the above-captioned case. The Receiver reserves the right to name additional witnesses, based upon further evaluation of the information gathered through the discovery process.

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FACT WITNESSES:

1. **Peter D. Protopapas, Receiver for Covil Corporation**
   Rikard & Protopapas, LLC
   2110 N. Beltline Blvd.
   Columbia, SC 29204

   Peter D. Protopapas is the Court-appointed receiver of Covil Corporation and can testify as to Penn National's handling of claims for coverage asserted by Covil. Covil is in possession of an affidavit from Mr. Protopapas. Mr. Protopapas's deposition was taken in *Zurich v. Covil* (Case Number 1-18-cv-932), in the USDC Middle District, North Carolina, and in *Finch et al. v, USFG et al.* (Case Number 2019-CP-42-3003), in Richland County, South Carolina.

2. **Brian Flatley**
   Ellis & Winters LLP
   4131 Parklake Avenue, Suite 400
   Raleigh, NC 27612

   Brian Flatley is Litigation Support Manager at Ellis & Winters. He consults with firm attorneys and clients on the proper methods of data preservation, collection, processing, production, and review. Mr. Flatley can testify as to Ellis & Winters' court-ordered investigation into the existence and storage of Penn National's legacy liability policy documents and the options provided to the court for additional document review.

   Upon information and belief, no written or recorded statements have been taken from this witness to date.

3. **Brett Reifsnyder**
   Penn National

   Brett Reifsnyder, Penn National's Director of Administrative Services, can testify as to the search of Penn National's records for insurance policies that were issued to or that otherwise cover Covil, the Company's document retention policy and application thereof, and Penn National's destruction of legacy insurance policies.

   Mr. Reifsnyder has given testimony in the instant matter.

4. **Boyd Wright**
   Penn National

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Boyd Wright, Penn National's Senior Home Office Claim Examiner, can testify as to the search of Penn National's records for insurance policies that were issued to or that otherwise cover Covil, Penn National's handling of claims for coverage asserted by Covil, and Penn National's interpretation of the insurance policies it issued to or that otherwise cover Covil.

Mr. Wright has given testimony in the instant matter.

5. **Scott Maier**
   Penn National

   Scott Maier, Penn National's Senior Corporate Counsel, can testify as to Penn National's litigation hold policies and his issuance of a litigation hold related to Covil Corporation in December 2021.

   Upon information and belief, no written or recorded statements have been taken from this witness to date.

EXPERT WITNESSES:

1. **Sharla Frost**
   Sharla J. Frost
   6336 Rutgers Avenue
   Houston, TX 77005

   Sharla Frost is a seasoned asbestos trial lawyer, with over three decades of trial practice. In the asbestos context, she has successfully defended a succession of manufacturers of asbestos containing products in numerous cases since 1989, including having obtained nine defense verdicts in asbestos personal injury cases in Texas, Kentucky, Georgia and California between 2001 and 2017, including three cases involving living mesothelioma claimants. Her clients have ranged from insulation manufacturing defendants such as Johns-Manville and Turner & Newell to small property owners such as a Ford dealership in Washington State. She has extensive experience in all aspects of asbestos case management, including verdict analysis, case strategy, settlement negotiations, trial strategy, trial presentation, post-trial analysis, and docket oversight. She has served as National Coordinating Counsel for a major defendant in asbestos litigation; has participated as a member of the National Trial Team for several defendants; and has evaluated both trial prospects and verdict risks for asbestos lawsuits on behalf of defendants in venues throughout the United States.

   Ms. Frost will testify as to the development and evolution of the asbestos litigation over the course of its history; the standard for analysis and management of asbestos litigation in the historical context of the litigation; the knowledge of asbestos defendants and potential asbestos defendants, as well as their insurers and other indemnitors, with regard to the scope of the litigation and the requirement to maintain historical records for policyholders;

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the importance of maintenance of historical records for a defendant in asbestos personal injury litigation; and an evaluation of the asbestos personal injury claims against Covil for which Penn National contributed to settlements.

2. **Charles Miller (remote)**
   Insurance Law Center
   1442A Walnut St. #55
   Berkeley, CA 94709

   Charles Miller, an expert in insurance industry standards and practices, was employed by Fireman's Fund Insurance Company for eighteen years in insurance claims. Mr. Miller has held several insurance claims positions, including senior adjuster, branch office general adjuster and claims manager. Mr. Miller also managed an asbestos claims facility and a nationwide major claims unit. Mr. Miller has practiced insurance law since 1990. He has extensive experience with the interpretation and application of third party insurance policy forms. Mr. Miller will testify remotely regarding insurance industry claims practices and standards and insurance industry standards for the interpretation and application of insurance policies. Mr. Miller will testify regarding the history, derivation, intent, and purpose of the general liability and products/completed operations provisions of commercial general liability policies and the distinctions between general liability coverage and products/completed operations coverage. Mr. Miller will also testify regarding insurance industry standards for the timely and thorough search for insurance policies.

In addition, the Receiver for Covil Corporation reserves the right to call any of the following individuals and/or entities:

1. **Penn National through its corporate representative(s) in this matter.**
2. **Penn National through its corporate representative(s) in prior deposition testimony offered in other matters.**
3. **All witnesses listed by Penn National.**
4. **All witnesses listed in the Receiver's Answers to Interrogatories and any and all supplements or amendments thereto.**
5. **All witnesses deposed in this case.**
6. **All witnesses identified in any deposition taken in this case.**

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7. **Any and all records custodians, or other witnesses necessary to authenticate any document the Receiver seeks to admit at trial, live or by deposition upon written questions.**

8. **Any witness necessary for rebuttal.**

Dated: November 2, 2023

Respectfully submitted,

s/ Jonathan M. Robinson
Jonathan M. Robinson (S.C. Bar No. 68285)
Smith Robinson, LLC
2530 Devine Street, 3rd Floor
Columbia, SC 29205
Phone: (803) 254-5445

G. Murrell Smith, Jr. PO Box 580
Sumter, SC 29151-0580
803-778-2471

ATTORNEYS FOR THE RECEIVER FOR COVIL CORPORATION

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver, Peter D. Protopapas, Plaintiff, **v.** Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	CASE NUMBER: 2020-CP-40-02098 **THE RECEIVER FOR COVIL CORPORATION'S AMENDED TRIAL EXHIBIT LIST**

THE RECEIVER FOR COVIL CORPORATION'S
AMENDED TRIAL EXHIBIT LIST

Exhibit No.	Document	Document Identification	Confidential
1)	GL Policy Number 515 50 28 53-7	Penn National Policies 000001 – 000043	
2)	GL Policy Number 515 50 28 53-8	Penn National Policies 000044 – 000091	
3)	Boyd Wright Affidavit in Opposition to Receiver's Motion for Summary Judgment, dated October 22, 2021		
4)	Inland Marine Policy	PNI-1225 – 1324	
5)	Auto Policy	PNI-1325 – 1611	
6)	Auto, Inland Marine, and Workers Compensation Policies	PNI-0393 – 0596	
7)	Penn National-Covil Underwriting File	PNI-0304 – 0392	
8)	Penn National Document Retention Policies	PNI-0598 – 1158	
9)	Litigation Hold Procedure	PNI-1159 – 1161	

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Exhibit No.	Document	Document Identification	Confidential
10)	Dec. 17, 2021 Litigation Hold Email		
11)	Microfiche Destruction Dates Spreadsheet	PNI-0597	X
12)	Underlying subpoena served in *Finch* asbestos suit dated May 29, 2018		
13)	Penn National's June 15, 2018 letter and documents served in response to subpoena in *Finch* asbestos suit		
14)	Sept. 1, 2022 Letter from Boyd Wright to Peter Protopapas	Covil v Penn 2098_000001 – 000002	X
15)	Estate of Jerry W. Archer, Sr. asbestos file	Covil v. Penn 2098_000003-166	
a)	Complaint	Covil v. Penn 2098_000003-68	
b)	Work Sites	Covil v Penn 2098_000069	
c)	Plaintiff's Responses to Interrogatories	Covil v Penn 2098_000070-81	
d)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_000082-147	
e)	Deposition transcript of B. Glenn – dated July 28, 2010	Covil v Penn 2098_000148-66	
16)	Estate of Robert J. Ashworth asbestos file	Covil v Penn 2098_000167-638	
a)	Complaint	Covil v Penn 2098_000167-215	
b)	Work Sites	Covil v Penn 2098_000216-17	
c)	Plaintiff's Responses to Interrogatories	Covil v Penn 2098_000218-29	
d)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_000230-85	
e)	Covil Motion for Summary Judgment.pdf	Covil v Penn 2098_000286-90	

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Exhibit No.	Document	Document Identification	Confidential
f)	Deposition transcript excerpt of D. Rollins – dated June 7, 2019	Covil v Penn 2098_000291-96	
g)	Plaintiff's Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_000297-303	
h)	Deposition transcript of D. Rollins – dated Feb. 18, 2019	Covil v. Penn 2098_000304-441	
i)	Deposition transcript of D. Rollins – dated Feb. 19, 2019	Covil v. Penn 2098_000442-528	
j)	Invoices	Covil v. Penn 2098_000529-36	
k)	Project listings document	Covil v. Penn 2098_000537-42	
l)	Deposition transcript of R. Ashworth – dated Aug. 2, 2017 (de bene esse)	Covil v Penn 2098_000543-588	
m)	Deposition transcript of R. Ashworth – dated Aug. 2, 2017 (discovery)	Covil v Penn 2098_000589-638	
17)	Robert E. Aspray asbestos file	Covil v Penn 2098_000639-829	
a)	Complaint	Covil v Penn 2098_000639-99	
b)	Work History	Covil v Penn 2098_000700-3	
c)	Second Amended Complaint	Covil v Penn 2098_000704-52	
d)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_000753-66	
e)	Covil's Amended Motion for Summary Judgment	Covil v Penn 2098_000767-70	
f)	Plaintiff's Response in Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_000771-87	
g)	Deposition transcript of P. Haynes – dated June 30, 2020	Covil v Penn 2098_000788-829	
18)	Jerry V. Campbell asbestos file	Covil v. Penn 2098_000830-1441	
a)	Complaint	Covil v Penn 2098_000830-912	
b)	First Amended Complaint	Covil v Penn 2098_000913-1002	

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Exhibit No.	Document	Document Identification	Confidential
c)	Work Sites	Covil v Penn 2098_001003	
d)	Plaintiffs' Answers to Standard Interrogatories	Covil v Penn 2098_001004-1013	
e)	Plaintiffs' Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_001014-1156	
f)	Plaintiffs' Supplemental Answers to Standard Interrogatories	Covil v Penn 2098_001157-58	
g)	Plaintiffs' Supplemental Responses to Master Interrogatories and Requests for Production	Covil v Penn 2098_001159-1210	
h)	Covil's Motion for Summary Judgment	Covil v Penn 2098_001211-16	
i)	Deposition transcript of M. Sanders – dated Feb. 1, 2022	Covil v Penn 2098_001217-55	
j)	Deposition transcript of M. Sanders – dated Feb. 2, 2022	Covil v Penn 2098_001256-1303	
k)	Deposition transcript of M. Sanders – dated Feb. 4, 2022	Covil v Penn 2098_001304-51	
l)	Deposition transcript of J. Campbell – dated Oct. 21, 1999	Covil v Penn 2098_001352-1402	
m)	Deposition transcript of J. Campbell – dated July 28, 2021	Covil v Penn 2098_001403-41	
19)	Estate of Julian D'Amico, Jr. asbestos files	Covil v Penn 2098_001442-1918	
a)	Complaint	Covil v Penn 2098_001442-1517	
b)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_001518-1531	
c)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_001532-1609	
d)	Covil's Motion for Summary Judgment	Covil v Penn 2098_001610-13	
e)	Plaintiff's Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_001614-24	

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Exhibit No.	Document	Document Identification	Confidential
f)	Deposition transcript of J. D'Amico – dated Oct. 11, 1999	Covil v Penn 2098_001625-43	
g)	Deposition transcript of J. D'Amico – dated Oct. 26, 1994	Covil v Penn 2098_001644-1881	
h)	Deposition transcript of J. D'Amico – Jan. 30, 2001	Covil v Penn 2098_001882-1918	
20)	Galen Garren asbestos files	Covil v Penn 2098_001919-2129	
a)	Complaint	Covil v Penn 2098_001919-84	
b)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_001985-97	
c)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_001998-2014	
d)	Covil's Motion for Summary Judgment	Covil v Penn 2098_002015-20	
e)	Deposition transcript of G. Garren – dated Oct. 13, 2021	Covil v Penn 2098_002021-2104	
f)	Deposition transcript of G. Garren – dated Oct. 14, 2021	Covil v Penn 2098_002105-29	
21)	Estate of Beverly D. Jolly asbestos files	Covil v Penn 2098_002130-2266	
a)	Complaint	Covil v Penn 2098_002130-71	
b)	Second Amended Complaint	Covil v Penn 2098_002172-2213	
c)	Work Sites	Covil v Penn 2098_002214	
d)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_002215-45	
e)	Covil's Motion for Summary Judgment	Covil v Penn 2098_002246-55	
f)	Covil's Amended Motion for Summary Judgment	Covil v Penn 2098_002256-66	
22)	Ronnie J. Jonas asbestos files	Covil v Penn 2098_002267-2683	
a)	Complaint	Covil v Penn 2098_002267-2341	
b)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_002342-55	

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Exhibit No.	Document	Document Identification	Confidential
c)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_002356-2426	
d)	Covil's Motion for Summary Judgment	Covil v Penn 2098_002427-31	
e)	Plaintiff's Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_002432-2442	
f)	Deposition transcript of George Fincher – dated Oct. 22, 2020	Covil v Penn 2098_002443-2569	
g)	Deposition transcript of C. Bell – dated Nov. 20, 2020	Covil v Penn 2098_002570-2683	
23)	Estate of Teddy L. Knight, Sr. asbestos files	Covil v Penn 2098_002684-3194	
a)	Complaint	Covil v Penn 2098_002684-2748	
b)	Work Sites	Covil v Penn 2098_002749-51	
c)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_002752-63	
d)	Plaintiffs' Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_002764-2842	
e)	Covil's Amended Motion for Summary Judgment	Covil v Penn 2098_002843-48	
f)	Plaintiffs' Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_002849-58	
g)	Deposition transcript of R. Cassidy – dated March 19, 2020	Covil v Penn 2098_002859-2950	
h)	Deposition transcript of K. Knight – dated March 19, 2020	Covil v Penn 2098_002951-3194	
24)	Edward R. Morgan, Sr. asbestos files	Covil v Penn 2098_003195-4118	
a)	Complaint	Covil v Penn 2098_003195-3292	
b)	First Amended Complaint	Covil v Penn 2098_003293-3396	

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Exhibit No.	Document	Document Identification	Confidential
c)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_003397-3460	
d)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_003461-72	
e)	Covil's Motion for Summary Judgment	Covil v Penn 2098_003473-79	
f)	Plaintiffs' Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_003480-93	
g)	Opposition exhibits excerpts	Covil v Penn 2098_003494-3772	
h)	Deposition transcript of E. Morgan – dated Feb. 22, 2021	Covil v Penn 2098_003773-3809	
i)	Deposition transcript of E. Morgan – dated Feb. 23, 2021 (preservation)	Covil v Penn 2098_003810-55	
j)	Deposition transcript of E. Morgan – dated Feb. 23, 2021	Covil v Penn 2098_003856-3920	
k)	Deposition transcript of E. Morgan – dated Feb. 26, 2021	Covil v Penn 2098_003921-4023	
l)	Deposition transcript of E. Morgan – dated March 1, 2021	Covil v Penn 2098_004024-93	
m)	Deposition transcript of E. Morgan – dated March 2, 2021 (preservation)	Covil v Penn 2098_004094-4100	
n)	Deposition transcript of E. Morgan – dated March 2, 2021	Covil v Penn 2098_004101-4118	
25)	Estate of Gary J. Moss asbestos files	Covil v. Penn 2098_004119-4459	
a)	Complaint	Covil v Penn 2098_004119-4204	
b)	Amended Complaint	Covil v Penn 2098_004205-89	
c)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_004290-4303	
d)	Plaintiff's Responses to Master Interrogatories and Requests for Production of Documents	Covil v Penn 2098_004304-74	
e)	Covil's Motion for Summary Judgment	Covil v Penn 2098_004375-79	
f)	Deposition transcript of G. Moss – dated April 6, 2010	Covil v Penn 2098_004380-4459	

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Exhibit No.	Document	Document Identification	Confidential
26)	Nicholas L. Murphy asbestos files	Covil v Penn 2098_004460-5005	
a)	Complaint	Covil v Penn 2098_004460-4537	
b)	First Amended Complaint	Covil v Penn 2098_004538-4620	
c)	Second Amended Complaint	Covil v Penn 2098_004621-4704	
d)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_004705-79	
e)	Covil's Motion for Summary Judgment	Covil v Penn 2098_004792-96	
f)	Deposition transcript of N. Murphy – dated April 28, 2020	Covil v Penn 2098_004797-4834	
g)	Deposition transcript of N. Murphy – dated April 29, 2020	Covil v Penn 2098_004835-69	
h)	Deposition transcript of N. Murphy – dated April 30, 2020	Covil v Penn 2098_004870-95	
i)	Deposition transcript of N. Murphy – dated May 1, 2020	Covil v Penn 2098_004896-4927	
j)	Deposition transcript of N. Murphy – dated May 7, 2020	Covil v Penn 2098_004928-69	
k)	Deposition transcript of N. Murphy – dated May 8, 2020	Covil v Penn 2098_004970-5005	
27)	Estate of Waymon F. Sims, Jr. asbestos files	Covil v Penn 2098_005006-5181	
a)	Complaint	Covil v Penn 2098_005006-73	
b)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_005074-85	
c)	Plaintiffs' Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_005086-5156	
d)	Covil's Motion for Summary Judgment	Covil v Penn 2098_005157-62	
e)	Plaintiff's Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_005163-81	

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Exhibit No.	Document	Document Identification	Confidential
28)	Tommy D. Wannamaker asbestos files	Covil v. Penn 2098_005182-5730	
a)	Complaint	Covil v Penn 2098_005182-5265	
b)	Second Amended Complaint	Covil v Penn 2098_005266-5345	
c)	Third Amended Complaint	Covil v Penn 2098_005346-5418	
d)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_005419-34	
e)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_005435-45	
f)	Covil's Motion for Summary Judgment	Covil v Penn 2098_005446-50	
g)	Deposition transcript of T. Wannamaker – dated April 1, 2021	Covil v Penn 2098_005451-97	
h)	Deposition of T. Wannamaker: Statement on the Record – dated April 2, 2021	Covil v Penn 2098_005498-5508	
i)	Deposition transcript of T. Wannamaker – dated April 13, 2021	Covil v Penn 2098_005509-5626	
j)	Deposition transcript of T. Wannamaker – dated April 14, 2021	Covil v Penn 2098_005627-5730	
29)	Article: Assessing the Coverage Carnage: Asbestos Liability and Insurance After Three Decades of Dispute, 12 Conn. Ins. L. J. 349 (2005-2006)	MILLER 00841-916	
30)	Insurance Protection for Products Liability and Completed Operations – What Every Lawyer Should Know, Nebraska Law Review, Vol. 50, No. 3, Spring 1971	MILLER 00211-43	
31)	Risk and Insurance: Sixth Edition, James L. Athearn and S. Travis Pritchett (University of South Carolina)	MILLER 00146-8	

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Exhibit No.	Document	Document Identification	Confidential
32)	Introduction to Risk Management and Insurance: Seventh Edition, Mark Dorfman (University of North Carolina at Charlotte)	MILLER 00196-8	
33)	General Liability Coverage, 1986: 3rd Edition (1985)	MILLER 00203-9	
34)	Risk & Insurance (IRM) – Insurance Glossary - definition of "premises-operations"	MILLER 00210	
35)	Comprehensive General Liability Insurance: FC&S Bulletins, National Underwriter Co. (1985)	MILLER 00199-202	
36)	P. Protopapas email to F. Benedek, Penn National's VP of Claims, regarding tender of *Timothy Howe v. Air & Liquid Systems Corporation, et al*. (York County, SC, 2015-CP-46-03456), dated August 5, 2019.		
37)	B. Wright letter to P. Protopapas in response to August 5, 2019 letter regarding tender of *Timothy Howe v. Air & Liquid Systems Corporation, et al*. (York County, SC, 2015-CP-46-03456), dated August 21, 2019.		
38)	Hartford Accident and Indemnity Company's Third-Party Complaint (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated October 2, 2019.		
39)	Summons on Penn National (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*,		

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Exhibit No.	Document	Document Identification	Confidential
	MDNC, No. 1:18-cv-932), dated October 3, 2019.		
40)	Covil's 30(b)(6) notice of deposition of Penn National, dated November 19, 2019		
41)	Penn National's Motion to Dismiss Hartford's Third-Party Complaint (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated November 21, 2019.		
42)	Penn National's Answers to Covil's First Set of Interrogatories (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated December 18, 2019.		
43)	Penn National's Responses to Covil's First Set of Requests for Admission (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated December 18, 2019.		
44)	30(b)(6) deposition notice served on Penn National (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated November 5, 2019.		
45)	B. Yntema letter to B. Edwards objecting to 30(b)(6) deposition notice served on Penn National (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC,		

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Exhibit No.	Document	Document Identification	Confidential
	No. 1:18-cv-932), dated November 12, 2019.		
46)	B. Edwards email to B. Yntema re Zurich v. Covil (North Carolina), dated November 15, 2019.		
47)	Covil's subpoena duces tecum to Penn National, dated November 25, 2019 (*Hopper v. Air & Liquid Systems Corporation, et al.*, No. 19-CP-40-00076).		
48)	South Carolina Department of Insurance's notification of acceptance of service of Covil's 11/25/2019 subpoena duces tecum to Penn National, dated November 26, 2019 (*Hopper v. Air & Liquid Systems Corporation, et al.*, No. 19-CP-40-00076).		
49)	Penn National's responses to Covil's subpoena duces tecum, dated December 9, 2019 (*Hopper v. Air & Liquid Systems Corporation, et al.*, No. 19-CP-40-00076).		
50)	Penn National's Answers to Covil's First Set of Interrogatories and Responses to Covil's First Set of Requests for Admission, dated December 18, 2019 (*Zurich American Insurance Company v. Covil Corporation, et al*., MDNC No. 1:18-cv-000932).		
51)	Penn National's Answers to Covil's First Set of Interrogatories, dated May 15, 2020 (*Covil v. Penn National*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2020-CP-40-01226).		

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Exhibit No.	Document	Document Identification	Confidential
52)	Penn National's Responses to Covil's First Set of Requests for Production, dated May 15, 2020 (*Covil v. Penn National*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2020-CP-40-01226).		
53)	Covil's subpoena duces tecum to Penn National, dated February 8, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
54)	Letter from D. Harris to M. Shisko dated Feb. 12, 2021		
55)	Penn National's objections to Covil's subpoena duces tecum to Penn National, dated February 22, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
56)	Penn National's supplemental objections to Covil's subpoena duces tecum to Penn National, dated March 9, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
57)	Penn National's Answers to the Receiver of Covil Corporation's First Set of Interrogatories, dated May 10, 2021		
58)	Penn National's Responses to the Receiver of Covil Corporation's Request for		

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Exhibit No.	Document	Document Identification	Confidential
	Production, dated May 10, 2021		
59)	Penn National's Supplemental Answers to the Receiver of Covil Corporation's First Set of Interrogatories, dated June 11, 2021		
60)	Penn National's Supplemental Responses to the Receiver of Covil Corporation's Request for Production, dated June 11, 2021		
61)	Receiver's Notice of Filing of Late-Produced Policies, dated June 15, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
62)	Order granting Covil's motions to compel, dated July 1, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
63)	Order granting Covil's motions to compel and ordering Ellis & Winters' review of Penn National's documents, dated November 5, 2021.		
64)	Penn National's Responses to Plaintiff's Second Set of Requests for Production, dated December 20, 2021		
65)	B. Yntema letter to B. Nes regarding Penn National's litigation hold and document retention policy, dated December 28, 2021.		
66)	Order granting Receiver's Motion for Protective Order		

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Exhibit No.	Document	Document Identification	Confidential
	requiring Penn National to preserve all historic insurance policies, dated February 11, 2022		
67)	Penn National's Responses to the Receiver for Covil's Third Set of Requests for Production dated Feb. 17, 2022		
68)	Penn National's Responses to the Receiver of Covil Corporation's First Set of Requests for Admission, dated February 17, 2022		
69)	Penn National's Answers to the Receiver of Covil Corporation's Second Set of Interrogatories, dated February 17, 2022		
70)	Notice of Filing of Ellis & Winters, LLP Report Identifying Three Additional Covil Insurance Policies After One Day of Searching (attaching Ellis & Winters March 22, 2022 Letter Report to the Court)		
71)	Order on Discovery Motions, dated May 5, 2022		
72)	6/11/2021 Affidavit of B. Wright		
73)	7/9/2021 Affidavit of B. Reifsnyder		
74)	7/23/2021 Affidavit of B. Reifsnyder		
75)	12/22/2021 Affidavit of B. Reifsnyder		
76)	1/7/2021 Deposition Transcript of B. Wright		
77)	8/3/2021 Deposition Transcript of B. Reifsnyder		
78)	8/26/2021 Deposition Transcript of B. Wright		

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Exhibit No.	Document	Document Identification	Confidential
79)	7/13/1977 Deposition Transcript Excerpts of P. Covil		
80)	Covil Corporation Certificate of Incorporation	Covil v. Penn 2098_005893-4	
81)	Resume of Work Performed by Covil Corporation	Covil v. Penn 2098_005895-9	
82)	Order on Discovery Motions, dated November 16, 2022		
83)	Deposition Transcript of Edwin L. Rice, dated October 3, 1991	MILLER 00766-824	
84)	11/10/2022 Deposition Transcript of B. Reifsnyder		
85)	Pretrial Report of Gary J. Moss dated 9/27/21	Covil v. Penn 2098_005900-24	X
86)	Pretrial Report of Jerry W. Archer dated 7/24/20	Covil v. Penn 2098_005925-38	X
87)	Initial Report of Nicholas L. Murphy dated 7/22/21	Covil v. Penn 2098_005939-51	X
88)	Initial Report of Tommy D. Wannamaker dated 5/5/22	Covil v. Penn 2098_005952-70	X
89)	Initial Report of Waymon F. Sims dated 2/9/22	Covil v. Penn 2098_005971-9	X
90)	Covil Certificate Revocation of Authority dated 7/30/93		
91)	Court Order (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated February 24, 2020.		
92)	Court Order (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated April 22, 2020.		

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Exhibit No.	Document	Document Identification	Confidential
93)	Penn National's Interim Report Regarding Progress of Document Sampling/Review of Penn National's Insurance Policy Related Documents, Pursuant to the November 5, 2021 Order of the Court, dated December 7, 2021		
94)	Sharla J. Frost CV	COVIL - FROST - 001031–40	
95)	Charles M. Miller, Esq. CV	COVIL - MILLER - 000347–56	
96)	Deposition Transcript of Sharla J. Frost, dated November 9, 2022		
97)	Deposition Transcript of Scott Maier, dated November 21, 2022		
98)	Deposition Transcript of Charles M. Miller, dated November 28, 2022		
99)	Deposition Transcript of Boyd Wright, dated November 30, 2022		
100)	Hearing Transcript, dated January 25, 2021		
101)	Covil Certificate of Administrative Dissolution		
102)	Article: A New Set of Hurdles for Manville (the New York Times, by Tamar Lewin): dated Feb. 17, 1986		
103)	Declaration of Sharla Frost, dated December 5, 2022		X
104)	Policy Number AC 219 02 88 60		
105)	Opening Brief of Defendant in support of Its Motion to Dismiss Plaintiffs' Second		

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Exhibit No.	Document	Document Identification	Confidential
	Amended Complaint and Exhibit E Policy Number 307 0 35 14 73 (*Tawa, PLC v. Pennsylvania National Mutual Casualty Insurance Company*, D. Del., No. 1:13-cv-01427), dated March 10, 2014		
106)	Amended Complaint and Exhibit A Policy Number 307 0354912 (*Pennsulvania National Mutual Casualty Insurance Company v. Perlberg*, D. Md., No. 1:09-cv-01698), dated October 7, 2009		
107)	Policy Number AU9 0 01 85 16-9	PNI-0281–87; COV_005912; COV_005914; COV_005925; COV_005929; COV_005931; COV_005943; PNI-0001–41; PNI-0050–75; PNI-0099; COV_005897–5911	
108)	Policy Number AU9 0 01 85 16-0	PNI-0042–49; PNI-0076–98; PNI-0100–01; PNI-0108–09; PNI-0116–22; PNI-0144	
109)	Policy Number AU9 0 01 85 16-1	COV_005821–33; PNI-0102–0107; PNI-0110–15; PNI-0123–43; PNI-0145–54	
110)	Policy Number 450 00 01 00 7	PNI-1163–1244	
111)	Policy Number SU 219 001 85 16-9	COV_005820; PNI-0273–80	
112)	Policy Number SU 219 001 85 16-00	PNI-0272; PNI-0264–65	
113)	Policy Number SU 219 001 85 16-01	PNI-0266–71	

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Exhibit No.	Document	Document Identification	Confidential
114)	Policy Number IM9 001 85 16-9	COV_005988–6009; PNI-0247–63	
115)	Policy Number IM9 001 85 16-0	PNI-0242–46; PNI-0292–0303	
116)	Policy Number IM9 001 85 16-1	PNI-0288–90	
117)	Policy Number CL 219 01 85 16 9	COV_005834–96; PNI-0165–69; PNI-0173–74; PNI-0191–97	
118)	Policy Number CL 219 01 85 16 0	PNI-0162–67, PNI-0206–08; PNI-0211–14; PNI-0217–18; PNI-0221; PNI-0223	
119)	Policy Number 515 50 28 53 8	PNI-0193; PNI-1190–92	
120)	Policy Number BC9 0018516	COV_005973–87	
121)	Order granting Covil's Motion for Attorneys' Fees and Costs, dated May 12, 2023		
122)	Post-Trial Motions and Punitive Damages Order (*Portrait Homes -South Carolina, LLC v. Penn. Nat'l Mut. Cas. Ins. Com.*, Court of Common Pleas for the Ninth Judicial Circuit, County of Berkeley, SC, No. 2014-CP-08-2757), dated Mar. 23, 2020		
123)	Penn National's First Interim Report regarding Status of Compliance, dated May 25, 2023		
124)	Penn National's Second Interim Report regarding Status of Compliance, dated June 8, 2023		
125)	Penn National's Third Interim Report regarding Status of		

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Exhibit No.	Document	Document Identification	Confidential
	Compliance, dated June 22, 2023		
126)	Penn National's Fourth Interim Report regarding Status of Compliance, dated July 6, 2023		
127)	Penn National's Fifth Interim Report regarding Status of Compliance, dated July 20, 2023		
128)	Penn National's Sixth Interim Report regarding Status of Compliance, dated August 3, 2023		
129)	Penn National's Nineth Interim Report regarding Status of Compliance, dated September 11, 2023		
130)	Penn National's Tenth Interim Report regarding Status of Compliance, dated September 25, 2023		
131)	Penn National's Eleventh Interim Report regarding Status of Compliance, dated October 9, 2023		
132)	Penn National's Twelfth Interim Report regarding Status of Compliance, dated October 24, 2023		
133)	Sharla J. Frost Trial List from 1987 to 2020	COVIL - FROST - 001041–48	
134)	Charles Miller Outline of Opinions	MILLER 01376–82	
135)	Charles Miller Outline of Industry Standards regarding Lost Policies	MILLER 01365–75	

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Dated: November 2, 2023

Respectfully submitted,

s/ Jonathan M. Robinson
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ATTORNEYS FOR THE RECEIVER FOR COVIL CORPORATION

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	))))	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly Appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Company, *et. al*, Defendants.	)))))))))))	C.A. No. 2020-CP-40-02098 **PLAINTIFF'S OPPOSITION TO DEFENDANT PENN NATIONAL'S MOTION *IN LIMINE* TO EXCLUDE TESTIMONY OF CHARLES M. MILLER AND RELATED EVIDENCE**

COMES NOW, Covil Corporation ("Covil") and files this Opposition to Penn National's Motion *in Limine* to Exclude Testimony of Charles M. Miller and Related Evidence, and in support thereof would respectfully show unto the Honorable Court the following:

INTRODUCTION

The evidentiary hearing and non-jury trial of this matter will focus on two discrete issues: (1) the proper interpretation and meaning of the insurance policies that Penn National issued to Covil and (2) Penn National's failure to adequately maintain its historical insurance policies and related discovery misconduct throughout this case.

Covil has retained an insurance expert, Charles Miller, to testify regarding certain issues relevant to each dispute. First, as to the issue of the proper interpretation and meaning of the insurance policies, Mr. Miller is prepared to testify regarding the history, derivation, intent, and purpose of the general liability and products/completed operations provisions of commercial general liability policies and the distinctions between general liability coverage and products/completed operations coverage. Second, as to Penn National's maintenance of its

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historical insurance policies, Mr. Miller will testify regarding insurance industry standards for the timely and thorough search for insurance policies. *See* **Exhibit A**, Receiver for Covil Corporation's Supplemental Expert Witness Designation.

First, Penn National seeks to exclude Mr. Miller's opinions on insurance policy interpretation. Charles Miller, who was employed by Fireman's Fund Insurance Company for eighteen years before becoming an insurance lawyer and an expert in the field of insurance law, is eminently qualified to testify as an expert on these issues given his decades of experience, training, writing, litigating, prior expert work, and review of the records in this case. Mr. Miller held several insurance claims positions in his work with Fireman's Fund, including senior adjuster, branch office general adjuster, and claims manager. *See* **Exhibit B**, CV of Charles Miller. He also managed an asbestos claims facility and a nationwide major claims unit, and has practiced insurance law since 1990. *Id.* Mr. Miller has extensive experience with the interpretation and application of third-party insurance policy forms. *Id.*

Despite the clear relevance of Mr. Miller's opinions and his extensive qualifications, Penn National attempts to exclude his testimony. First, Penn National seeks exclusion of Mr. Miller's experience with insurance policies arguing that Mr. Miller's opinions constitute impermissible legal conclusions. Far from it. Mr. Miller's trial testimony will be limited as he will opine only on the history, derivation, intent, and purpose of the general liability and products/completed operations provisions of commercial general liability policies. He will not offer ultimate legal conclusions.

Second, Penn National seeks to exclude Mr. Miller's opinions on insurance practices related to document retention because he lacks specific experience to discuss the same. This is flatly unreasonable: Penn National purports to lay down a standard for opining on insurance

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company document preservation that it cannot satisfy *itself.* Specifically, Penn National has proffered James Robertson as an expert witness on the same document retention issues even though Mr. Robertson has no publications, teaching experience, or specific expert witness testimony experience on the same issues. Covil does not seek exclusion of Penn National's expert on the ground that the expert is too tenuously connected to the insurance industry. Rather, Covil will cross-examine and criticize the *credibility* of Penn Nationals' expert at trial. Penn National must be impelled to do the same.

As in all trials, Penn National can utilize cross-examination to attempt to attack the *weight* of Mr. Miller's testimony at the forthcoming trial. What Penn National is *not* entitled to do is preclude Mr. Miller from offering testimony in the first place because it disagrees with what he has to say or believes its expert could deliver testimony on the same topics in a superior manner.

LAW AND ARGUMENT

Expert testimony is admissible when the proponent satisfies the following three requirements: (1) the subject matter is beyond the ordinary knowledge of the trier of fact; (2) the proffered expert has the requisite knowledge and skill in the particular subject matter; and (3) the substance of the testimony is reliable. Rule 702, SCRE; *Watson v. Ford Motor Co*., 389 S.C. 434, 446, 699 S.E.2d 169, 175 (2010).

A trial court has wide discretion to ascertain the qualification of an expert witness, and an appellate court reviews the decision only for an abuse of that wide discretion. *Watson v. Ford Motor Co.*, 389 S.C. 434, 447, 699 S.E.2d 169, 176 (2010) (Toal, C.J.)). Notably, "[t]he foundational reliability requirement for expert testimony does not lend itself to a one-size-fits-all approach" and the factors Courts must look to in assessing the reliability of scientific expert testimony "serve no useful analytical purpose when evaluating nonscientific expert testimony."

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State v. White, 382 S.C. 265, 274, 676 S.E.2d 684, 688 (2009). Thus, for testimony like Mr. Miller's, which is based on specialized knowledge and experience, the South Carolina Supreme Court has "declined to offer any specific factors for the circuit court to consider . . . with respect to non-scientific expert evidence." *Graves v. CAS Med. Sys., Inc*., 401 S.C. 63, 74-75, 735 S.E.2d 650, 656 (2012). While the trial court vets the threshold reliability of non-scientific testimony in the first instance, "a challenge to a [non-scientific] opinion's reliability generally goes to weight and not admissibility." *Id*.

Penn National ignores this fundamental component of South Carolina law. Citing the federal, inapposite standard for expert testimony, and cases from different jurisdictions applying varied tests, Penn National criticizes Covil's expert Charles M. Miller's experience. Under South Carolina law, however, Mr. Miller, an insurance law expert with decades of relevant experience in his field, must be permitted to testify in this case.

I. Mr. Miller's opinions as to custom and usage of trade in the insurance industry are admissible.

Mr. Miller will offer opinions on custom and practice to establish the meaning of certain ambiguous terms of the Penn National insurance policies at issue in this case based on his expertise in the field of insurance, not based on legal conclusions. Penn National relies on many cases for the proposition that an expert cannot merely assert legal conclusions, but none of those cases approach the main issue here.

II. Mr. Miller's Opinions Regarding Insurance Practices Are Likewise Admissible

Mr. Miller has had a long and distinguished career in insurance, including eighteen years working in a series of roles directly for an insurance company. Penn National lambastes this wide breadth of experience as too remote, but does not cite any case law or support for the proposition that an expert's experience in this field can become stale. Further, the gravamen of the controversy

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in the case from events that took place in the 1980s, when Mr. Miller directly worked for an insurance company. No doubt, if Mr. Miller's experience directly working for an insurer were more recent, Penn National would have asserted it too tenuously related to the pertinent issues in the industry in the 1980's which are of primary relevance here.

Penn National cites to two different federal district courts for the unremarkable proposition that an attorney with no experience in claims handling cannot testify about claims handling – but Mr. Miller has *precisely* the experience the experts were lacking. *See Modern Auto. Network, LLC v. E. All. Ins. Co.*, 416 F.Supp.3d 529, 537-38 (M.D.N.C. 2019), *aff'd*, 842 Fed. App'x 847 (4th Cir. 2021) (attorney opinion upon claims handling was excluded); *see also Estate of Arroyo v. Infinity Indem. Ins. Co.*, No. 15-20548-Civ, 2016 WL 4506991, at *3 (S.D. Fla. Aug. 29, 2016) (insurance lawyer who had no direct claims handling experience and had done nothing to familiarize himself with the issues excluded as an expert). Similarly, *Nature's Way Marine, LLC v. Everclear of Ohio*, No. 12-316-CG-M, 2014 WL 5817535, at *3 (S.D. Ala. Nov. 10, 2014), on which Penn National also relies, stands only for the proposition that a lawyer with no experience in the subject matter at issue was "no more qualified to testify…than a layperson who has heard the evidence in this case and is provided jury instructions explaining the law." As a former claims handler, Mr. Miller has ample qualifications to testify as to issues related to claims handling.

As to the specific question of whether, as a claims handler, Mr. Miller was confronted with issues related to maintenance of historical records, the South Carolina Supreme Court has recognized, "[a]n expert witness may state an opinion based on facts not within his first-hand knowledge, and may base his opinion on information, whether or not admissible, made available to him before the hearing if the information is of the type reasonably relied upon in the field." *Peterson*, 365 S.C. at 399, 618 S.E.2d at 907 (citing *Dawkins*, 354 S.C. at 64, 580 S.E.2d at 436).

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Precedent involving medical doctors who offer expert testimony is instructive here. "A physician is not incompetent to testify merely because he is not a specialist in the particular branch of the profession involved." *Creed v. City of Columbia*, 310 S.C. 342, 345, 426 S.E.2d 785, 786 (1993) (Toal, J.) (citing *Hill v. Carolina Power & Light Co.*, 204 S.C. 83, 28 S.E.2d 545 (1943)). In *Creed*, a plaintiff was injured in a car crash. *Id*. at 343-44, 426 S.E.2d at 785-86. A general practitioner doctor testified regarding the plaintiff's emotional and mental injuries. *Id*. at 344, 426 S.E.2d at 786. The defendant objected, pointing out the doctor was not a neurologist or psychologist. *Id*. Our Supreme Court affirmed. "The fact he is not a specialist goes to the weight of his testimony, not its admissibility." *Id*. at 345, 426 S.E.2d at 786. Similarly, in *Lee v. Seuss*, 318 S.C. 283, 286, 457 S.E.2d 344, 346 (1995), our Supreme Court found a plastic surgeon could opine on family medicine-related standards. *Id*.

Mr. Miller possesses personal knowledge of insurance document retention standards. That Mr. Miller, a sophisticated lawyer and former claims professional in the practice and field of insurance would familiarize himself with others' work does not undermine his status as an expert; it illustrates it. Indeed, as our Supreme Court informed in *Peterson*, this is permissible so long as it is the type of information relied upon in the field. *Peterson*, 365 S.C. at 399, 618 S.E.2d at 907.

Should Penn National wish to argue Mr. Miller's insurance experience in document retention is insufficient, then Penn National will have that right at trial. Again, such criticisms go to the weight and not the admissibility of such evidence.

CONCLUSION

For the foregoing reasons, Covil respectfully requests this Court deny Penn National's Motion seeking to exclude Mr. Miller's expert testimony.

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Dated: November 3, 2023

Respectfully submitted,

s/ Jonathan M. Robinson
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ATTORNEYS FOR THE RECEIVER FOR COVIL CORPORATION

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EXHIBIT A

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, Vs. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	Case Number: 2020-CP-40-02098 **RECEIVER FOR COVIL CORPORATION'S AMENDED FACT AND EXPERT DISCLOSURES**

TO: PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE CO., THROUGH ITS COUNSEL OF RECORD

COMES NOW Peter Protopapas, as Court Appointed Receiver for Covil Corporation (the "Receiver"), by and through his counsel of record, and serves his initial fact and expert witness designations pursuant to the South Carolina Master Discovery/Scheduling Order for the Coordinated Asbestos Litigation Docket and hereby supplements his November 12, 2021 response to Penn National's Interrogatory Number 7.

The Receiver hereby incorporates into this listing, as if fully reproduced herein, any and all expert and/or lay witnesses who may be listed by any other party. The Receiver further reserves the right to supplement this witness list and to call any witness necessary to authenticate documents or exhibits and/or for rebuttal. The Receiver further reserves the right to use any depositions noticed in this case in accordance with the provisions governing the use of depositions contained in the South Carolina Rules of Civil Procedure and the applicable rules of evidence. The Receiver reserves the right to call as a witness any person deposed in the above-captioned case. The Receiver

EXHIBIT
2A

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reserves the right to name additional witnesses, based upon further evaluation of the information gathered through the discovery process.

FACT WITNESSES:

1. **Peter D. Protopapas, Receiver for Covil Corporation**
   Rikard & Protopapas, LLC
   2110 N. Beltline Blvd.
   Columbia, SC 29204

   Peter D. Protopapas is the Court-appointed receiver of Covil Corporation and can testify as to Penn National's handling of claims for coverage asserted by Covil. Covil is in possession of an affidavit from Mr. Protopapas. Mr. Protopapas's deposition was taken in *Zurich v. Covil* (Case Number 1-18-cv-932), in the USDC Middle District, North Carolina, and in *Finch et al. v, USFG et al.* (Case Number 2019-CP-42-3003), in Richland County, South Carolina.

2. **Brian Flatley**
   Ellis & Winters LLP
   4131 Parklake Avenue, Suite 400
   Raleigh, NC 27612

   Brian Flatley is Litigation Support Manager at Ellis & Winters. He consults with firm attorneys and clients on the proper methods of data preservation, collection, processing, production, and review. Mr. Flatley can testify as to Ellis & Winters' court-ordered investigation into the existence and storage of Penn National's legacy liability policy documents and the options provided to the court for additional document review.

   Upon information and belief, no written or recorded statements have been taken from this witness to date.

3. **Brett Reifsnyder**
   Penn National

   Brett Reifsnyder, Penn National's Director of Administrative Services, can testify as to the search of Penn National's records for insurance policies that were issued to or that otherwise cover Covil, the Company's document retention policy and application thereof, and Penn National's destruction of legacy insurance policies.

   Mr. Reifsnyder has given testimony in the instant matter.

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4. **Boyd Wright**
   Penn National

   Boyd Wright, Penn National's Senior Home Office Claim Examiner, can testify as to the search of Penn National's records for insurance policies that were issued to or that otherwise cover Covil, Penn National's handling of claims for coverage asserted by Covil, and Penn National's interpretation of the insurance policies it issued to or that otherwise cover Covil.

   Mr. Wright has given testimony in the instant matter.

5. **Scott Maier**
   Penn National

   Scott Maier, Penn National's Senior Corporate Counsel, can testify as to Penn National's litigation hold policies and his issuance of a litigation hold related to Covil Corporation in December 2021.

   Upon information and belief, no written or recorded statements have been taken from this witness to date.

EXPERT WITNESSES:

1. **Sharla Frost**
   Sharla J. Frost
   6336 Rutgers Avenue
   Houston, TX 77005

   Sharla Frost is a seasoned asbestos trial lawyer, with over three decades of trial practice. In the asbestos context, she has successfully defended a succession of manufacturers of asbestos containing products in numerous cases since 1989, including having obtained nine defense verdicts in asbestos personal injury cases in Texas, Kentucky, Georgia and California between 2001 and 2017, including three cases involving living mesothelioma claimants. Her clients have ranged from insulation manufacturing defendants such as Johns-Manville and Turner & Newell to small property owners such as a Ford dealership in Washington State. She has extensive experience in all aspects of asbestos case management, including verdict analysis, case strategy, settlement negotiations, trial strategy, trial presentation, post-trial analysis, and docket oversight. She has served as National Coordinating Counsel for a major defendant in asbestos litigation; has participated as a member of the National Trial Team for several defendants; and has evaluated both trial prospects and verdict risks for asbestos lawsuits on behalf of defendants in venues throughout the United States.

   Ms. Frost will testify as to the development and evolution of the asbestos litigation over the course of its history; the standard for analysis and management of asbestos litigation in

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the historical context of the litigation; the knowledge of asbestos defendants and potential asbestos defendants, as well as their insurers and other indemnitors, with regard to the scope of the litigation and the requirement to maintain historical records for policyholders; the importance of maintenance of historical records for a defendant in asbestos personal injury litigation; and an evaluation of the asbestos personal injury claims against Covil for which Penn National contributed to settlements.

2. **Charles Miller**
   Insurance Law Center
   1442A Walnut St. #55
   Berkeley, CA 94709

   Charles Miller, an expert in insurance industry standards and practices, was employed by Fireman's Fund Insurance Company for eighteen years in insurance claims. Mr. Miller has held several insurance claims positions, including senior adjuster, branch office general adjuster and claims manager. Mr. Miller also managed an asbestos claims facility and a nationwide major claims unit. Mr. Miller has practiced insurance law since 1990. He has extensive experience with the interpretation and application of third party insurance policy forms. Mr. Miller will testify regarding insurance industry claims practices and standards and insurance industry standards for the interpretation and application of insurance policies. Mr. Miller will testify regarding the history, derivation, intent, and purpose of the general liability and products/completed operations provisions of commercial general liability policies and the distinctions between general liability coverage and products/completed operations coverage. Mr. Miller will also testify regarding insurance industry standards for the timely and thorough search for insurance policies.

In addition, the Receiver for Covil Corporation reserves the right to call any of the following individuals and/or entities:

1. **Penn National through its corporate representative(s) in this matter.**
2. **Penn National through its corporate representative(s) in prior deposition testimony offered in other matters.**
3. **All witnesses listed by Penn National.**
4. **All witnesses listed in the Receiver's Answers to Interrogatories and any and all supplements or amendments thereto.**
5. **All witnesses deposed in this case.**
6. **All witnesses identified in any deposition taken in this case.**

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7. **Any and all records custodians, or other witnesses necessary to authenticate any document the Receiver seeks to admit at trial, live or by deposition upon written questions.**

8. **Any witness necessary for rebuttal.**

Dated: November 7, 2022

Respectfully submitted,

s/ Jescelyn T. Spitz
Jescelyn T. Spitz
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AND

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Counsel for the Receiver

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EXHIBIT B

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CV

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- Experience in testifying on insurance policy interpretation based on insurance industry publications.
- An extensive and unique library on insurance industry claims practices and policy interpretations that provide a sound basis for expert opinions.
- A one of its kind data base of well over one million pages of insurance company documents, depositions, manuals and policies and procedures that can be used in discovery as well as the basis for expert opinions.
- See attached for complete list of Insurance Law Center Services.

Experience:

Mr. Miller was employed by Fireman's Fund Insurance Company for eighteen years in insurance claims. Mr. Miller has held several insurance claims positions, including senior adjuster, branch office general adjuster, and claims manager. Mr. Miller also managed an asbestos claims facility and a nationwide major claims unit. Mr. Miller has practiced insurance law since 1990. Mr. Miller has extensive experience with the interpretation and application of first- and third-party insurance policy forms.

PLAINTIFF'S EXHIBIT 95

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Since 1997, Mr. Miller has been retained in over 200 cases in at least fifteen states and territories (federal and state courts) as an expert on insurance coverage and claims handling, including cases concerning construction defects, first-party fire and water losses, disability claims, automobile liability including underinsured and uninsured motorist claims, professional liability claims, claims under various automobile insurance policies, comprehensive commercial liability policies, and excess and umbrella policies. Mr. Miller has been retained in both federal and state courts, including those in Arizona, California, Idaho, Nevada, New Mexico, South Carolina, Pennsylvania, Florida, the U.S. Virgin Islands, Washington, Oregon, Utah, Arkansas, Missouri, Mississippi, South Carolina, Louisiana, Massachusetts, West Virginia, and Toronto, Ontario, Canada. Mr. Miller has been qualified as an expert on insurance industry claims handling standards and practices in Arizona, Nevada, Arkansas, Idaho, Florida, Colorado, Hawaii, New Mexico, Ohio, Missouri, Louisiana, Washington, Kansas, Texas, South Carolina, West Virginia, and California.

Insurance Industry Experience:

1972-l980

- Held several positions at Fireman's Fund Insurance Company, including Senior and Branch Office General Adjuster.

- Experienced in the handling of first-party claims, including claims arising out of collision losses, theft losses, residential fires, and burglaries from commercial establishments.

- Experienced in handling a wide variety of commercial and personal liability claims, including construction and auto accidents, underinsured and uninsured motorist claims, environmental claims, construction defects, and personal injury claims.

- Responsible for the management and supervision of litigation.

1980-1986

- Managed insurance company asbestosis claims facility. Responsible for the supervision of litigation, investigation, and evaluation of over 600 claims for asbestosis-related injuries.

- Continued responsibility for the handling, investigation, and resolution of both third- and first-party claims as Branch Office General Adjuster.

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1986-1990

- Managed insurance company major claims unit.
- Responsible for nationwide management of a variety of specialized claims, including construction defect, investment advisors professional liability, and sexual discrimination and harassment.
- Responsibilities included interpretation of insurance policy provisions and management of insurance coverage declaratory relief actions brought by either the policyholder or the company.

Legal Practice:

2004-Present	Insurance Law Center, Berkeley, California
2000-2004	Special Counsel, Wendel Rosen Black & Dean, Oakland, California.
1998-2000	Law Office of Charles M. Miller, San Francisco, California
1995-1998	Associate, Gray Cary Ware & Freidenrich. Practice in Insurance Litigation
1992-1995	Associate, Pettit & Martin
1990-1992	Associate, Heller, Ehrman, White & McAuliff

Education:

University of San Francisco	1990 J.D. (Magna Cum Laude) Law Review
Western Washington University	1970-1971 Masters Studies Political Science
Western Washington University	1970 B.A. Political Science (President's List)

Insurance Training:

Insurance Institute of America, Associate in Claims

Attendance at seminars, conventions, and other programs put on by insurance industry organizations covering a variety of topics related to insurance claims handling and insurance policy interpretation and application.

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Teaching and Presentations:

"Insurance Issues and COVID-19 Part III," Trial Guides Webinar, July 31, 2020.

"Post Loss Duties," AAJ Annual Meeting, July 14, 2020.

"Insurance Issues and COVID-19," Trial Guides Webinar, May 27, 2020.

"Corona Virus And Insurance Coverage," New Mexico TLA Webinar, May 8, 2020

"COVID-19 and Insurance Business Interruption Claims," Colorado TLA Webinar, April 27, 2020.

"Insurance Issues and COVID-19," Trial Guides Webinar, April 1, 2020.

First Party Claims Conference, FPCC, "Handling The Insurance Claim Prior to Litigation," October 2019, Providence, RI.

First Party Claims Conference, FPCC, "Addressing Policyholders Claims in an Ethical Manner with Insureds and Insurance Companies when Experts are Involved," March, 27, 2019, Marina De Rey, CA.

Back to School in Insurance Law Seminar, NM TLA, "Insurance Industry Practices in Handling First Party Claims," and ""Use of Experts in Support of Claim Denials," Feb. 22, 2019, Albuquerque, NM.

Oct. 2018, "Insurer's Use of Experts in First Party Claims," First Party Claim Conference, Providence, RI.

March 2017, "Developing the UM/UIM Claim," New Mexico TLA Annual Insurance Law Seminar

August 2016, "Discovery in Bad Faith Cases," and "Institutional Bad Faith," Montana TLA, Missoula, Mt.

August 2016, "Institutional Bad Faith," AAJ Convention, Los Angeles.

First Party Claims Conference, FPCC , March 2016, "Anatomy of a Bad Faith Case."

February 2016, "Discovery in Bad Faith Cases," and "Institutional Bad Faith," New Mexico TLA Annual Insurance Law Seminar.

January 2016, “Institutional Bad Faith,” Washington State AJ annual insurance law seminars, Seattle and Spokane, WA.

June 10, 2014, Farmers Organization and Claims Operation, Farmers Annual Agent’s Association Meeting, Las Vegas, NV.

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October 2013, “Use of Experts in Insurance Bad Faith Cases,” First Party Claim Conference, Providence, RI.

April 2013, “Use of Experts in Insurance Bad Faith Cases,” North Carolina Bar Association program, “Why Do We Call It ‘Bad Faith’?”, Charlotte, NC.

March 2013, NAPIA/CAPIA Conference, “The Wear and Tear and Similar Exclusions in Wind and Water Damage Claims.”

April 2012, “Bad Faith Issues In Business Interruption Claims,” ABA Property Insurance Law Section, Los Angeles, CA.

September 2012, “Use of Experts in Insurance Bad Faith Cases,” UTAH TLA, Salt Lake City, UT.

August 2011, “Developments In Insurance Claims Practices,” AAJ, New York, NY.

August 2009, “Insurance Bad Faith and Settlement Institute,” Advocacy Institute, Las Vegas, NV.

December 2009, “Insurance Coverage for Chinese Drywall Claims,” Testimony before the NAIC Catastrophe Insurance Working Group, San Francisco, CA.

May 2009, “Presenting the Coherent Case,” Claims Practices Seminar, Miami, FL.

October 2008, “Issues in Insurance Claims Practices,” Claims Practices Seminar, Reno, NV.

September 2008, Presentations on Ethics and Claims Adjusting, Western Regional PLRB Convention, Sacramento, CA.

May 2008, Presentations on Ethics and Claims Adjusting, Eastern Regional PLRB Convention, Tampa, FL.

November 2007, “Issues in Insurance Claims Practices,” Claims Practices Seminar, Reno, NV.

October 2006, “Issues in Insurance Claims Practices,” Claims Practices Seminar, Deadwood, SD.

June 2006, “Discovery in Insurance Bad Faith Cases and Related Issues,” Mississippi TLA, Memphis, TN.

April 2006, “Insurance Industry Claims Practices,” Claims Practices Seminar, Reno NV.

April 2006, “Institutional Bad Faith Issues and Pay for Performance in the Insurance Industry,” Ontario TLA, Toronto, Ontario, Canada.

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May 2005, “Discovery in Insurance Bad Faith Cases and Related Issues,” North Dakota TLA, Fargo, ND.

November 2004, “Insurance Industry Claims Practices,” Claims Practices Seminar, Reno, NV.

September 2004, “Discovery in Insurance Bad Faith Cases and Related Issues,” Utah TLA, Salt Lake City, UT.

September 2004, “Institutional Bad Faith Issues and Pay for Performance in the Insurance Industry,” New Mexico TLA, Albuquerque, NM.

July 2004, “Incentive Pay’s Effect on Claim Practices,” Claims Practices Seminar, Reno, NV.

May 2004, “Recognizing Improper Claim Practices,” Claims Practices Seminar, Deadwood, SD.

April 2004, “Discovery in Insurance Bad Faith Cases and Related Issues,” Arkansas TLA, Little Rock, AR.

February 2004, “Incentive-Driven Claim Practices,” Claims Practices Workshop, Reno, NV.

December 2003, “Non-Rate Action Plans,” Claims Practices Workshop, Reno, NV.

June 2003, “Claim Practices Cases – Looking Ahead,” Claims Practices Workshop, Reno, NV.

March 2003, “Claim Practices in Non-Rate Marketing Actions,” Claim Practices Workshop, Reno, NV.

January2003, “Farmers Ins. Group Corporate Organization and Operations,” WTLA, Seattle, WA.

November 2002, “The Effects of Performance-Based Pay for Adjusters,” Claim Practices Workshop, Reno, NV.

May 2002, “SFXOL – Settle for X or Less,” Property-Casualty Claim Practices Workshop, Reno, NV.

December 2001, “A de novo Review of Claim Practices,” Property-Casualty Claim Practices Workshop, Reno, NV.

1993-1996, Presented updates on Environmental Insurance Law at Santa Clara County Annual Environmental Law Update Conferences.

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1992-1995, Presentations on environmental and insurance law issues at Federal Publications Seminars in Los Angeles, Phoenix, San Francisco, and Sacramento.

1972-1990, During employment in the insurance industry, responsible for the presentation of several courses and lectures on various aspects of insurance claims handling.

Organizations:

California Bar Association

American Bar Association

San Francisco Bar Association

American Association for Justice

Consumer Attorneys of California

Alameda Bar Association

San Francisco Trial Lawyers Association

Publications:

"Cleanup Claim," *San Francisco Daily Journal*, October 19, 1998

"Just The Facts, Just the Facts: Discovery in Insurance Bad Faith Cases" *Forum,* May 2005.

"Discovery in Insurance Bad Faith Cases," 2005, Utah TLA

"Proving Insurance Bad Faith," *The Litigator*, Fall 2005

"Discovery in Insurance Bad Faith Cases, Part I," *The Litigator*, Winter 2006

"Discovery in Insurance Bad Faith Cases, Part II," *The Litigator*, Spring 2006

"The Insurance Company Deposition in Insurance Bad Faith Cases," *The Litigator*, Winter 2006

"The Use of Experts in Insurance Bad Faith Cases," *The Litigator*, Summer 2006

"The Use of Experts in Insurance Bad Faith Cases," *Forum*, March 2007

"Protesting Insurer Protective Orders," *Trial*, July 2007

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"Behind the Scenes in the Insurance Industry: How the Insurance Industry Has Revolutionized Claims Handling," *Forum*, June/July 2007

"Behind the Scenes in the Insurance Industry: How the Insurance Industry Has Revolutionized Claims Handling," *Louisiana Advocates,* Aug. 2008, Vol. XXIII, No. 8.

"The Scope of Expert Testimony in Insurance Bad Faith Cases: Can the Expert Testify on the Meaning of the Insurance Policy*," Conn. Ins. Law Journal*, 15(1) (2008-2009), p. 211.

"Professional Liability Claims: The Risk Professional's Role," *The Risk Report,* Vol. XXXII, International Risk Management Institute ("IRMI"), June 2010

"Behind the Scenes in the Insurance Industry," *Trial Trends*, Spring 2011

"Key Coverage Issues in Personal Lines Claims: The Rules of Insurance Contract Interpretation," IRMI, May 2011

"Key Coverage Issues in Personal Lines Claims: The Duty To Defend ," IRMI, May 2011

"Key Coverage Issues in Personal Lines Auto Claims: Auto Coverage for Using or Occupying a Vehicle," IRMI, May 2011

"Key Coverage Issues in Personal Lines Auto Claims: When Is a Driver a Permissive User?" IRMI, May 2011

"Key Coverage Issues in Homeowner's Claims: The Wear and Tear Exclusion," IRMI, September 2011

"Key Coverage Issues in Homeowners' Claims: When Is a Collapse a Collapse?", IRMI, September 2011

"The Cooperation Clause: When Is There Cooperation and When Is There Not?", IRMI, April 2012

"When Are Emotional Distress Claims Bodily Injury?", IRMI, April 2012

"Evaluating Serious Injury Claims Under Personal Lines Policies," IRMI, 2012

"Negligent Entrustment: Liability and Coverage," IRMI, 2012

"The Water Damage Exclusion," IRMI, 2013

"The Business Pursuits Exclusion," IRMI, 2013

"Concurrent Causation in First Party Property Claims," IRMI, September 2013

"The Homeowners Policy Ensuing Loss Provision," IRMI, September 2013.

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“Behind the Scenes in the Insurance Claims Industry: How Insurance Companies Have Revolutionized Insurance Claims Handling, An Update,” *Forum,* 46(1), January/February 2016, p. 22

“Behind The Scenes in the Insurance Claims Industry: How Insurance Companies Have Revolutionized Insurance Claims Handling, An Update,” *The New Mexico Trial Lawyer*, 47(2), March/April 2016, p. 1.

"Bad Faith: Revisiting an insurer's affirmative duty to settle," *Advocate,* Sept. 2016, p. 72.

"The Obligation of Insurers to Pay The Undisputed Amount of Underinsured And Uninsured Motorists' Claims," *Advocate,* Sept. 2017.

"The Homeowner's Policy and the Debate Over Cosmetic Damage," IRMI, September 2017.

"Like Kind and Quality: It's Meaning and Application," IRMI, January 2018.

"Appraisal Process: Scope of Loss and Causation Included?," ABA/TIPS/PILC Newsletter, Summer, 2018.

"Current Issues in first-party property claims," *Advocate*, Sept, 2018, p. 76.

"Depreciation of Labor in Property Damage Estimates," IRMI, Oct. 2018.

"The Homeowners Policy Ensuing Loss Provision," IRMI, Oct. 2018.

"Handling the Wild-Fire Insurance Claim Prior to Litigation," *Advocate*, March 2019

"Burned Out And Underinsured," *Advocate*, Sept. 2019.

"Professional Liability Claims Management: The Role of The Risk Manager, Agent or Broker," IRMI, April 2020.

"Business-income Insurance and Covid-19," *Advocate*, July 2020.

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Opinions Cited In:

Gerawan Farming Partners, Inc., v. Westchester Surplus Lines Ins. Co., et al., (Jan. 4, 2008) 2008 WL 80711 (E.D. Cal.)

Bruce D. Bell, et al. v. Dietz-Crane Builders LLC, et al., Maricopa Cty., AZ, June 12, 2008

Recommendations:

Provided upon request.

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	))))	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly Appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Company, *et. al*, Defendants.	)))))))))))	C.A. No. 2020-CP-40-02098 **PLAINTIFF'S RESPONSE TO DEFENDANT PENN NATIONAL'S MOTION *IN LIMINE* TO EXCLUDE TESTIMONY OF SHARLA FROST AND RELATED EVIDENCE**

Penn National's Motion in Limine seeking to exclude the testimony of Sharla Frost—a highly experienced, nationally recognized asbestos trial lawyer and eminently qualified expert—should be summarily rejected.[1] Despite Penn National's arguments, Covil does not seek to rely on Ms. Frost as an insurance industry expert and has never claimed to have presented her as such. Instead, Ms. Frost, whose experience and expertise in asbestos litigation cannot seriously be questioned, is uniquely capable of testifying as to the historical landscape and the point in time

[1] Ms. Frost is a thoroughly qualified witness on the matters for which Covil has designated her. Ms. Frost is a seasoned asbestos defense attorney with a stellar trial record and an extensive background in asbestos litigation trial and strategy. See **Exhibit A**, Ms. Frost's current CV. Covil designated Ms. Frost as an expert regarding "the development and evolution of the asbestos litigation over the course of its history; the standard for analysis and management of asbestos litigation in the historical context of the litigation; the knowledge of asbestos defendants and potential asbestos defendants, as well as their insurers and other indemnitors, with regard to the scope of the litigation and the requirement to maintain historical records for policyholders; the importance of maintenance of historical records for a defendant in asbestos personal injury litigation; and an evaluation of the asbestos personal injury claims against Covil for which Penn National contributed to settlements." See **Exhibit B**, Receiver for Covil Corporation's Supplemental Expert Witness Designation. Ms. Frost's expertise on these topics, all of which relate to Covil's declaratory judgment claims and its evidentiary hearing on Penn National's spoliation of records, is unrivaled.

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when defendants, potential defendants, and the insurance companies providing coverage to those companies were on notice of the potential risk associated with the asbestos litigation and the long tail liability attendant thereto, giving rise to an obligation to gather and maintain relevant information.

Further, Ms. Frost's qualifications to analyze verdict risk in asbestos cases – the center of an entire illustrious career – are overwhelming. Penn National's improper attempt to recast Ms. Frost's opinions as a run-around to admit hearsay evidence overlooks that Ms. Frost's expert role in this case is to offer opinions as to how the evidence gathered in a particular asbestos personal injury case demonstrates the ways in which the plaintiff may have been exposed to asbestos based on their work duties, work site and work environment, and how those factors play a key role in the analysis of verdict risk presented to an asbestos personal injury defendant. Penn National's arguments do not warrant exclusion of Ms. Frost's legitimate and reasoned opinions from trial.

LAW & ARGUMENT

Covil solely relies on Ms. Frost's testimony derived from her expertise as a seasoned asbestos personal injury defense lawyer. Expert testimony is admissible when the proponent satisfies the following three requirements: (1) the subject matter is beyond the ordinary knowledge of the trier of fact; (2) the proffered expert has the requisite knowledge and skill in the particular subject matter; and (3) the substance of the testimony is reliable. Rule 702, SCRE; *Watson v. Ford Motor Co*., 389 S.C. 434, 446, 699 S.E.2d 169, 175 (2010). Ms. Frost is indisputably qualified to offer testimony on the two topics for which she is offered: (1) the historical development of the asbestos litigation that led to notice of potential risk associated with the litigation and associated long tail liabilities, and the associated obligation to preserve records; and (2) the verdict risk posed

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to an asbestos personal injury defendant based on factors presented in individual asbestos personal injury cases.

I. Ms. Frost is not an insurance coverage expert.

Penn National incorrectly characterizes Ms. Frost as an expert witness on insurance "best practices," relying on Penn National's own attempt to mold her opinions in her deposition:

> Q: And that significant hold time would be kind of a best practice for retaining insurance documents with respect to companies like Covil; correct?
>
> …
>
> A: That comes awfully close to a coverage opinion.

Exhibit C, Deposition of Sharla Frost, Nov. 9, 2022, at 125:8-17.

Ms. Frost concedes that she is not an insurance coverage expert and does not intend to offer any such testimony at trial. Rather than coverage opinions, Ms. Frost's expert opinions sound in her deep knowledge and understanding of the history of asbestos litigation. The most salient aspect of Ms. Frost's testimony as to her first opinion is her discussion of the *history* of asbestos litigation. Ms. Frost discusses the development of that litigation, beginning with conferences and publications in the 1960's to the first major bankruptcy filing by an asbestos defendant, Johns-Manville, in 1982. *Id*. at 27-28. Penn National mischaracterizes Ms. Frost's testimony as focusing solely on Johns Manville's bankruptcy; rather, Ms. Frost discusses several events in a very relevant and reliable historical timeline based on her decades of experience in the litigation, which the Receiver believes will be helpful to the Court.

Ms. Frost is not an insurance adjuster or underwriter, but she is a lawyer with extensive experience in asbestos litigation, a fact uncontested by Penn National. Rather, Penn National's

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somewhat petty critiques of Frost's background go to weight, and not admissibility.[2] This is not dissimilar to countless other cases where parties disagree about which professional is best qualified to render an expert opinion. For example, in *Wilson v. Rivers*, 357 S.C. 447, 593 S.E.2d 603 (2004), our Supreme Court examined the idea that two different professions could be competent to testify on a unitary subject. There, plaintiffs sought to exclude a medical expert's testimony as to the biomechanics of the plaintiff's injury-inducing accident because the doctor's primary training was not in biomechanics—he was a family practice doctor—although he had extensive experience in a related field, and also had gained relevant experience in the field of biomechanics over the course of his career. *Id*. at 450, 593 S.E.2d at 604. Plaintiffs attacked the testimony on the grounds that the doctor was not a biomechanical engineer. *See id*. In reversing the trial court's exclusion of the doctor as an expert, the court recognized that "defects in the amount and quality of education and experience go to weight of the expert's testimony and not its admissibility[.]" *Id*. at 453, 593 S.E.2d at 605 (citing *Lee v. Seuss*, 318 S.C. 283, 285, 457 S.E.2d 344, 345 (1995)).

Further, Ms. Frost's lack of previous testimony as an expert witness is irrelevant and, if anything, speaks to her lengthy career as an active trial lawyer rather than a paid expert. "The number of times a court has qualified a witness as an expert or found a method reliable *will almost never* be relevant to the trial court's Rule 702 task, as what matters is the method's endorsement by the relevant field, not the bench." *State v. Warner*, 430 S.C. 76, 87, 842 S.E.2d 361, 366 (Ct. App. 2020). Ms. Frost is not a professional expert witness (indeed, if she were, Penn National

[2] Penn National further attacks Ms. Frost on the basis that she is not licensed to practice law in South Carolina. But this is immaterial except for the weight of the evidence. *See Teseniar v. Prof. Plastering & Stucco, Inc.*, 407 S.C. 83, 92, 754 S.E.2d 267, 271-72 (Ct. App. 2014) (trial court abused its discretion in excluding expert testimony of a civil engineer licensed in other jurisdictions but not South Carolina). Indeed, as Ms. Frost's CV makes abundantly clear, she has been licensed to practice law during her career in 5 states and admitted pro hac vice in 22 jurisdictions, *including South Carolina*. *See* Exhibit A.

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would no doubt assail her credibility on that basis). Rather, she is an experienced, practicing attorney, who possesses expert opinions on these pertinent topics.

All of Penn National's cited case law is inapposite and unavailing. Penn National cites to two different federal district courts for the unremarkable proposition that an attorney cannot testify about claims handling—something Ms. Frost does not do in this case. *See Modern Auto. Network, LLC v. E. All. Ins. Co.*, 416 F.Supp.3d 529, 537-38 (M.D.N.C. 2019), *aff'd*, 842 Fed. App'x 847 (4th Cir. 2021) (attorney opinion upon claims handling was excluded); *see also Estate of Arroyo v. Infinity Indem. Ins. Co.*, No. 15-20548-Civ, 2016 WL 4506991, at *3 (S.D. Fla. Aug. 29, 2016) (insurance lawyer who had no direct claims handling experience and had done nothing to familiarize himself with the issues excluded as an expert). Similarly, *Nature's Way Marine, LLC v. Everclear of Ohio,* No. 12-316-CG-M, 2014 WL 5817535, at *3 (S.D. Ala. Nov. 10, 2014), stands only for the proposition that a lawyer with no experience in the subject matter at issue was "no more qualified to testify…than a layperson who has heard the evidence in this case and is provided jury instructions explaining the law."

Penn National has done nothing to establish that Ms. Frost lacks the requisite experience and qualifications to testify as to the history of the asbestos litigation, and how that history gave rise to notice on the part of defendants, potential defendants, and their insurance companies. Indeed, it cannot—Ms. Frost has precisely the qualifications necessary to render such opinions.

II. Ms. Frost's extensive experience as a talented asbestos first chair litigator provides a basis of reliability for her verdict risk assessments.

Drawing upon her deep asbestos litigation experience, Ms. Frost will offer professional opinions as to the potential verdict risk presented by each of the Covil asbestos cases in which Penn National participated in settlement. Ms. Frost's expert verdict analysis interprets available

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underlying claim file records to provide context as to the types of asbestos personal injury claims brought against Covil.

Penn National claims Ms. Frost's testimony is irrelevant. *See* Penn National Motion at 10. This argument, however, fails to consider the nature of the issues on which Covil seeks declaratory judgment in this case, which include requests that this Court make rulings as to the applicability of certain policy provisions in the context of the underlying Covil asbestos suits. While both Covil and Penn National have employed insurance industry experts to opine as to the application of these policy provisions, Covil has also employed Ms. Frost to offer context for the types of claims brought and defended in the Covil asbestos litigation to give context to the requested declarations and to allow the Court to rule on the application of the policies in the context of the claims presented.

Relevant evidence "means evidence having any tendency to make the existence of a fact that is of consequence to the determination of the action more probable or less probable than it would be without the evidence." Rule 401, SCRE (emphasis added). Relevant evidence need not be strictly "necessary" to the case so long as it is otherwise logically relevant to a cause of action. *See State v. Sweat*, 362 S.C. 117, 127, 606 S.E.2d 508, 513 (Ct. App. 2004) (citing *State v. Bell*, 302 S.C. 18, 393 S.E.2d 364 (1990) (Toal, J.)). "Evidence is relevant if it tends to establish or make more or less probable some matter in issue upon which it directly or indirectly bears, and it is not required that the inference sought should necessarily follow from the fact proved." *Id*. at 126-27, 606 S.E.2d at 513.

Penn National further claims that Ms. Frost's opinions lack reliability because they rely upon *ipse dixit* assertions. *Ipse dixit* conclusory assertions are indeed insufficient to show the reliability of an expert witness. *Accord Gen. Elec. Co. v. Joiner*, 522 U.S. 136, 146 (1997); *Graves*

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v. CAS Med. Sys., 401 S.C. 63, 73, 735 S.E.2d 650, 657 (2012); *Warner*, 430 S.C. at 87, 842 S.E.2d at 366. However, a nonscientific expert relying upon her experience is not *ipse dixit*. *Id.* at 87, 842 S.E.2d at 366. Rather, Ms. Frost's opinions stem from her over three decades of legal experience regularly evaluating asbestos personal injury cases—similar to those brought against Covil—for trial and/or resolution.

As a nonscientific expert, Ms. Frost is an experience-based expert. *Id*. at 88, 842 S.E.2d at 367 (citing *White*, 382 S.C. at 270 n.4, 676 S.E.2d at 686 n.4). In turn, "[t]he reliability of experience-based expertise is often proved by its success." *Id*. The reliability of Ms. Frost's expert opinions can be shown by her acumen as a lawyer. The indicia of reliability required at this stage is satisfied by pointing to her success and accomplishment, items that are not mere puffery from Covil, but corroborated by Penn National, which notes in its Motion, "Ms. Frost's credentials as a litigator are not in question… [H]er curriculum vitae[] reflect[s] **a notable depth of experience as a litigator**." *See* Penn National Motion at 7 (emphasis added).

Finally, Penn National suggests that Ms. Frost serves only as a "mouthpiece" to admit otherwise inadmissible hearsay evidence. *See* Penn National Motion at 11. The claim files Ms. Frost reviewed and analyzed consist of the various plaintiffs' allegations against Covil in the underlying cases, as well as the discovery conducted in each case. Whether or not the files are hearsay, they are not being offered or referenced for the truth of the matters asserted within them. Instead, Ms. Frost has evaluated the claim files to discuss how the evidence contained therein demonstrates the types of asbestos personal injury claims—including the nature of plaintiffs' exposures to asbestos—brought against Covil.

Penn National's analysis of Ms. Frost's testimony as a mere summary of the underlying case materials overlooks the complexities developed in the long history of the asbestos litigation,

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known to insurers and defense attorneys because of their long histories in the litigation, but unknown to outsiders to the defense perspective of the litigation. Penn National admits to the risk presented in the cases, noting in its motion, "all of the Asbestos Cases reviewed by Ms. Frost have been settled with contributions by Penn National." *See* Penn National Motion at 11. These settlements were made in the context of litigation that began in the 1970s. As the Rand Corporation observed in its 2005 monograph on the asbestos litigation, this litigation "is the longest-running mass tort litigation in the United States." Stephen J. Carroll, et al, *Asbestos Litigation*, RAND Corporation, 2005, available at https://www.rand.org/content/dam/rand/pubs/monographs/2005/RAND_MG162.pdf (last visited November 3, 2023), at xvii. It has caused insurers to spend enormous amounts of money in defense and indemnity. Rand estimated that the "[t]otal spending on asbestos litigation through 2002 was about $70 billion." *Id.* at xxvi. In the 20 years since Rand performed its evaluation, that number has only increased.

Given the long history of the litigation, individuals involved in the asbestos defense litigation, both insurers and defense lawyers, have become capable of almost instantaneous evaluation of claims based on certain key information in discovery, as Ms. Frost demonstrates in her testimony. Therefore, while asbestos claim file evaluation may seem simple to an insurer like Penn National, a trier of fact not steeped in the defense perspective of the asbestos litigation will benefit from the expert analysis Ms. Frost provides.

CONCLUSION

For the foregoing reasons, Covil respectfully requests this Court deny Penn National's Motion and admit Ms. Frost's testimony as an expert for consideration by this Court.

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Dated: November 3, 2023

Respectfully submitted,

s/ Jonathan M. Robinson
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EXHIBIT A

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Sharla J. Frost

6336 Rutgers Avenue
Houston, Texas 77005

3230 E. 2105 Road
Hugo, Oklahoma 74743

Born: November 26, 1961, Paris, Texas

Education:

Southeastern Oklahoma State University, Durant, Oklahoma, B.A. with honors (double major English/Speech Communication) (1980-1984) (Full Academic Scholarship)

Baylor School of Law, Waco, Texas (1984-1987) (Jaworski Full Academic Scholarship)

Legal Employment:

Sharla J. Frost, Attorney at Law, P.C. Houston, Texas (July 2020-present); Strategic and Litigation Consultant, Expert Witness, Mediator, Settlement Negotiator.
Tucker Ellis, LLP, Houston, Texas: Partner (May 2015-June 2020); Litigation practice, Settlement Negotiator, Mediation.
Wilson Elser Moskowitz Edelman & Dicker, LLP, Houston, Texas: Regional Managing Partner (2013-April 2015); Litigation practice.
Powers & Frost, Houston, Texas: Managing Partner and Co-founder of the firm (1994-2012); Litigation practice, Expert Witness, Mediator.
Roberts, Markel, Folger & Powers, Houston, Texas: Associate (1993-1994); General Litigation, Toxic Tort Section.
Holtzman & Urquhart, Houston, Texas: Associate (1989-1993); Products Liability Section.
Fulbright & Jaworski, Houston, Texas: Associate (1987-1989). Commercial Litigation; Summer Associate (1986).
Strasburger & Price, Dallas, Texas: Summer Associate (1986).
Burlington Northern Railroad Company (Now Burlington Northern Santa Fe Railroad Company), Fort Worth, Texas: Summer Associate (1985).

Licenses and Admissions:

Texas State Bar, Admitted 1987
Oklahoma State Bar, Admitted 2001
Colorado State Bar, Admitted 2002; Inactive status as of May 2020
West Virginia State Bar, Admitted 2002; Inactive status as of May 2020
Mississippi State Bar, Admitted 2005; Inactive status as of May 2020
United States Courts for the Eastern District of Texas, Admitted 1990
United States Courts for the Western District of Texas, Admitted 1989

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United States Courts for the Southern District of Texas, Admitted 1988
United States Courts for the Northern Districts of Texas, Admitted 1990
United States District Court for the Western District of Oklahoma, Admitted 1989
United States District Court for the Southern District of West Virginia, Admitted 2002
United States Court of Appeals for the Fifth Circuit, Admitted 1997.
United States District Court for the Northern District of Mississippi, Admitted 2010
United States District Court for the Southern District of Mississippi, Admitted 2010
Supreme Court of Mississippi, Admitted 2010; Inactive status as of May 2020
Supreme Court of the United States, Admitted 2012

Ms. Frost has represented clients in trial by pro hac vice admission in the following states: Alabama, California, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Missouri, New York, New Jersey, Nevada, Ohio, Oregon, Rhode Island, South Carolina, and Washington.

Ms. Frost served as first chair trial counsel for a contested bankruptcy confirmation matter in the Southern District of New York. She has represented both American and European clients in commercial and products liability litigation throughout the United States.

During more than three decades of trial practice, Ms. Frost served as first chair in many mass trials, including the largest ever all-issues asbestos trial, which was tried in Houston state court in 1989. Ms. Frost was selected as an arbitration counsel for the Fibreboard Corporation during the early stages of its bankruptcy and presented the Trust's position in numerous arbitrations from Georgia to California. She has served as a member of the national trial teams for American Optical, Dana, Georgia Pacific, Johnson & Johnson, Kelsey Hayes, and the Turner & Newell Trust. She previously has served as Pfizer Inc's national coordinating trial counsel for asbestos litigation and continues to serve as settlement negotiator for Pfizer in asbestos and talc litigation.

She successfully defended a succession of manufacturers of asbestos containing products in numerous cases starting in 1989, and obtained numerous defense verdicts in asbestos personal injury cases in Texas, Kentucky, Georgia and California between 2001 and 2017, including cases involving living mesothelioma claimants. She also obtained a defense verdict in a silicosis death case in Port Gibson, Mississippi in 2013. In 2017, she served as first chair trial counsel for Johnson & Johnson in its successful defense of the first mesothelioma case alleging that cosmetic talc had caused the plaintiff's injury. The talc case was

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recognized as the most significant defense win in the United States for 2017 by Courtroom Video Network (CVN). She was chosen as The Best Lawyers in America – 2018 Houston Lawyer of the Year (Products Liability Litigation-Defendants).

Ms. Frost represented an international pharmaceutical company in a series of cases involving allegations of injury associated with the use of prescription anti-coagulants. She served as a member of the trial team for a pharmaceutical company in the Hormone Therapy litigation. She served as the American trial counsel for a French based silicone breast implant manufacturer.

Ms. Frost currently serves as an expert witness in a variety of legal disputes. She also provides strategic settlement and litigation management advice to corporate defendants in high risk and repetitive litigation matters. She serves as a mediator in select toxic tort cases at the request of litigants.

Honors and Achievements:

Ms. Frost served as the 2010-2011 President of Litigation Counsel of America ("LCA"), an invitation-only trial lawyer honorary society that includes less than one-half of one percent of American lawyers. She was elected a member of the American Board of Trial Advocates ("ABOTA"), an organization devoted to the preservation of the American system of jury trials and has been active in the Houston area chapter of Women of ABOTA (WABOTA). Like LCA, ABOTA is an invitation-only legal organization. She was selected as a Texas SuperLawyer each year from 2004 to 2020.

She was repeatedly recognized by the Best Lawyers in America, including being named by the organization as 2018 Houston Lawyer of the Year – Product Liability Litigation/Defendants. Chambers USA recognized her achievements in Product Liability & Mass Torts (Nationwide) (2017, 2018, 2019, and 2020) and "Spotlight Table" in Product Liability: Mass Torts (Nationwide) (2017-2020).

She has been listed in various national registries regarding professional achievements, including Who's Who Registry of Business Leaders; Who's Who Among Rising Young Americans; The World Who's Who of Women, and Sterling Who's Who. She was recognized as a Distinguished Alumni by Southeastern Oklahoma State University in 2004.

Sharla is a recognized author and invited speaker on a wide-variety of legal issues, with a specific focus on the challenges faced by women lawyers. She has been a frequent contributor to the National Association of Women Lawyers and the Texas Association of Women Lawyers on topics related to the business of law and how women lawyers can improve their business development skills.

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Professional:

Houston Bar Association, member
Defense Research Institute, member
Texas State Bar, member
Oklahoma Bar Association, member
Colorado Bar Association, member (inactive)
West Virginia Bar Association, member (inactive)
Mississippi Bar Association, member (inactive)
International Association of Defense Counsel, elected to membership 2003
Houston Bar Foundation Fellow
Texas Association of Women Lawyers, member
Houston Volunteer Public Lawyers, Public Schools Committee, Member 1990
Women's Rainmakers Roundtable, 2002-2003
National Association of Women Lawyers, member 2005 to present
National Association of Women Lawyers, Subcommittee on the Evaluation of Supreme Court Nominees, 2005 to 2020
Inns of Court, Houston Chapter, member
Texas Super Lawyer, 2004-2020
Mealey's Defense Toxic Tort Advisory Council, 2006
DRI Women in the Courtroom Committee, appointed member, August 2007-2010
Editor, Women in the Courtroom Committee Column for DRI For The Defense (FTD) Magazine, 2007-2008
Litigation Counsel of America, elected to membership, 2008; Vice-President, 2009; President 2010-2011
American Board of Trial Advocates, elected to membership, 2008
DRI Europe Liaison Committee, Committee Vice-Chair, appointed 2009
DRI Women in the Law Committee, At-Large Member, appointed 2010
DRI R&D Committee, appointed member 2010
IADC International Committee, member, 2009 to present
IADC Trial Techniques and Tactics Committee, member, 2009 to present
IADC Diversity Committee, member, 2009 to present
Chambers USA, Product Liability & Mass Torts (Nationwide) 2017 - 2020 and "Spotlight Table" in Product Liability: Mass Torts (Nationwide) 2017, 2018, 2019, and 2020.
The Best Lawyers in America – 2018 Houston Lawyer of the Year (Products Liability Litigation-Defendants)
Texas Bar Foundation, Invited Fellow, 2023

Community Activities:

British American Business Association (now British American Chamber of Commerce), member 1990-1996; Board of Directors 1993-1996

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Steering Committee, Southeastern Oklahoma State University Student Union Project, 2004-2005
Alumni Association Board of Directors, Southeastern Oklahoma State University, 2006 to 2022
Southeastern Oklahoma State University Foundation Board, 2015 to present
Fort Towson Homecoming Committee, Fort Towson, Oklahoma, Publicity Director, 2008 to present
Fort Towson Alumni Association Scholarship Committee, Director, 2006 to 2010
ReCreate Fort Towson Foundation (501(c)(3), Board of Directors, 2018 to present
City Attorney, Town of Fort Towson, Oklahoma, October 15, 2020 to present
Friends of the Fort [Towson], Board of Directors, January 2021 to 2023
Fort Towson Chamber of Commerce, Board of Directors, June 2021 to present
Oklahoma SE (Regional Chamber of Commerce), member on behalf of Fort Towson, October 2020 to present; Vice-Chair 2021-2023; Chair elect for 2023-2025.

Law School Awards:

Jaworski Scholarship, 1984-1987 (Full Academic Scholarship)
Baylor Order of Barristers, Inducted Spring 1985
State Bar of Texas Moot Court Competition Team Member, Fall 1985
Baylor Law School Moot Court Competition, Best Brief, Spring 1986
First Place, Fall Moot Court Competition, Fall 1986
Best Oral Advocate, Fall Moot Court Competition, 1986
Harvey M. Richie Moot Court Society, member
Williams, Pattillo and Squires Outstanding Advocate Award, Spring 1987
Student Bar Association, Executive Secretary, 1986
Dawson Sodd Moot Court Award, Spring 1987
John W. Joyce Moot Court Award, Spring 1987
Phi Alpha Delta, member 1986
Who's Who Among American Law Students, 1986
Honors List: Fall 1984, Winter 1984, Spring 1985, Spring 1987
Teaching Assistant, Legal Methods I, 1985-1986
Grading Assistant, Legal Methods II, 1986-1987

Presentations:

Andrews Litigation Seminar, New Orleans, Louisiana. Presentation: *"Effective Techniques in Deposing Co-Workers: Pre-Trial Strategies for Keeping Your Clients Out of Trouble."* April 2003.
Defense Research Institute, Asbestos Medicine Seminar, Miami, Florida. Presentation and accompanying paper: *Jury Selection: Contemporary Issues and Techniques*. November 2003.
Texas Women Lawyers Association, El Paso, Texas. Presentation and accompanying paper: *"Rainmaking: Ending the Drought."* February 2004.
St. Paul Insurance Company Trial Seminar, Baltimore, Maryland. Presentation:

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Expert Witnesses: Direct and Cross. March 2004.
Andrews Litigation Seminar, New Orleans, Louisiana. Presentation and accompanying paper: *30 Minute Juries: How to Pick a Jury in a Ridiculously Short Period of Time.* April 2004.
Mealy's Welding Rod Litigation Conference, Presentation and accompanying paper: *Issues to Explore in Plaintiff and Co-worker Deposition,* March 15, 2005.
Andrews Litigation Seminar, New Orleans, Louisiana. Presentation: "*Stop, Look and Listen: Rules for Jury Selection.*" April 30, 2005.
DRI Preeminent Trial Lawyer Seminar, Presentation: Defendant's Opening Statement and associated paper: *Defendant's Opening Statement: Controlling Pandora's Box;* September 30-October 2, 2005.
Andrews Asbestos Litigation Seminar, Conference Co-Chair, San Antonio, Texas, April 2006.
Women in Products Liability Law, Invited Moderator, Las Vegas, Nevada, September, 14, 2006.
Mealey's Medicine for Lawyers Teleconference Series: Pulmonology, "*Pulmonology for Attorneys*", January 30, 2007.
Southeastern Oklahoma State University, Spring Commencement Speaker, *There is No Secret to Success,* Durant, Oklahoma, May 12, 2007.
The American Association of Nurse Attorney's 26th Annual Meeting & Educational Conference, speaker on the topic "*Client Development for Solo and Small Firm Practices*" and on a panel discussion entitled "*From the Trenches: Been There Done That.*" Newport, Rhode Island, November 1, 2007.
Rainmaking Lessons from a Top Woman Litigator, SageLaw Marketing.com, web seminar, November 7, 2007.
Baylor Law School, Women Law Student Seminar Luncheon, speaker "*Negotiating the Profession: Benefits and Burdens of a Women Lawyer*", February 20, 2008.
Mealey's Asbestos Medicine Seminar, invited panelist, Beverly Hills, California: "*Venue Issues Part I: The Phenomenon of the "Selected Jurisdiction*", March 3, 2008.
Southeastern Oklahoma State University Honor Program Spring Symposium, "*Connect the Dots: How Your Time at Southeastern Provides You the Basis for Lifetime Success*", March 6, 2008.
Illinois Association of Defense Trial Counsel: What Women Lawyers Want and Need – Seminar, Chicago, Speaker, "*As Good As It Gets*" [A template for a business development plan], April 4, 2008.
DRI panelist on the panel discussion entitled, "*Minority Recruiting: Laterals v. Home Grown Talent; Majority Law Schools v. HBCU's; Relevancy of Law School Rankings*", DRI Diversity Seminar, Chicago, June 12, 2008.
IADC Trial Academy, Faculty Member, January 23-24, 2009, South Texas College of Law, Houston, Texas.
Litigation Counsel of America Symposium participant, *One Big Happy: Multi-Firm, Multi-Counsel Trial Teams*, Chicago, Illinois, August 2009.

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Texas Minority Counsel Program, *Pick me, Pick me! Marketing in a Difficult Financial Climate,* Discussion Panel participant, San Antonio, Texas, September 3, 2009.

ABA Chemical Subcommittee Regional Meeting, Panel Member, Chemical Products Liability Regional Workshop, Houston, Texas, September 11, 2009.

Texas Women Lawyers, Women Lawyers' CLE: *Artful Intelligence: Teaching Tools and Techniques for Best Lawyering, Panel Member on "The Art of Law Practice,"* Houston, Texas, February 19, 2010.

DRI Sharing Success—A Seminar for Women Lawyers, Presentation *"Business '101' for the Female Lawyers,"* Scottsdale, Arizona, March 25-26, 2010.

Houston Bar Association Law Practice Management, CLE session "Marketing Your Law Firm in a Difficult Economy", Houston, Texas, September 16, 2010.

HB Litigation Conference, "*Trying An Asbestos Case – How to Get the 'W': 'Defendant –New Client Intake,'"* Philadelphia, Pennsylvania, January 25, 2011.

Perrin National Asbestos Conference, Moderator, *"The Latest Advancement in Asbestos Medicine,"* San Francisco, California, September 18-21, 2011.

DRI Asbestos Medicine Seminar, Panel Member *"Where Has the Litigation Been? Verdicts and Appellate Rulings of 2011,"* Las Vegas, Nevada, November 10-11, 2011.

DRI Europe—The Changing Landscape of International Litigation: *Hot Topics, Presentation "Asset Freezing Orders,"* Barcelona, Spain, November 17-18, 2011.

ABA Products Liability, Mass Torts and Environmental Law Committees' Joint CLE, Presentation "*You're Only Young Once: Business Development for the Associate Lawyer,*" Hollywood, Florida, January 20, 2012.

DRI Rainmaking Seminar, Co-Panelist, *"Succeeding in the Rainmaking World: Strategic and Effective Use of Lawyer Associations,"* Las Vegas, Nevada, March 14-16, 2012.

Minority Corporate Counsel Association (MCCA) 11th Annual CLE Expo, Panelist, "*Seismic Shifts in Consumer Class Action Litigation: Clarity Begets Creativity,*" Chicago, Illinois, March 20-22, 2012.

Bank of America 2nd Annual Roundtable Summit, Panelist, Charlotte, NC, April 8, 2013.

Perrin Conference, Asbestos Litigation Conference – A National Overview & Outlook, *"Mock Trial Closing Statements,"* San Francisco, CA, September 17, 2013.

DRI Europe--Hot Topics in International Dispute Resolution, Panelist, Amsterdam, Netherlands, May 22-23, 2014.

The Defense Asbestos Litigation Seminar: A Practical Guide for Winning Lung Cancer Cases at Trial, Panelist, *"War Stories Verdicts & Witness,"* Las Vegas, Nevada, June 4-6, 2014.

DRI Asbestos Medicine Seminar, *"Mastering the Mass Tort Docket: How to Bring Order to Chaos—Management Models, Special Masters and Consolidated Dockets,"* San Francisco, California, November 6, 2014.

The Defense Asbestos Litigation Seminar: *"Cross Examination Tips and Materials to Use to Establish the Liability of the Plaintiff Employer,"* Las Vegas, Nevada, June 3-5, 2015.

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DRI Asbestos Medicine Seminar: *"Considering Your Audience: How to Package Your Case to Persuade Your Jurors,"* Las Vegas, Nevada, November 2015.

21st Annual Litigators Forum, Women Lawyers Association of Los Angeles: *"If I Could Pass Along One Important Lesson,"* Los Angeles, California, April 2016.

Defense Asbestos Litigation Seminar 2018, Trial Lawyer Panelist, Nashville, Tennessee, June 2018.

National Court Reporters Association Convention & Expo: *"Trial Counsel: How They Depend on the Court Reporter from Deposition to Trial and Beyond,"* New Orleans, Louisiana, August 2018.

DRI's Defense Lawyers Asbestos Symposium, *"The Trial Lawyers Symposium,"* Austin, Texas, November 2018.

DRI's Women in the Law Seminar, *"Closing Arguments: Connecting with Your Audience,"* San Diego, California, January 2019.

DRI Asbestos Symposium, *"Litigation End Game: Women on the Trial Team,"* November 13, 2019.

Thought Talk, Positivity in Motion with C. Ray Collins, Episode 5, Podcast, Dallas, Texas, August 18, 2020.

California Women Lawyers and Women Lawyers Association of Los Angeles *"The Board Game: Pathways to the Corporate Boardroom for Women,"* Moderator, Zoom Webinar, August 27, 2020.

Marketing During COVID, Virtual presentation for *Exponent*, February 2, 2021.

"How Women Get Power at the Table: Guide to Gaining Clients and Control," New Orleans Lois A. Martinet Society and the New Orleans Association for Women Attorneys, Zoom Webinar, April 29, 2021.

Oklahoma Southeast, Business Roundtable Moderator, June 13, 2021.

DRI Asbestos Symposium, "*Power at the Table: Room for the Rest of Us,"* New Orleans, Louisiana, November 3, 2021.

DRI Asbestos Medicine Seminar, Panel Member, 50Th Asbestos History Program, November 4, 2021.

Oregon Association Defense Counsel Fall Seminar, digital panel presentation, *Networking in the Digital Age,* November 12, 2021.

Litigation Radio, Podcast, American Bar Association Litigation Counsel of America, *Taking Law Firm Business Development to the Next level: Strategies for Lawyers and Litigators,* April 5, 2022.

Brave Women at Work Podcast, *Power at the Table,* broadcast May 19, 2022.

Oklahoma Southeast, Business Roundtable Moderator, Lt. Governor's Turkey Hunt, Hugo Lake, April 29, 2022.

Oklahoma Southeast, Business Roundtable Moderator, 2022 Golf/Striper Event, Durant, Oklahoma, June 9, 2022.

KCIC Lunch and Learn, *Power at the Table,* June 22, 2022.

DRI Asbestos Medicine Seminar, *More Fish in the Sea,* presenter, San Diego, November 4, 2022.

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Oregon Association of Defense Counsel, Power at the Table, presenter, San Francisco, December 8, 2022.
Dream Plan Start Grow Podcast: The Consummate Entrepreneur: An Interview with Sharla Frost, January 18, 2023.
Breakthrough Walls Podcast: Interview with Sharla Frost, February 1, 2023.
American Dream Makers Life Stream Interview by Zena Krogedal, April 7, 2023.
Keynote Speaker, Hugo Area Chamber of Commerce, Choctaw Casino, Grant, Oklahoma, April 13, 2023.

Publications:

Defense Research Institute, Asbestos Medicine Seminar, Miami, Florida. Presentation and accompanying paper: *Jury Selection: Contemporary Issues and Techniques*. November 2003.
Texas Women Lawyers Association, El Paso, Texas. Presentation and accompanying paper: "*Rainmaking: Ending the Drought.*" February 2004.
St. Paul Insurance Company Trial Seminar, Baltimore, Maryland. Presentation: *Expert Witnesses: Direct and Cross*. March 2004.
Andrews Litigation Seminar, New Orleans, Louisiana. Presentation and accompanying paper: *30 Minute Juries: How to Pick a Jury in a Ridiculously Short Period of Time.* April 2004.
2004 ABA TOXICOLOGY MONOGRAPH – Chapter on Mississippi State Law.
Mealy's Welding Rod Litigation Conference, Presentation and accompanying paper: *Issues to Explore in Plaintiff and Co-worker Deposition,* March 15, 2005.
Co-author – "*Welding Fumes: A Review of the History, Workplace Standards, Research, and Litigation from the 1920s to Present for Welding Fumes in General and Manganese Dust/Fumes*," South Texas Law Review, Vol. 48, No.2, Winter 2006.
"Surviving the First Visit to the Bank", NAWL Journal, Spring 2006 edition.
Lexis-Nexis Professional Development Series, Seminar Co-Chair, Toxic Tort Update: Texas, March 9-10, 2006.
"It's Just Dinner: How to Handle the Marketing Dilemma of the Decade", NAWL Journal, June 2006.
"Finding Friday: The Search for the Perfect Support Staff", NAWL Journal, Winter 2007.
"Developing Your Business: Five Cardinal Rules", WLJ (formerly NAWL Journal), Spring 2007.
"Working to Achieve Our Shared Goals", Column, DRI-For The Defense, January 2008.
"The Myth of Work-Life Balance: The Professional and Personal Challenge", NAWL Journal, Spring 2008.

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"Certification as a Women Owned Law Firm: The Benefits and the Burdens", ABA Women's Advocate, Spring 2008.
Women Need Business: A Marketing Primer on Networking and Business Development, WBEA Educational Committee, Houston, Texas, November 21, 2008.
"Diversity from the Women-Owned Law Firm Perspective" (co-authored with Alma Aguirre), DRI Magazine February 2009.
"He Had Clients, I Had Credit", a chapter in A Cup of Cappuccino for the Entrepreneur's Spirit by Jeretta Nord [Entrepreneur Enterprises, LLC] 2009.
"Even Cowgirls Get The Clients," a letter in The Road to Independence: 101 Women's Journeys To Starting Their Own Law Firms, ABA Commission on Women, published July 2011.
Featured Interview, Women Rainmakers - Roadmap to Success, published by Defense Research Institute, October 2014.
Texas State Bar CLE Series, *"Motions, Objections and Preserving the Record,"* December 2016.
"The Last Word: Closing Argument," DRI The Voice, Volume 18, Issue 41, October 2019.
Speak Your Way to Success: Seventeen Stories and the Speakers Who Framed Their Future with Their Keynote Talk, edited by Daniel Gomez and Michael D. Butler, September 2020 (chapter contributor).
Women and the Law Newsletter, State Bar of Texas, *"Zooming in on Client Development,"* Volume 1, Issue 1, September 2020.
Power at the Table: The Woman Lawyer's Guide to Developing Clients and Control, October 5, 2020.
Women and the Law Newsletter, State Bar of Texas, "*Microsoft Word Tools to Refine Your Writing,"* Vol. 1, Issue 6, February 2, 2021.
American Bar Association, Women Advocate Committee Newsletter, co-author with Angela Meyer, PhD, PE, *Networking and Business Development in a Hybrid Business World,* December 7, 2021.
Frogville, Quest of a Frog, (children's book), first printing, December 13, 2021.
Women and the Law Newsletter, State Bar of Texas, Legal Mojo | *Our Profession, Ourselves: Success for Women Lawyers*, February 2022.
Frogville, Quest of a Princess, (children's book), first printing, August 2022
Frogville, Quest for a Queen, (children's book), first printing, March 2023.
Jimmy Lane, The Civil War Mule, (children's book), joint project with the Oklahoma Historical Society, publication projected for mid-2023.
Frogville, Quest for a Sword, (children's book), publication pending
Frogville, Quest for a King, (children's book), publication scheduled first quarter 2024.

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EXHIBIT B

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, Vs. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	Case Number: 2020-CP-40-02098 **RECEIVER FOR COVIL CORPORATION'S AMENDED FACT AND EXPERT DISCLOSURES**

TO: PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE CO., THROUGH ITS COUNSEL OF RECORD

COMES NOW Peter Protopapas, as Court Appointed Receiver for Covil Corporation (the "Receiver"), by and through his counsel of record, and serves his initial fact and expert witness designations pursuant to the South Carolina Master Discovery/Scheduling Order for the Coordinated Asbestos Litigation Docket and hereby supplements his November 12, 2021 response to Penn National's Interrogatory Number 7.

The Receiver hereby incorporates into this listing, as if fully reproduced herein, any and all expert and/or lay witnesses who may be listed by any other party. The Receiver further reserves the right to supplement this witness list and to call any witness necessary to authenticate documents or exhibits and/or for rebuttal. The Receiver further reserves the right to use any depositions noticed in this case in accordance with the provisions governing the use of depositions contained in the South Carolina Rules of Civil Procedure and the applicable rules of evidence. The Receiver reserves the right to call as a witness any person deposed in the above-captioned case. The Receiver

EXHIBIT
2A

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reserves the right to name additional witnesses, based upon further evaluation of the information gathered through the discovery process.

FACT WITNESSES:

1. **Peter D. Protopapas, Receiver for Covil Corporation**
   Rikard & Protopapas, LLC
   2110 N. Beltline Blvd.
   Columbia, SC 29204

   Peter D. Protopapas is the Court-appointed receiver of Covil Corporation and can testify as to Penn National's handling of claims for coverage asserted by Covil. Covil is in possession of an affidavit from Mr. Protopapas. Mr. Protopapas's deposition was taken in *Zurich v. Covil* (Case Number 1-18-cv-932), in the USDC Middle District, North Carolina, and in *Finch et al. v, USFG et al.* (Case Number 2019-CP-42-3003), in Richland County, South Carolina.

2. **Brian Flatley**
   Ellis & Winters LLP
   4131 Parklake Avenue, Suite 400
   Raleigh, NC 27612

   Brian Flatley is Litigation Support Manager at Ellis & Winters. He consults with firm attorneys and clients on the proper methods of data preservation, collection, processing, production, and review. Mr. Flatley can testify as to Ellis & Winters' court-ordered investigation into the existence and storage of Penn National's legacy liability policy documents and the options provided to the court for additional document review.

   Upon information and belief, no written or recorded statements have been taken from this witness to date.

3. **Brett Reifsnyder**
   Penn National

   Brett Reifsnyder, Penn National's Director of Administrative Services, can testify as to the search of Penn National's records for insurance policies that were issued to or that otherwise cover Covil, the Company's document retention policy and application thereof, and Penn National's destruction of legacy insurance policies.

   Mr. Reifsnyder has given testimony in the instant matter.

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4. **Boyd Wright**
   Penn National

   Boyd Wright, Penn National's Senior Home Office Claim Examiner, can testify as to the search of Penn National's records for insurance policies that were issued to or that otherwise cover Covil, Penn National's handling of claims for coverage asserted by Covil, and Penn National's interpretation of the insurance policies it issued to or that otherwise cover Covil.

   Mr. Wright has given testimony in the instant matter.

5. **Scott Maier**
   Penn National

   Scott Maier, Penn National's Senior Corporate Counsel, can testify as to Penn National's litigation hold policies and his issuance of a litigation hold related to Covil Corporation in December 2021.

   Upon information and belief, no written or recorded statements have been taken from this witness to date.

EXPERT WITNESSES:

1. **Sharla Frost**
   Sharla J. Frost
   6336 Rutgers Avenue
   Houston, TX 77005

   Sharla Frost is a seasoned asbestos trial lawyer, with over three decades of trial practice. In the asbestos context, she has successfully defended a succession of manufacturers of asbestos containing products in numerous cases since 1989, including having obtained nine defense verdicts in asbestos personal injury cases in Texas, Kentucky, Georgia and California between 2001 and 2017, including three cases involving living mesothelioma claimants. Her clients have ranged from insulation manufacturing defendants such as Johns-Manville and Turner & Newell to small property owners such as a Ford dealership in Washington State. She has extensive experience in all aspects of asbestos case management, including verdict analysis, case strategy, settlement negotiations, trial strategy, trial presentation, post-trial analysis, and docket oversight. She has served as National Coordinating Counsel for a major defendant in asbestos litigation; has participated as a member of the National Trial Team for several defendants; and has evaluated both trial prospects and verdict risks for asbestos lawsuits on behalf of defendants in venues throughout the United States.

   Ms. Frost will testify as to the development and evolution of the asbestos litigation over the course of its history; the standard for analysis and management of asbestos litigation in

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the historical context of the litigation; the knowledge of asbestos defendants and potential asbestos defendants, as well as their insurers and other indemnitors, with regard to the scope of the litigation and the requirement to maintain historical records for policyholders; the importance of maintenance of historical records for a defendant in asbestos personal injury litigation; and an evaluation of the asbestos personal injury claims against Covil for which Penn National contributed to settlements.

2. **Charles Miller**
   Insurance Law Center
   1442A Walnut St. #55
   Berkeley, CA 94709

   Charles Miller, an expert in insurance industry standards and practices, was employed by Fireman's Fund Insurance Company for eighteen years in insurance claims. Mr. Miller has held several insurance claims positions, including senior adjuster, branch office general adjuster and claims manager. Mr. Miller also managed an asbestos claims facility and a nationwide major claims unit. Mr. Miller has practiced insurance law since 1990. He has extensive experience with the interpretation and application of third party insurance policy forms. Mr. Miller will testify regarding insurance industry claims practices and standards and insurance industry standards for the interpretation and application of insurance policies. Mr. Miller will testify regarding the history, derivation, intent, and purpose of the general liability and products/completed operations provisions of commercial general liability policies and the distinctions between general liability coverage and products/completed operations coverage. Mr. Miller will also testify regarding insurance industry standards for the timely and thorough search for insurance policies.

In addition, the Receiver for Covil Corporation reserves the right to call any of the following individuals and/or entities:

1. **Penn National through its corporate representative(s) in this matter.**
2. **Penn National through its corporate representative(s) in prior deposition testimony offered in other matters.**
3. **All witnesses listed by Penn National.**
4. **All witnesses listed in the Receiver's Answers to Interrogatories and any and all supplements or amendments thereto.**
5. **All witnesses deposed in this case.**
6. **All witnesses identified in any deposition taken in this case.**

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7. **Any and all records custodians, or other witnesses necessary to authenticate any document the Receiver seeks to admit at trial, live or by deposition upon written questions.**

8. **Any witness necessary for rebuttal.**

Dated: November 7, 2022

Respectfully submitted,

s/ Jescelyn T. Spitz
Jescelyn T. Spitz
Rikard & Protopapas, LLC
2110 N. Beltline Blvd.
Columbia, SC 29204
803.978.6111
bb@rplegalgroup.com

AND

G. Murrell Smith, Jr. (S.C. Bar No. 66263)
Jonathan M. Robinson (S.C. Bar No. 68285)
Smith Robinson
2530 Devine Street, 3rd Floor
Columbia, SC 29205
Phone: (803) 254-5445

Counsel for the Receiver

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EXHIBIT C

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STATE OF SOUTH CAROLINA
COURT OF COMMON PLEAS
COUNTY OF RICHLAND
COVIL CORPORATION, BY AND THROUGH ITS DULY APPOINTED RECEIVER PETER D. PROTOPAPAS,

Plaintiff,

vs. Case No. 2020-CP-40-02098

PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY, SAM J. CRAIN & CO., INC.; and SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION,

Defendants.

VIDEOTAPED
DEPOSITION OF: SHARLA J. FROST
(Appearing via Zoom)
DATE: November 9, 2022
TIME: 10:04 AM (EST)
LOCATION: 3230 East 2105 Road
Hugo, OK

REPORTED BY: Sandra K. Bjerke, RDR, CRR, CBC
(Appearing via Zoom)

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such records at least through current time. But if you look at the current analyses of the long tail of this litigation, whether it's correct that it goes through 2049 or 2072, that still would be a significant hold time that would be remaining for those types of documents.

BY MR. YNTEMA:

Q. And that significant hold time would be kind of a best practice for retaining insurance documents with respect to companies like Covil; correct?

MS. PATTERSON: Objection; form.

BY MR. YNTEMA:

Q. Is that your opinion?

MS. PATTERSON: Objection; form.

THE WITNESS: That comes awfully close to a coverage opinion. I would say in a more general sense that whether you're talking about an insurer or an underlying insured that it would be prudent to maintain those materials until such time that there is either a bankruptcy, an alternative to bankruptcy or some other conclusion of this ongoing litigation.

BY MR. YNTEMA:

Q. Okay. And when you say underlying

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ADAMS AND REESE LLP

Attorneys at Law
Alabama
Colorado
Florida
Georgia
Louisiana
Mississippi
North Carolina
South Carolina
Tennessee
Texas
Washington, DC

November 7, 2023

VIA E-MAIL AND FEDEX
Honorable Jean H. Toal
jtoal@sccourts.org
Eva Diaz
ediaz@sccourts.org
Judicial Law Clerk
South Carolina Court Administration
1220 Senate Street, Suite 221
Columbia, SC 29201

RE: ***Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas v. Pennsylvania National Mutual Casualty Co., et al.***
Court of Common Pleas; County of Richland
Case No. 2020-CP-40-02098

THIRTEENTH INTERIM STATUS REPORT OF PENN NATIONAL REGARDING STATUS OF COMPLIANCE WITH MAY 12, 2022 ORDER

Dear Chief Justice Toal:

In compliance with the Court's May 12, 2023 Order Granting Covil's Motion for Attorneys' Fees and Costs ("Order"), which called for a status report every two weeks, and the Court's September 7, 2023 Order, which reinstated the bi-weekly status reports, I write to provide you with the eleventh interim report with regard to the status of Penn National's compliance with the scanning project coordinated and conducted by Ellis & Winters and its selected scanning vendor, BMI Imaging Systems ("BMI").

- Penn National submitted its first interim report regarding its compliance with the scanning project on May 25, 2023.

- On May 30, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 10,738 microfiche had been scanned during the May 21, 2023 to May 27, 2023 time period, and that 22,608 microfiche had been scanned to up through May 27, 2023.

- On June 1, 2023, the recurring weekly Zoom conference was conducted regarding the status of BMI's scanning project. Ellis & Winters and counsel for Receiver and Penn National were present. The discussion on the call was primarily focused on BMI's estimate of eight months to complete the scanning project, and questions as to why such estimate was somewhat longer than BMI's original estimate. BMI agreed to investigate what other alternatives may be considered to expedite the scanning process to meet its original estimate, and it agreed to report back to the group in the next few days.

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- On June 7, 2023, Ellis & Winters provided counsel for Receiver and Penn National with BMI's weekly scanning update, which showed that 8,205 microfiche had been scanned during the May 28, 2023 to June 3, 2023 time period, and that 31,110 had been scanned through June 3, 2023.

- The Court conducted a status conference on June 7, 2023, during which the Court directed that BMI's scanning project shall be completed by July 31, 2023. Penn National communicated the Court's direction to Ellis & Winters and BMI on June 7, 2023, and requested that such direction should be discussed during the parties' recurring weekly Zoom conference on June 8, 2023, if not before.

- On June 8, 2023, Ellis & Winters and counsel for Receiver and Penn National held the weekly Zoom conference to discuss the status of BMI's scanning project. The discussion focused on what needed to be done to adjust the scanning process in order to meet the July 31, 2023 deadline imposed by the Court at the June 7, 2023 status conference. BMI informed those on the call that in order to meet the deadline they will be scanning on a 24/7 basis between now and July 31, but will need to scan significantly more than the 50,000 fiche per month that was originally set forth in its scope of work. BMI stated that the price per fiche will increase from $1.25 to $4.90 for each fiche above 50,000 scanned per month. This will bring the project's projected cost to $1.35 million. BMI is also going to work on making documents available for review on a rolling basis and is determining what kind of authorization is needed from the parties to gain access to the portal where the documents are being uploaded.

- On June 22, 2023, the parties held the reoccurring status conference to discuss the progress of BMI's scanning project. Ellis & Winters reported that BMI scanned 19,249 microfiche between June 4, 2023 and June 10, 2023, and 46,661 microfiche between June 11, 2023 and June 17, 2023. As of June 20, 2023, a total of 114,068 microfiche had been scanned. BMI is in the process of providing Ellis & Winters, the Receiver and Penn National with the proper credentials so that the microfiche that have been scanned to date can be searched in real time on BMI's propriety search platform, known as "Digital Reel." Additionally, BMI has shipped a hard drive to Ellis & Winters on which PDF copies of the microfiche scanned to date are stored. It is anticipated that Ellis & Winters will upload these copies to a litigation-oriented digital platform, such as Relativity, and that both the Receiver and Penn National will be provided access to this platform as well.

- Penn National previously requested that BMI provide it with the means to ship an additional 14 microfiche for immediate processing by BMI. These microfiche were identified by Ellis & Winters during its 2022 review as containing Covil-related policy information and were sequestered from the remaining dataset at that time. BMI provided an appropriate shipping container for the microfiche, which was returned and delivered to BMI by FedEx on June 30, 2023.

- On July 6, 2023, the parties held their reoccurring conference call to discuss the status of the microfiche scanning project. Ellis & Winters reported that BMI scanned 53,298 fiches during the week of June 25, 2023 to June 1, 2023. As of today, BMI has scanned a total of

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189,191 fiche and is still on schedule to finish the scanning project by the Court's deadline. BMI also discussed scheduling training for those who will be reviewing the scanned fiches and requested the IP addresses from the individuals who will be reviewing the documents so that they can be given access to the database.

- On July 20, 2023, the parties held their bi-weekly conference call to discuss the status of the microfiche scanning process. As of July 17, 2023, BMI had scanned a total of 286,344 fiche, which included 50,161 fiche scanned during the week of July 9, 2023 to July 15, 2023. Earlier in the week, BMI also conducted two training sessions on the software for reviewing the scanned microfiche. The trainings sessions were recorded, and access to those sessions is being made available to the parties not able to attend.

- On July 31, 2023, Ellis & Winters notified the parties that BMI had completed the scanning project, totaling 356,944 fiche. No conference call was held this week.

- On August 3, 2023, Penn National submitted its Eighth Interim Status Report informing the Court that BMI had completed the microfiche scanning process. On August 10, 2023, counsel for the Receiver submitted a report that took issue with several aspects of the scanned policy information, including the searchability and digitization of the documents. The Court held a hearing on the Receiver's report on August 21, 2023. During the hearing, the Court ordered Penn National to address the searchability issues and to continue providing bi-weekly status reports based on the issues raised in the Receiver's August 10, 2023 report.

- On August 28, 2023, Penn National held a conference call with Ellis & Winters' IT personnel and the Receiver's counsel. Regarding the searchability issues, Ellis & Winters reported that the accuracy of the Optical Character Recognition ("OCR") depends upon which OCR engine is being used to compare the images of the microfiche to typographical characters. BMI prepared two datasets—a bitonal image that is 1.75 TB and a grayscale that is about 10 TB. Ellis & Winters indicated that the 1.75 TB bitonal image file is the better of the two datasets for OCR purposes, and that Ellis & Winters will charge $5/GB to host that dataset in its discovery platform iPro, plus hourly charges for time spent administering the dataset and helping either side if they have issues. The Receiver's counsel indicated that they had no objection to using iPro.

- On August 30, 2023, Penn National solicited a hosting agreement from Ellis & Winters for it to host the scanned microfiche repository on its litigation platform, iPro. On September 1, 2023, counsel for Penn National held a conference call with the Receiver's counsel and an IT consultant named Dan Regard to see what recommendations he might have for another level of processing to improve the OCR accuracy.

- On September 18, 2023, Counsel for the Receiver furnished a scope of work and estimate from Mr. Regard for the work described during the September 1, 2023 conference call.

- On September 27, 2023, Ellis & Winters furnished a proposed hosting agreement to counsel for the Receiver and for Penn National setting forth the terms upon which it would agree to upload and maintain the scanned microfiche repository on its litigation platform,

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iPro. On October 2, 2023, counsel for Penn National convened a call with counsel for the Receiver in which the parties discussed holding off on the work proposed by Dan Regard until after they had a chance to see if the search capability and accuracy of results might be substantially improved following the anticipated upload of the scanned microfiche repository to iPro. On October 2, 2023, counsel for Penn National provided Ellis & Winters with some suggested edits to the proposed hosting agreement. On October 4, 2023, counsel for the Receiver indicated that it had no additional comments on Penn National's proposed revisions.

- On October 11, 2023, Ellis & Winters indicated that Penn National's proposed revisions to the hosting agreement were acceptable. Penn National executed the agreement on the same day, and the Receiver returned a fully-executed copy of the agreement on October 13. On October 24, 2023, Penn National inquired of Ellis & Winters as to the status of the scanned microfiche repository on the iPro platform and was told that it would be available to the parties no later than October 25, 2023.

- As reported at the pretrial hearing in this matter on October 25, 2023, both the Receiver and Penn National received credentials to access the Ellis & Winters iPro database on October 24. On October 26, 2023, counsel for Penn National emailed Receiver's counsel and asked the Receiver to let Penn National know if the Receiver is still seeing a high rate of errors in its search results so that possible next steps could be discussed.

Pursuant to the Court's Order, a fourteenth interim report will be provided to the Court on or before November 21, 2023, unless the parties are ordered otherwise.

With best regards,

Sincerely,

/s/ David G. Harris
/s/ Kirby D. Shealy III
/s/ David Brown

cc: **Ellis & Winters** (vie e-mail only – Ashley Brathwaite)
Counsel for the Receiver (via e-mail only – Murrell Smith; Jon Robinson, Peter Protopapas, Brad Nes, Shannon Peake)

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT Case Number: 2020-CP-40-02098 **DEFENDANT PENN NATIONAL'S AMENDED PRE-MARKED TRIAL EXHIBIT AND TRIAL WITNESS LIST**

TO: COVIL CORPORATION, BY AND THROUGH ITS DULY APPOINTED RECEIVER, THROUGH RECEIVER'S COUNSEL OF RECORD

COMES NOW Pennsylvania National Mutual Casualty Insurance Co. ("Penn National"), by and through counsel, and serves its amended pre-marked trial exhibits and trial witness list, pursuant to the Court's scheduling order entered September 16, 2022.

Penn National hereby incorporates into its trial witness list, as if fully reproduced herein, any and all lay witnesses who may be listed by any other party. Penn National further reserves the right to supplement its pre-marked trial exhibits and trial witness list relating to any documents or witnesses necessary to authenticate documents or exhibits and/or for purposes of rebuttal. Penn National further reserves the right to supplement its pre-marked trial exhibits and use any depositions that have been conducted but for which the deposition transcript has not yet been provided by the court reporter and any depositions that will be conducted in this case after service of Penn National's pre-marked trial exhibits and trial witness list in accordance with the provisions governing the use of depositions contained in the South Carolina Rules of Civil Procedure andthe applicable rules of evidence. Penn National further reserves the right to identify and supplement its pre-marked trial

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exhibits and trial witness list based upon further evaluation of the information that continues to be gathered through ongoing pre-trial discovery in this case.

Penn National's pre-marked trial exhibits are identified in Exhibit A attached hereto and are served herewith, and Penn National's trial witness list is attached hereto as Exhibit B.

Dated: November 17, 2023.

Respectfully submitted,

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EXHIBIT A

Penn National's Pre-Marked Trial Exhibit List

No.	Exhibit
1.	Complaint
2.	Penn National's Answer to Complaint
3.	Subpoena 5.29.2018 (Finch)
4.	Letter from Boyd Wright to Sabrina Stone with attached documents in Response to Subpoena 6.15.2018 (Finch)
5.	Penn National's Policy 1986-1987, Bates No. Penn National Policies 000001-43
6.	Penn National's Policy 1987-1988, Bates No. Penn National Policies 000044-91
7.	Covil's General Liability Underwriting Materials, Bates No. PNI-0304-392
8.	Non-CGL Policy Documents Produced by Penn National, Bates No. PNI-0001-1611
9.	Covil's Policy Charts
10.	Subpoena Duces Tecum to Penn National 2.8.2021
11.	Brady Yntema's Letter to Marghretta Shisko 2.12.2021
12.	Receiver's Responses to Penn National's First Set of Interrogatories
13.	Receiver's Responses to Penn National's First Request for Production of Documents
14.	Affidavit of Boyd Wright 6.3.2021
15.	Affidavit of Boyd Wright 6.11.2021
16.	Brent Reifsnyder Affidavit (Finch) 7.9.2021
17.	Brent Reifsnyder Affidavit (Finch) 7.23.2021
18.	Brent Reifsnyder Affidavit 12.22.2021
18a.	Brent Reifsnyder Affidavit 9.11.2023
19.	Penn National's Document Retention Policy, Bates No. PNI-0598-1158
20.	Penn National's Litigation Hold Policy, Bates No. PNI-1159-1161
21.	Penn National's Litigation Hold Notice 12.17.2021
22.	Ellis & Winters Report 3.22.2022
23.	Y2K10 Database Spreadsheet
24.	Impairment Letter from Penn National to Receiver 9.1.2022
25.	Order Granting Joint Motions to Establish Covil QSF
26.	QSF Operating Agreement
27.	Motions to Compel/Sanctions by Receiver Against Other Insurers
28.	Deposition Transcript and exhibits of Boyd Wright (Finch) 1.7.2021
29.	Deposition Transcript and exhibits of Boyd Wright 8.26.2021
30.	Deposition Transcript and exhibits of Boyd Wright 11.30.2022
31.	Deposition Transcript and exhibits of Brent Reifsnyder 8.3.2021
32.	Deposition Transcript and exhibits of Brent Reifsnyder 11.10.2022
33.	Deposition Transcript and exhibits of Bernd Heinze 12.7.2022
34.	Deposition Transcript and exhibits of Charles Miller 11.28.2022
35.	Deposition Transcript and exhibits of Charles Miller 11.3.2023
36.	Deposition Transcript and exhibits of James Robertson 12.06.2022
37.	Deposition Transcript and exhibits of Peter Protopapas 11.17.2022
38.	Deposition Transcript and exhibits of Scott Maier dated 11.21.2022
39.	Deposition Transcript and exhibits of Sharla Frost 11.9.2022
40.	Bernd G. Heinze - CV
41.	James A. Robertson - CV
42.	Joint Stipulation Regarding Finch

43.	Penn National's Responses to First Set of Interrogatories
44.	Penn National’s Responses to First Request for Production of Documents
45.	Penn National’s Supplemental Responses to First Set of Interrogatories
46.	Penn National’s First Supplemental Responses to First Request for Production of Documents
47.	Penn National’s Responses to Second Set of Interrogatories
48.	Penn National’s Response to Second Request for Production of Documents
49.	Penn National’s Response to Third Set of Production of Documents
50.	Penn National’s Supplemental Response to Third Set of Production of Documents
51.	Penn National’s Responses to Requests for Admission
52.	Penn National's Objection to Subpoena (Finch) 2.22.2021
53.	Penn National's Supplemental Objections to Subpoena (Finch) 3.9.2021
54.	Penn National Interim Reports
55.	Report of Receiver for Covil
56.	Covil Corporation's Amended Expert Disclosures
57.	Defendant's Fact and Expert Witness Disclosures
58.	All relevant and admissible exhibits identified by any other party

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EXHIBIT B

Penn National's Trial Witness List

Fact Witnesses:

Peter D. Protopapas
Brent Reifsnyder
Boyd Wright
Scott Maier

Expert Witnesses:

Bernd G. Heinze
James A. Robertson, CPCU, ARM

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STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS

FOR THE FIFTH JUDICIAL CIRCUIT

Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas,

Plaintiff,

v.

Pennsylvania National Mutual Casualty Insurance Co.,; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association,

Defendants.

C.A. No.: 2020-CP-40-02098

DEFENDANT PENN NATIONAL'S CROSS DEPOSITION DESIGNATIONS AND OBJECTIONS

Defendant Pennsylvania National Mutual Casualty Insurance Company ("Penn National"), by and through counsel and pursuant to the Scheduling Order entered in the above action, hereby provides the following cross-deposition designations that it may offer at trial (except those offered solely for impeachment or cross-examination) and basis for any objections to the depositions designations offered by the Receiver for Covil Corporation (the "Receiver"):

CODE	**OBJECTION**
402	South Carolina Rule of Evidence 402 (Relevant Evidence Generally Admissible; Irrelevant Evidence Inadmissible)
403	South Carolina Rule of Evidence 403 (Exclusion of Relevant Evidence on Grounds of Prejudice, Confusion, or Waste of Time)
OS	Outside of the scope of the Rule 30(b)(6) topics on which the witness was designated
F	Form of the question

Deposition	Designated Portion	Cross-designations	Substance	Objection
Deposition of Boyd Wright – Penn National 30(b)(6) – Vol. 1 (01/07/2021)	9:5-9:12		Spoke with document custodian, Brent Reifsnyder, for 5-10 minutes	
	21:6-21:22		Penn National can make settlement decision without communicating with its policyholder	402, 403, OS
	23:12-23:15		Penn National would settle a case without communicating with underlying defense counsel	402, 403, OS
	24:4-25:3		Advising the insured of risk of excess verdict and insured is client of defense counsel	402, 403, OS
	25:8-25:17		Deciding who would serve as corporate witness is a decision made in consultation with insured	402, 403, OS
	35:14-40:1		Penn National's search for policy documents requested by subpoena	
	40:13-40:18		Additional insured not identified in system	
	41:6-42:8		Penn National's search for policies on which Covil may have been named as an additional insured	
	43:14-44:18		Communication with underwriting during policy search	
	45:14-47:23	47:24-50:1	Penn National's search of written/ paper records	
	50:2-51:7		Length of time spent by Penn National employees searching for policy documents	

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	51:17-53:13, 53:16-53:23, 53:25:54:10, 54:14-54:21		No method to search Covil as an additional insured	F (53:9-54:21)
	65:21-66:1, 66:12-67:25		Penn National made two searches for documents and the structure of both searches would have been the same	
Deposition of Brent Reifsnyder – Vol. 1 (08/03/2021)	16:12-16:25		Moved documents to Iron Mountain in 2009 or 2010	
	17:16-18:8		Iron Mountain did not catalog documents sent for storage; "owners" of files determined how boxes were labeled	
	18:20-19:3, 19:14-20:7		Policy documents are indexed by policy number and found by terminal digit system	
	22:6-22:10		Never asked to search for policy other than by policy number	
	23:2-23:22, 26:24-27:23, 29:16-33:20, 34:3-36:7	26:15-26:23, 8:20-16:11, 23:23-25:4, 25:9-26:23, 27:24-29:15	Involvement in search for Covil policy documents, which involved search by policy no., and background/responsibilities at company	F (33:16-34:5)
	37:10-37:14	36:8-37:9	Electronically-stored documents are stored in imaging system, Mr. Reifsnyder can look things up by policy no.	
	38:10-38:22	38:23-41:18	Microfiche records are indexed by policy no. only	
	43:3-44:19	42:12-43:2	Documents at Iron Mountain facility are indexed by policy no.	

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	45:2-45:12	44:20-45:1	Only way to search for policy document is by policy no.	
	46:1-47:24, 49:8-49:23, 49:25-50:9	47:25-49:7, 50:10-50:19	Search for documents based on contractor and facility list	F (49:20-50:1)
	50:20-51:3, 52:7-53:1	51:4-52:6, 66:11-70:12	Only alternative to searching by policy no. would be at considerable expense and time, but has not consulted with someone on such a search, spent significant time searching for other method and responding to subpoena	
	53:15-54:8		Communication with Mr. Wright about search and need for policy no.	
	55:23-56:5, 57:2-57:12, 59:8-60:15, 60:19-61:11	54:9-55:22, 57:13-59:7	Investigation of alternative to searching by policy no. in microfiche or boxes at Iron Mountain	F (60:11-60:15)
	62:17-64:7, 65:3-65:11		Has not sought estimate for cost to search records; shocked the court would require such a search; does not know the amount of time spent searching, but without a policy no. it would be minimal	
Deposition of Boyd Wright – 30(b)(6) for Penn National – Vol. 1 (08/26/2021)	16:6-16:24		Penn National responded to subpoena in Finch in 2018	
	18:20-18:23, 19:1-19:15, 19:17-25:9,		Search for Certificates of Insurance; search for	F (18:20-19:3, 19:13-20,

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	25:13-25:25, 25:18-26:2, 26:5-26:15, 27:11-28:9, 28:21-28:22, 29:1-29:19		documents responsive to subpoena from Receiver in Finch v. USF&G case on 2/8/2021; cannot search by additional insured; Penn National typically issues automatic additional insured endorsements	25:8-26:15)
	30:22-31:9		Responsibilities as sr. home claim office examiner	
	32:3-32:22, 34:8-35:24, 36:1-36:15	32:23-33:3	Spoke initially with clerical people about Covil's document request and subpoena, and then spoke with Reifsnyder, but did not talk to him about bringing in additional assets to perform manual search of paper documents	
	37:9-37:13		No other electronic search available other than PMS system	
	38:4-39:1, 39:3-39:3		Not aware of other searches for policy documents related to contractors and facilities that Penn National could utilize	F (38:18-39:3)
	46:13-46:20	46:21-48:11	Subpoena served on Penn National in 2018 in Finch action	
	48:12-49:3, 50:4-50:13	49:4-50:3, 50:14-51:18	Penn National brought into Finch v. USF&G as third-party and responded to discovery in that action	
Deposition of Brent Reifsnyder – Vol. 1 (11/10/2022)	17:22-18:9	16:9-17:21	Understanding of why Penn National adopted the terminal	

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			digit system	
	19:2-21:13		Reviewed the document retention policy for Penn National	
	25:15-27:13, 27:15-28:4, 28:7-29:3	21:14-23:8, 23:23-25:14	Review of and response to litigation hold	F (27:11-27:15, 28:2-28:6)
	30:11-31:1		No emails with Boyd Wright about search for policies	
	32:5-32:9		No recollection of conversations with IT	
	34:17-35:9, 35:14-36:20	36: 21-39:8	Responded to Maier that IT needed to receive litigation hold and purging process stopped	F (35:7-35:15)
	41:23-42:8	39:22-41:22	Purge process	
	43:1-45:18, 45:20-47:20, 47:22-47:23, 48:1-49:5, 49:7-50:8		Could create a list of documents purged in January 2019, but just includes policy no.; review of policies prior to purge for Covil and records of what was purged	F (45:16-45:24, 47:18-48:6, 49:3-49:10)
	51:15-52:25, 53:3-56:8, 56:10-56:18, 56:21-57:21, 59:17-60:22, 61:5-64:24, 66:24-67:17, 67:20-67:22	50:9-50:21	Policy spreadsheet produced in action	F (52:23-53:8, 56:7-56:14, 56:16-56:25, 67:11-67:22)
	68:3-68:14, 68:16-68:21		Record of documents purged	F (68:13-68:21)
	69:3-71:21		Review of responses to discovery by Penn National; does not know why 86-87 policy was still on microfiche	
	74:22-76:7, 76:13-81:20, 82:7-82:14		Actual process of purge and quality control on process	F (76:6-76:9)
	83:3-86:4	7:14-8:4	Job responsibilities and employment history for Mr.	

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			Reifsnyder	
	91:1-92:14, 92:17-96:23, 96:25-105:13	89:3-90:25, 106:8-111:19	Creation of the 2K10 database; status and maintenance of documents and microfiche in the database	F (92:13-92:24, 96:21-97:3)
	111:20-113:16		Records of documents purged	
	114:9-115:7		Communication with Ellis & Winters	
	123:9-125:21, 126:10-127:25, 128:2-129:2		Review of document retention policy for Penn National	F (127:22-128:3)
Deposition of Scott Maier – Vol. 1 (11/21/2022)	32:3-33:2	5:25-7:20, 20:10-21:1, 21:10-21:20, 22:5-23:1, 27:9-27:18, 33:3-33:24	Initiated drafting of litigation hold policy and bankruptcy policy and involved with revision of legal review policy, as well as further background with company	
	33:25-39:6, 39:12-40:17, 40:19-42:8		Reviewed current litigation hold policy for Penn National, but separate litigation hold policy for claims	F (40:13-40:18)
	42:13-42:14, 42:23-44:12,		Knowledge regarding Penn National being named in litigation involving Covil	
	44:14-44:23, 44:25-45:4, 45:6-46:12, 46:17-48:9, 48:11-50:13, 52:6-52:24, 53:1-53:2, 53:4-53:8, 53:10-53:15, 53:17-53:18		Continue review of litigation hold policy and separate litigation hold policy for claims department	F (44:20-45:1, 45:3-45:6, 48:7-48:13, 50:12-50:13, 52:20-53:18)
	55:13-57:5, 57:7-57:13, 57:15-57:21, 57:23-58:7, 58:9-58:21, 58:23-62:15,		Litigation hold issued for claims department and knowledge of coverage litigation against	F (57:2-58:10, 58:19-58:25, 62:9-62:17, 63:10-

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	62:17-63:11, 63:13-63:13, 64:9-64:14		Penn National	63:13)
	70:3-71:4, 72:2-73:17, 78:10-78:19, 78:22-80:25		Review of record retention policy for Penn National	
	82:4-84:15, 84:17-84:19, 86:1-87:11, 87:13-87:25		Review of Litigation Hold Notice issued by Mr. Maier for Covil documents, which is only hold issued	F (84:9-84:19, 87:9-87:14)
	88:5-88:7, 88:9-91:15		Claims department maintenance of policy documents; communication with IT about litigation hold issued to Mr. Reifsnyder	F (88:5-88:17, 91:12-91:15)
	91:24-93:22, 93:24-95:17, 95:19-96:24		Discussion with Mr. Reifsnyder about litigation hold and confirmation with IT	F (93:19-94:4, 94:25-95:7, 95:12-95:19)
	100:4-102:14		Communicated with Karen Yarrish, Erin Pence, and Dana Shanaberger in legal department in preparation for deposition	
	106:4-107:1, 107:3-107:4, 107:6-107:10		Communicated with Brent Reifsnyder in preparation for deposition	F (106:23-107:10)
	108:6-109:8, 109:10-109:16, 109:18-110:14		December 17, 2021, Litigation Hold is only hold that he is aware of for Covil	F (109:3-109:18, 110:11-110:15)
	111:9-117:6, 117:8-117:14, 117:16-118:16, 118:18-119:5, 119:7-119:18, 119:20-120:12, 120:14-120:21, 120:23-121:25, 122:2-125:8		Steps taken by Penn National to preserve information and documents related to Covil litigation; and routine or automatic purge processes	F (117:1-117:24, 118:11-118:20, 119:2-119:7, 119:14-119:20, 120:9-120:24)
	125:20-139:12,		Correspondence	F (139:6-

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	139:14-141:19		regarding litigation hold for Covil and implementation of litigation hold for Covil	139:16)
	142:1-143:9		Not aware of who last reviewed policies and procedures at Penn National; discussion of Legal Review Guidelines	
	144:23-150:17, 150:19-160:1		Litigation hold impact on record retention policy and communication with Mr. Reifsnyder, Mr. Wright, and/or Mr. Parsons about litigation hold for Covil, and any corrective action by Penn National related to holds related to Covil	F (150:13-150:21)
	161:9-162:10, 162:12-164:8, 164:10-168:22		Litigation hold issued in response to the court's order; steps taken to modify hold policy in response to Covil litigation	F (162:6-162:12, 164:4-164:13)
	169:1-169:16, 169:18-169:19, 169:21-171:9		Continued discussion of any steps taken to suspend or modify document retention in response to Covil litigation; not involved in preparation of interim reports to Chief Justice Toal; no review of claims department files	F (169:14-169:22)
Deposition of Boyd Wright – Vol. 1 (11/30/2022)	6:8-7:9, 7:17-7:25		Mr. Wright is a home office claim examiner and reports to Adam Parsons, director of technical operations, since	

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			2016 or 2017	
	9:8-9:21		Mr. Wright manages Penn National side of defense of Covil and makes coverage decisions as to whether there is coverage for indemnification for settlements or judgments tendered by Covil	
	11:1-14:12, 14:14-15:19		Letter from Mr. Wright advising of impairment of policy limits; 86-87 policy was reconstructed by underwriting based on forms available	F (14:11-14:17)
	16:17-18:1		In preparing the letter re impairment of policy limits, referenced declarations page only	
	20:24-22:6		Understanding of completed operations hazard, products hazard, and premises operations hazard; old policy forms	
	24:18-25:1, 25:20-27:1		Did not categorize the 14 claims as premises operations, completed ops, or product hazard claims in the letter from Mr. Wright advising of impairment of policy limits	
	27:6-29:2, 29:4-30:12, 30:14-33:2		87-88 policy was reconstructed by underwriting based on forms available; in preparing the letter re impairment of policy limits, did not	F (28:18-29:12, 30:11-31:2)

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			consult case law and does not have legal degree, did not use loss run	
	35:24-36:11		In handling claims listed in impairment letter, Mr. Wright did not consult underwriting materials or outside materials	
	38:4-39:22	39:23-40:15	Completed operations and products exclusionary endorsement was with archived material for policies issued to Covil	
	40:17-42:12		Penn National legal hold procedure document; no legal hold when responding to 2018 subpoena	
	42:21-43:15, 43:17-44:18		No legal hold as part of Zurich litigation to which Penn National was made a party; only received litigation holds from Maier; claims have their own litigation holds	F (43:13-43:15); F (44:16-44:18 contains a question with no response)
	50:21-52:11		Maier has access to entire defense file, which does not include coverage materials	
	52:20-55:3		Interaction with Maier re litigation hold and communication to Parsons re the hold	

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Respectfully submitted this 17th day of November 2023.

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STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS

FOR THE FIFTH JUDICIAL CIRCUIT

Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas,

Plaintiff,

v.

Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association,

Defendants.

C.A. No.: 2020-CP-40-02098

DEFENDANT PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE CO.'S MOTION FOR SUMMARY JUDGMENT

Defendant Pennsylvania National Mutual Casualty Insurance Company ("Penn National"), by and through undersigned counsel, hereby moves before this Honorable Court pursuant to Rule 56 of the South Carolina Rules of Civil Procedure for an Order granting summary judgment to Penn National on Plaintiff's First, Second and Third Causes of Action as set forth in its Complaint dated April 27, 2020.[1] Penn National further moves for summary judgment on the non-plead claims that Penn National has spoliated evidence or otherwise owes any obligations to Covil beyond those contractually agreed to in the two commercial general liability policies issued to Covil, covering the consecutive policy periods of March 31, 1986 to March 31, 1987, and March 31, 1987 to March 31, 1988.

Plaintiff's Complaint sets forth three counts against Penn National, none of which seek specific relief in connection with a specific justiciable issue. Count I asks this Court to declare that "Penn National must fairly compensate Plaintiff for the substantial time, effort, and expenses

[1] A true and accurate copy of Plaintiff's Complaint is annexed hereto as Exhibit "A."

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Plaintiff expended in connection with the defense of asbestos suits *potentially* covered under the Penn National policies and further declare that this obligation is unlimited and shall continue as long as there are Covil Asbestos Suits pending."[2] Plaintiff fails to identify a single claim or case in connection with which a defense has not been provided. In Count II, Plaintiff asks the Court to issue a declaration that "all policies, evidence of policies and documents relating to their placement, purchase and underwriting, including but not limited to such documents in the possession of Penn National are the property of the Receiver and shall be delivered immediately to the Receiver to be maintained in his sole possession."[3] In Count III, and in a factual vacuum, Plaintiff asks this Court to issue a blanket declaration as to the terms and scope of coverage with regard to two specified Penn National policies, and the interpretation of the policy provisions therein, without ever identifying a particular claim for which coverage is sought.[4]

Plaintiff's Complaint asks this Court to issue a quintessential advisory opinion in the absence of a justiciable controversy. Plaintiff fails to identify any wrongful denial of coverage or reservation of rights by Penn National and fails to present this Court with any concrete factual or legal disputes between the parties sufficient to trigger the Court's authority under the Uniform Declaratory Judgments Act. Accordingly, because there are no issues of fact to be determined by the jury or to be resolved by this Court, Penn National's motion should be granted.

To the extent this Court is inclined to entertain Covil's improper request for interpretive guidance, the Court must conclude that the Penn National Policies only provide coverage for asbestos claims where: (1) an injured party was exposed to asbestos as a result of Covil's ongoing operations; (2) the exposure occurred during the effective dates of coverage under the Penn

[2] Exhibit "A" at ¶¶ 14-19 (emphasis added). Notably, the Receiver fails to identify any of the potentially covered suits for which it seeks payment of defense costs.
[3] *Id.* at ¶¶ 20-22.
[4] *Id.* at ¶¶ 23-26.

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National Policies—*i.e.*, March 31, 1986 to March 31, 1987, and March 31, 1987 to March 31, 1988; and (c) coverage is not otherwise barred by an applicable policy exclusion.

Finally, there is no evidence that Penn National has spoliated any evidence or that any obligations are owed to Covil beyond those contractually established through the Penn National Policies. Covil's displeasure with the manner in which Penn National maintains its historical policy database does not in and of itself create a valid inference that Penn National destroyed evidence of other policies that may have been issued to Covil which would have otherwise provided coverage for any asbestos exposure claims. Covil cannot offer a scintilla of evidence to even suggest the existence of any other relevant policies, and, most critically, the Court has long been in possession of Covil's self-created history of insurance coverage schedule which establishes, without a fragment of reasonable dispute, that Covil maintained consistent, consecutive policies of commercial general liability insurance for every single policy year from April 1954 through March 31, 1988. There remains no evidence—primary, secondary, or otherwise—that a single other policy of commercial general liability insurance was ever issued by Penn National to Covil, and with identifiable insurers bearing responsibility for the Covil risk for *every single day* of Covil's operational existence, there is no reason to believe any others exist. In fact, searches of Penn National's digitized microfiche to date have not generated results showing any other relevant commercial general liability insurance policies for Covil beyond the Penn National commercial general liability policies that were in effect for Covil from March 31, 1986 through March 31, 1988.

In support of its motion, Penn National relies on the record in this case, including pleadings, discovery, admissions on file, relevant case law and statutes, arguments of counsel, memorandum of law, and the following affidavits and deposition transcripts that are on file with the Court:

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(1) Affidavit of Boyd Wright (June 3, 2021);
(2) Affidavit of Boyd Wright (June 11, 2021);
(3) Affidavit of Brent Reifsnyder (July 9, 2021);
(4) Affidavit of Brent Reifsnyder (July 23, 2021);
(5) Affidavit of Brent Reifsnyder (December 22, 2021);
(6) Affidavit of Brent Reifsnyder (September 11, 2023);
(7) Boyd Wright Deposition Transcript and exhibits (January 7, 2021);
(8) Boyd Wright Deposition Transcript and exhibits (August 26, 2021);
(9) Boyd Wright Deposition Transcript and exhibits (November 30, 2022);
(10) Sharla Frost Deposition Transcript and exhibits (November 9, 2022);
(11) Peter Protopapas Deposition Transcript and exhibits (November 17, 2022);
(12) Bernd Heinze Deposition Transcript and exhibits (December 7, 2022);
(13) Charles Miller Deposition Transcript and exhibits (November 28, 2022);
(14) Charles Miller Deposition Transcript and exhibits (November 3, 2023);
(15) Scott Maier Deposition Transcript and exhibits (November 21, 2022);
(16) Brent Reifsnyder Deposition Transcript and exhibits (August 3, 2021);
(17) Brent Reifsnyder Deposition Transcript and exhibits (November 10, 2022); and
(18) James Robertson Deposition Transcript and exhibits (December 6, 2022)

In further support of its motion, Penn National reserves the right to rely on any other materials submitted to the Court and served upon counsel at or prior to the hearing, as well as such additional materials as may be properly filed or presented to the Court for hearing.

WHEREFORE, Penn National respectfully requests that the Court grant its Motion for Summary Judgment and the claims asserted against Penn National in this action should be dismissed with prejudice.

Respectfully submitted this the 17th day of November 2023.

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ELECTRONICALLY FILED - 2020 Apr 27 3:28 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, Vs. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	Case Number: In Re: Asbestos Personal Injury Litigation Coordinated Docket **SUMMONS**

TO THE ABOVE-NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action, a copy of which is hereby served on you, and to serve a copy of your Answer to the said Complaint upon the subscribers at 1329 Blanding Street, Columbia, South Carolina 29201, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in such Complaint.

Respectfully submitted,

RIKARD & PROTOPAPAS, LLC

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This 27th Day of April, 2020

ELECTRONICALLY FILED - 2023 Apr 27 3:28 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, Vs. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	Case Number: In Re: Asbestos Personal Injury Litigation Coordinated Docket **COMPLAINT FOR DECLARATORY JUDGMENT AND BREACH OF CONTRACT**

COMES NOW Covil Corporation by and through its duly appointed Receiver, Peter D. Protopapas ("Plaintiff" or "Covil"), complaining of the defendants Pennsylvania National Mutual Casualty Insurance Company ("Penn National"); Sam J. Crain & Co., Inc. ("Crain Agency"); and South Carolina Property and Casualty Guaranty Association ("Guaranty Association"), who through undersigned counsel respectfully shows unto the Court as follows:

PARTIES

1. Covil Corporation, appearing by and through its duly appointed receiver, Peter D. Protopapas (the "Receiver"), who maintains his principal place of business in Richland County, South Carolina, brings this action. This Court appointed the Receiver to undertake actions to administer all assets of Covil Corporation, including without limitation its insurance policies. *See* Exhibit A, Receiver Order, at 1 ("This order is inclusive of, but not limited to, the right and obligation to administer any insurance assets of Covil

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Corporation as well as any claims related to the actions of failure to act of Covil's insurance carriers").

2. Plaintiff is informed and believes that defendant Penn National is a corporation organized under the laws of the Commonwealth of Pennsylvania, with its principal place of business located in the Commonwealth of Pennsylvania.

3. Plaintiff is informed and believes that the Crain Agency is a South Carolina corporation.

4. Plaintiff is informed and believes that the Guaranty Association is an association formed under the laws of South Carolina.

JURISDICTION

5. This Court has jurisdiction over the matters alleged herein pursuant to S.C. Code Ann. §§ 36-2-802 and 36-2-803, Article V of the Constitution of the State of South Carolina, and the Court's plenary powers. This Court appointed the plaintiff as Receiver of Covil.

VENUE

6. Venue is proper in this Court as it is the Receiver Court with cases pending and anticipated new filings in this Court. Further, on March 3, 2019, pursuant to the Order of the Supreme Court of South Carolina, Order Number 2017-03-03-01, the Honorable Jean H. Toal was appointed to have jurisdiction in all circuits in this state to dispose of all pretrial matters and motions, as well as trials, arising out of asbestos and asbestos litigation filed within the state court system. Thus, the Honorable Jean H. Toal will have jurisdiction over this matter.

FACTUAL BACKGROUND

7. Covil's operations from 1954 through 1991 included the installation, repair, replacement, removal or disturbance of thermal insulation and other building materials. Those

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operations allegedly exposed persons to asbestos who thereby suffered bodily injury (the "Asbestos Allegations"). The alleged bodily injury resulting from the Asbestos Allegations has resulted in claims and lawsuits against Covil ("Covil Asbestos Suits").

8. Penn National issued general liability policies to Covil (the "Penn National Policies"). The Penn National Policies have standard terms and conditions. It is the burden of Penn National to prove any limitation on or exclusion of coverage. Specifically, Penn National issued primary general liability coverage (policy nos. 515 50 28 53 7 and 515 50 28 53 8) to Covil for the policy periods March 31, 1986 to March 31, 1987 and March 31, 1987 to March 31, 1988 with an annual $1,000,000 combined single limit per occurrence for covered claims, with no limit to the number of occurrences, as follows:

Policy Period	Policy Number	Limits of Liability
March 31, 1986 – March 31, 1987	515 50 28 53 7	$1,000,000 per occurrence; $1,000,000 aggregate where applicable
March 31, 1987 – March 31, 1988	515 50 28 53 8	$1,000,000 per occurrence; $1,000,000 aggregate where applicable

9. Penn National has failed fully to acknowledge or accept its insuring obligations under the Penn National Policies, has reserved its rights, failed to acknowledge or respond to tender of covered Covil Asbestos Suits, and otherwise breached its contracts of insurance.

10. On information and belief, Mission Insurance Company ("Mission") issued umbrella coverage that Covil contends "drops down" to provide "first dollar" coverage or coverage above a retained limit of less than $25,000, for which the Receiver is not responsible, in

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the event that there is no available primary coverage. The Mission policy is missing but was written on a standard form that provides for the payment or reimbursement of defense and indemnity costs, as those terms are understood in the insurance business. The Mission policy was issued for the period June 16, 1986 to March 31, 1987. Covil has experienced losses that "trigger" the Mission policy and would be sufficient in size to invoke the policy, which Covil contends, on information and belief, has a limit of liability of $5,000,000.

11. On information and belief, Mission was liquidated on September 12, 1987.

12. The Guaranty Association was statutorily created to protect the policy holders of insolvent insurance companies like Mission. The Guaranty Association "is considered the insurer to the extent of its obligation on the covered claims and, to this extent, has all rights, duties, and obligations of the insolvent insurer as if the insurer had not become insolvent." S.C. Code Ann. § 38-31-60(b).

13. On November 2, 2018, Plaintiff was appointed Receiver of Covil, giving him the power and authority fully to administer all assets of Covil, accept service on behalf of Covil, engage counsel on behalf of Covil, and take any and all steps necessary to protect the interests of Covil, whatever they may be. Since appointment, the Receiver has expended substantial time and incurred expenses to identify potential assets and responsive policies and to defend Covil Asbestos Suits in fulfillment of his responsibilities as Receiver. The Receiver will continue to expend substantial time and incur expenses in connection with Covil Asbestos Suits.

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FIRST CAUSE OF ACTION
DECLARATORY JUDGMENT

14. An actual and justiciable controversy exists between the Receiver for Covil and Penn National concerning Penn National's obligations to Covil, including its obligation to pay for the Receiver's defense of Covil.

15. Judicial declarations are necessary and appropriate at this time, under the circumstances alleged above, so that plaintiff may ascertain his rights against Penn National.

16. Pursuant to S.C. Code Ann. § 15-65-100, the Receiver shall be allowed such commissions as may be fixed by the Court appointing the Receiver.

17. Pursuant to the Supreme Court of South Carolina's ruling in *Ex Parte Simons*, 289 S.C. 1, 344 S.E.2d 151 (1986), a Receiver's fee is based on the value of the Receiver's services and at the appointing Court's discretion.

18. Plaintiff dedicated a substantial amount of time and incurred substantial expenses in his role as Receiver for Covil, including in connection with the defense of asbestos suits against Covil. The Receiver is continuing to devote such time to the defense of Covil and will continue to incur expenses in his role as Receiver, which defense obligations are those of Penn National.

19. Plaintiff respectfully requests this Court to declare that Penn National must fairly compensate Plaintiff for the substantial time, effort, and expenses Plaintiff expended in connection with the defense of asbestos suits potentially covered under the Penn National policies and to further declare that this obligation is unlimited and shall continue as long as there are Covil Asbestos Suits pending.

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SECOND CAUSE OF ACTION
DECLARATORY JUDGMENT

20. Pursuant to *Jeffcoat v. Morris*, 300 S.C. 526, 389 S.E.2d 159 (Ct. App. 1989), a Receiver holds the property coming into his or her hands by the same right and title as the person for whose property he or she is receiver.

21. Upon information and belief, Covil purchased insurance policies from Penn National during the period 1986 to 1987 and 1987 to 1988. These policies are the property of Covil.

22. Plaintiff seeks a judicial declaration that all policies, evidence of policies and documents relating to their placement, purchase and underwriting, including but not limited to such documents in the possession of Penn National are the property of the Receiver and shall be delivered immediately to the Receiver to be maintained in his sole possession.

THIRD CAUSE OF ACTION
DECLARATORY JUDGMENT

23. The Receiver seeks a declaration and order that Penn National issued primary general liability coverage (policy nos. 515 50 28 53 7 and 515 50 28 53 8) to Covil for the policy periods March 31, 1986 to March 31, 1987 and March 31, 1987 to March 31, 1988; that each policy has a $1,000,000 annual limit; that each policy has a $1,000,000 combined single limit per occurrence for covered claims, with no limit to the number of occurrences; and that Penn National has an unlimited supplemental duty to defend and to pay or reimburse defense costs.

24. The Receiver seeks a declaration and order that Mission issued umbrella coverage to Covil (policy no. MA 002840) to Covil for the policy period June 16, 1986 to March 31, 1987.

25. The Receiver seeks a further declaration as to the interpretation and meaning of the insurance policies that Penn National and Mission issued to Covil (the "Covil Insurance

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Policies"), as follows:

a. The Covil Insurance Policies cover all Covil Asbestos Suits that allege bodily injury, personal injury, injurious exposure, progression of injury and/or disease, manifestation of illness, or death during any of the Penn National Policy periods;

b. Each Covil asbestos suit "triggers" the Covil Insurance Policies as long as an asbestos plaintiff alleges injury during the period of the policy;

c. Covil may select the policy or policy years to which to assign or allocate in full each Covil Asbestos Suit-related loss;

d. In the case of any claimed ambiguity in any Covil Insurance policy, such ambiguity shall be construed in favor of the broadest coverage afforded under the Covil Insurance Policies;

e. Defense costs for the Covil asbestos suits are supplemental, and the payment of defense costs does not erode or impair any limit of liability of any of the Covil Insurance Policies;

f. If any allegation or cause of action in a Covil Asbestos Suit is potentially covered under the Covil Insurance Policies, then the insurer must fully defend or reimburse in full the costs of defending against all of the allegations and all of the causes of action in the complaint;

g. Each Covil Insurance Policy is required to pay or reimburse all sums that the insured becomes legally obligated or reasonably required to pay as damages by reason of Covil Asbestos Suits;

h. Each Covil Insurance Policy must indemnify covered Covil Asbestos Suits, in full, up to its "per occurrence" limit, regardless of whether a continuing injury spans multiple policy periods;

i. The Covil Asbestos Suits that allege exposure to asbestos during Covil's work are subject only to the "per occurrence" limits of the Covil Insurance Policies;

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j. Any aggregate limit on coverage in any of the Covil Insurance policies is a limitation on coverage, and therefore each insurer has the burden to prove, based on the evidence, that a Covil Asbestos Suit is subject to the aggregate limit in the Covil Insurance Policies, if any; and

k. Each insurer has the burden to prove, based on the evidence, that any particular Covil Asbestos Suit is either a "products" claim or a "completed operations" claim, as those terms are defined in the Covil Insurance Policies, in order for the insurer to disclaim coverage for a Covil Asbestos Suit against Covil otherwise alleging injury during any Covil Insurance policy period.

26. Actual and justiciable controversies therefore exist between Covil and defendants Penn National and the Guaranty Association concerning their obligations under the Covil Insurance Policies.

FOURTH CAUSE OF ACTION
FAILURE TO PROCURE INSURANCE

27. Defendant Crain Agency had a duty to exercise reasonable skill, care, and diligence to procure appropriate insurance coverage for Covil.

28. Upon information and belief, the Crain Agency was negligent and breached its duty to procure appropriate insurance coverage for Covil during each of the years Crain Agency was obligated to procure insurance.

29. This failure on the part of Defendant Sam Crain includes the failure to procure products/completed operations coverage for Covil, if it is determined that such coverage is provided by the Penn National and/or Mission Policies.

30. Defendant the Crain Agency is responsible for any shortfall or deficiency in coverage for Covil Asbestos Suits.

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FIFTH CAUSE OF ACTION
BREACH OF CONTRACT

31. Covil contracted with the Crain Agency to procure appropriate insurance for Covil.

32. Upon information and belief, Covil's insurance coverage is inadequate and inappropriate for its operations during the years in which the Crain Agency was contracted with to procure Covil's insurance.

33. Among other items, upon information and belief, the Crain Agency may not have secured products/completed operations coverage for Covil under the Penn National and/or Mission Policies.

34. As a direct and proximate result of the Crain Agency's breach of contract, Covil has suffered direct, indirect and consequential damages in an amount to be determined at trial.

SIXTH CAUSE OF ACTION
DECLARATORY JUDGMENT

35. At the time that Mission was liquidated on September 12, 1987, the Guarantee Association became statutorily required to take on the liabilities of Mission.

36. Plaintiff seeks a declaration that the Guarantee Association is responsible for any and all amounts Mission owes to Covil under the terms of the Mission insurance policy.

PRAYER FOR RELIEF

WHEREFORE, Covil Corporation, by and through its duly-appointed Receiver, demands judgment against defendants as follows:

A. For plaintiff's compensation in connection with the defense of asbestos suits against Covil potentially covered under the Penn National and Mission Policies, in an amount set by this Court;

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B. For an order requiring that Penn National and the Guarantee Association provide to plaintiff complete and authentic copies of any general liability and excess liability insurance policies it issued to Covil together with all other documents and things relating to these policies, including (but not limited to) certificates of insurance, underwriting manuals and documents, and claims files;

C. For an order requiring Penn National and the Guarantee Association to defend Covil in full against all asbestos suits alleging bodily injury during the Penn National and Mission policy periods unless and until either Penn National or the Guarantee Association can show unequivocally, based on the evidence adduced in the litigation, that an exclusion in their respective policies otherwise bars coverage for a suit;

D. The Receiver seeks a further declaration as to the interpretation and meaning of the insurance policies:

i. The Covil Insurance Policies cover all Covil Asbestos Suits that allege any bodily injury, personal injury, injurious exposure, progression of injury and/or disease, manifestation of illness, or death during any of its policy periods;

ii. Each Covil asbestos suit "triggers" at least one Covil Insurance policy as long as an asbestos plaintiff alleges injury during the period of the policy;

iii. Covil may select the policy or policy years to which to assign or allocate in full each Covil asbestos loss;

iv. In the case of a claimed ambiguity in any Covil Insurance policy, such ambiguity shall be construed in favor of the broadest coverage afforded under the Penn National Policies and Penn National bears the burden of proof as to any such ambiguity;

v. Defense costs for the Covil asbestos suits are supplemental, and the payment of

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defense costs does not erode or impair any limit of liability of any of the Covil Insurance policies;

vi. If any allegation in a Covil Asbestos Suit is potentially covered under the Covil Insurance Policies, then the insurer must defend or reimburse in full the costs of defending against all of the allegations and all of the causes of action in the complaint;

vii. Each Covil Insurance Policy is required to pay or reimburse all sums that the insured becomes legally obligated or reasonably required to pay as damages by reason of the Covil Asbestos Suits;

viii. Each Covil Insurance Policy must indemnify covered Covil Asbestos Suits, in full, up to its "per occurrence" limits, regardless of whether a continuing injury spans multiple policy periods;

ix. The Covil Asbestos Suits that allege exposure to asbestos during Covil's work are subject only to the "per occurrence" limits of the Covil Insurance policies;

x. Any aggregate limit on coverage in any of the Covil Insurance Policies is a limitation on coverage, and the insurers therefore have the burden to prove, based on the evidence, that a Covil Asbestos Suit is subject to the aggregate limit in the Covil Insurance Policies, if any; and

xi. Each insurer has the burden to prove, based on the evidence, that any particular Covil Asbestos Suit is either a "products" claim or a "completed operations" claim, as those terms are defined in the Covil Insurance Policies, in order for the insurer to disclaim coverage for a Covil Asbestos Suit against Covil otherwise alleging injury during the Covil insurance policy period.

E. Defendant the Crain Agency breached its obligations by not procuring the appropriate insurance for Covil and is liable to the Receiver for money damages in an amount to be proven at trial.

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F. Defendant Guarantee Association is responsible for any and all amounts Mission owes to Covil under the terms of the Mission insurance policy.

G. For such other and further relief as the Court may deem just and proper, including pre-judgment and post-judgment interest as provided by South Carolina law.

Respectfully submitted,

RIKARD & PROTOPAPAS, LLC

Jescelyn T. Spitz
Jescelyn T. Spitz (SC Bar 101880)
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Attorney for the Receiver

This 27th Day of April, 2020

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ELECTRONICALLY FILED - 2020 Apr 27 4:28 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF RICHLAND	)	FOR THE FIFTH JUDICIAL CIRCUIT
	)	
DENVER D. TAYLOR and JANICE TAYLOR,	)	**CASE NO. 2018-CP-40-04940**
	)	
Plaintiffs,	)	Order Appointing a Receiver for Covil Corporation
	)	
v.	)	
	)	
AIR & LIQUID SYSTEMS CORPORATION, et al.	)	
	)	
Defendants.	)	

This matter comes before the Court by way of Plaintiff's Motion for Appointment of a Receiver pursuant to South Carolina Code § 15-65-10. This Court finds that the application is meritorious under the applicable statute because Covil Corporation has dissolved. Therefore, Plaintiff's motion is GRANTED.

This Court hereby appoints Attorney Peter Protopapas as Receiver at such rate of compensation as may be approved by the Court. Mr. Protopapas is hereby appointed Receiver in this case pursuant to § 15-65-10 with the power and authority to fully administer all assets of Covil Corporation ("Covil"). This order is inclusive of, but not limited to, the right and obligation to administer any insurance assets of Covil Corporation as well as any claims related to the actions or failure to act of Covil's insurance carriers.

In addition to the powers of the Receiver set forth herein, the Receiver shall have the following rights, authority and powers with respect to the Respondent's property, to: 1) collect all accounts receivable of Respondent and all rents due to the Respondent from any tenant; 2) to change locks to all premises at which any property is situated; 3) open any mail addressed to the defendant and addressed to any business owned by the Respondent; redirect the delivery of any

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mail addressed to the Respondent or any business of the Respondent, so that the mail may come directly to the receiver; 4) endorse and cash all checks and negotiable instruments payable to Respondent, except paychecks for current wages; 5) hire a real estate broker to sell any real property and mineral interest belonging to the Respondents; 6) hire any person or company to move and store the property of Respondent; 7) to insure any property belonging to the Respondents (but not the obligation); 8) obtain from any financial institution, bank, credit union, savings and loan or title company, credit bureau or any other third party, any financial records belonging to or pertaining to the Defendants; 9) obtain from any landlord, building owner or building manager where the Respondent or the Respondent's business is a tenant, copies of the Respondent's lease, lease application, credit application, payment history and copies of Respondent's checks for rent or other payments; 10) hire any person or company necessary to accomplish any right or power under this Order; and 11) take all action necessary to gain access to all storage facilities, safety-deposit boxes, real property, and leased premises wherein any property of Respondent may be situated, and to review and obtain copies of all documents related to same.

IT IS SO ORDERED.

SIGNED this_____ day of _____,2018.

_____
JEAN TOAL, CHIEF JUSTICE (Ret.)

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Richland Common Pleas

Case Caption: Denver D Taylor , plaintiff, et al vs Air & Liquid Systems Corporation , defendant, et al

Case Number: 2018CP4004940

Type: Order/Appointment of Receiver

IT IS SO ORDERED.

s/ Jean H. Toal #2758

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver, Peter D. Protopapas, Plaintiff, **v.** Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	CASE NUMBER: 2020-CP-40-02098 **THE RECEIVER FOR COVIL CORPORATION'S THIRD AMENDED TRIAL EXHIBIT LIST**

THE RECEIVER FOR COVIL CORPORATION'S
AMENDED TRIAL EXHIBIT LIST

Exhibit No.	Document	Document Identification	Confidential
1)	GL Policy Number 515 50 28 53-7	Penn National Policies 000001 – 000043	
2)	GL Policy Number 515 50 28 53-8	Penn National Policies 000044 – 000091	
3)	Boyd Wright Affidavit in Opposition to Receiver's Motion for Summary Judgment, dated October 22, 2021		
4)	Inland Marine Policy	PNI-1225 – 1324	
5)	Auto Policy	PNI-1325 – 1611	
6)	Auto, Inland Marine, and Workers Compensation Policies	PNI-0393 – 0596	
7)	Penn National-Covil Underwriting File	PNI-0304 – 0392	
8)	Penn National Document Retention Policies	PNI-0598 – 1158	
9)	Litigation Hold Procedure	PNI-1159 – 1161	

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Exhibit No.	Document	Document Identification	Confidential
10)	Dec. 17, 2021 Litigation Hold Email		
11)	Microfiche Destruction Dates Spreadsheet	PNI-0597	X
12)	Underlying subpoena served in *Finch* asbestos suit dated May 29, 2018		
13)	Penn National's June 15, 2018 letter and documents served in response to subpoena in *Finch* asbestos suit		
14)	Sept. 1, 2022 Letter from Boyd Wright to Peter Protopapas	Covil v Penn 2098_000001 – 000002	X
15)	Estate of Jerry W. Archer, Sr. asbestos file	Covil v. Penn 2098_000003-166	
a)	Complaint	Covil v. Penn 2098_000003-68	
b)	Work Sites	Covil v Penn 2098_000069	
c)	Plaintiff's Responses to Interrogatories	Covil v Penn 2098_000070-81	
d)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_000082-147	
e)	Deposition transcript of B. Glenn – dated July 28, 2010	Covil v Penn 2098_000148-66	
16)	Estate of Robert J. Ashworth asbestos file	Covil v Penn 2098_000167-638	
a)	Complaint	Covil v Penn 2098_000167-215	
b)	Work Sites	Covil v Penn 2098_000216-17	
c)	Plaintiff's Responses to Interrogatories	Covil v Penn 2098_000218-29	
d)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_000230-85	
e)	Covil Motion for Summary Judgment.pdf	Covil v Penn 2098_000286-90	

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Exhibit No.	Document	Document Identification	Confidential
f)	Deposition transcript excerpt of D. Rollins – dated June 7, 2019	Covil v Penn 2098_000291-96	
g)	Plaintiff's Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_000297-303	
h)	Deposition transcript of D. Rollins – dated Feb. 18, 2019	Covil v. Penn 2098_000304-441	
i)	Deposition transcript of D. Rollins – dated Feb. 19, 2019	Covil v. Penn 2098_000442-528	
j)	Invoices	Covil v. Penn 2098_000529-36	
k)	Project listings document	Covil v. Penn 2098_000537-42	
l)	Deposition transcript of R. Ashworth – dated Aug. 2, 2017 (de bene esse)	Covil v Penn 2098_000543-588	
m)	Deposition transcript of R. Ashworth – dated Aug. 2, 2017 (discovery)	Covil v Penn 2098_000589-638	
17)	Robert E. Aspray asbestos file	Covil v Penn 2098_000639-829	
a)	Complaint	Covil v Penn 2098_000639-99	
b)	Work History	Covil v Penn 2098_000700-3	
c)	Second Amended Complaint	Covil v Penn 2098_000704-52	
d)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_000753-66	
e)	Covil's Amended Motion for Summary Judgment	Covil v Penn 2098_000767-70	
f)	Plaintiff's Response in Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_000771-87	
g)	Deposition transcript of P. Haynes – dated June 30, 2020	Covil v Penn 2098_000788-829	
18)	Jerry V. Campbell asbestos file	Covil v. Penn 2098_000830-1441	
a)	Complaint	Covil v Penn 2098_000830-912	
b)	First Amended Complaint	Covil v Penn 2098_000913-1002	

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Exhibit No.	Document	Document Identification	Confidential
c)	Work Sites	Covil v Penn 2098_001003	
d)	Plaintiffs' Answers to Standard Interrogatories	Covil v Penn 2098_001004-1013	
e)	Plaintiffs' Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_001014-1156	
f)	Plaintiffs' Supplemental Answers to Standard Interrogatories	Covil v Penn 2098_001157-58	
g)	Plaintiffs' Supplemental Responses to Master Interrogatories and Requests for Production	Covil v Penn 2098_001159-1210	
h)	Covil's Motion for Summary Judgment	Covil v Penn 2098_001211-16	
i)	Deposition transcript of M. Sanders – dated Feb. 1, 2022	Covil v Penn 2098_001217-55	
j)	Deposition transcript of M. Sanders – dated Feb. 2, 2022	Covil v Penn 2098_001256-1303	
k)	Deposition transcript of M. Sanders – dated Feb. 4, 2022	Covil v Penn 2098_001304-51	
l)	Deposition transcript of J. Campbell – dated Oct. 21, 1999	Covil v Penn 2098_001352-1402	
m)	Deposition transcript of J. Campbell – dated July 28, 2021	Covil v Penn 2098_001403-41	
19)	Estate of Julian D'Amico, Jr. asbestos files	Covil v Penn 2098_001442-1918	
a)	Complaint	Covil v Penn 2098_001442-1517	
b)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_001518-1531	
c)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_001532-1609	
d)	Covil's Motion for Summary Judgment	Covil v Penn 2098_001610-13	
e)	Plaintiff's Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_001614-24	

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Exhibit No.	Document	Document Identification	Confidential
f)	Deposition transcript of J. D'Amico – dated Oct. 11, 1999	Covil v Penn 2098_001625-43	
g)	Deposition transcript of J. D'Amico – dated Oct. 26, 1994	Covil v Penn 2098_001644-1881	
h)	Deposition transcript of J. D'Amico – Jan. 30, 2001	Covil v Penn 2098_001882-1918	
20)	Galen Garren asbestos files	Covil v Penn 2098_001919-2129	
a)	Complaint	Covil v Penn 2098_001919-84	
b)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_001985-97	
c)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_001998-2014	
d)	Covil's Motion for Summary Judgment	Covil v Penn 2098_002015-20	
e)	Deposition transcript of G. Garren – dated Oct. 13, 2021	Covil v Penn 2098_002021-2104	
f)	Deposition transcript of G. Garren – dated Oct. 14, 2021	Covil v Penn 2098_002105-29	
21)	Estate of Beverly D. Jolly asbestos files	Covil v Penn 2098_002130-2266	
a)	Complaint	Covil v Penn 2098_002130-71	
b)	Second Amended Complaint	Covil v Penn 2098_002172-2213	
c)	Work Sites	Covil v Penn 2098_002214	
d)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_002215-45	
e)	Covil's Motion for Summary Judgment	Covil v Penn 2098_002246-55	
f)	Covil's Amended Motion for Summary Judgment	Covil v Penn 2098_002256-66	
22)	Ronnie J. Jonas asbestos files	Covil v Penn 2098_002267-2683	
a)	Complaint	Covil v Penn 2098_002267-2341	
b)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_002342-55	

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Exhibit No.	Document	Document Identification	Confidential
c)	Plaintiff's Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_002356-2426	
d)	Covil's Motion for Summary Judgment	Covil v Penn 2098_002427-31	
e)	Plaintiff's Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_002432-2442	
f)	Deposition transcript of George Fincher – dated Oct. 22, 2020	Covil v Penn 2098_002443-2569	
g)	Deposition transcript of C. Bell – dated Nov. 20, 2020	Covil v Penn 2098_002570-2683	
23)	Estate of Teddy L. Knight, Sr. asbestos files	Covil v Penn 2098_002684-3194	
a)	Complaint	Covil v Penn 2098_002684-2748	
b)	Work Sites	Covil v Penn 2098_002749-51	
c)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_002752-63	
d)	Plaintiffs' Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_002764-2842	
e)	Covil's Amended Motion for Summary Judgment	Covil v Penn 2098_002843-48	
f)	Plaintiffs' Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_002849-58	
g)	Deposition transcript of R. Cassidy – dated March 19, 2020	Covil v Penn 2098_002859-2950	
h)	Deposition transcript of K. Knight – dated March 19, 2020	Covil v Penn 2098_002951-3194	
24)	Edward R. Morgan, Sr. asbestos files	Covil v Penn 2098_003195-4118	
a)	Complaint	Covil v Penn 2098_003195-3292	
b)	First Amended Complaint	Covil v Penn 2098_003293-3396	

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Exhibit No.	Document	Document Identification	Confidential
c)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_003397-3460	
d)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_003461-72	
e)	Covil's Motion for Summary Judgment	Covil v Penn 2098_003473-79	
f)	Plaintiffs' Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_003480-93	
g)	Opposition exhibits excerpts	Covil v Penn 2098_003494-3772	
h)	Deposition transcript of E. Morgan – dated Feb. 22, 2021	Covil v Penn 2098_003773-3809	
i)	Deposition transcript of E. Morgan – dated Feb. 23, 2021 (preservation)	Covil v Penn 2098_003810-55	
j)	Deposition transcript of E. Morgan – dated Feb. 23, 2021	Covil v Penn 2098_003856-3920	
k)	Deposition transcript of E. Morgan – dated Feb. 26, 2021	Covil v Penn 2098_003921-4023	
l)	Deposition transcript of E. Morgan – dated March 1, 2021	Covil v Penn 2098_004024-93	
m)	Deposition transcript of E. Morgan – dated March 2, 2021 (preservation)	Covil v Penn 2098_004094-4100	
n)	Deposition transcript of E. Morgan – dated March 2, 2021	Covil v Penn 2098_004101-4118	
25)	Estate of Gary J. Moss asbestos files	Covil v. Penn 2098_004119-4459	
a)	Complaint	Covil v Penn 2098_004119-4204	
b)	Amended Complaint	Covil v Penn 2098_004205-89	
c)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_004290-4303	
d)	Plaintiff's Responses to Master Interrogatories and Requests for Production of Documents	Covil v Penn 2098_004304-74	
e)	Covil's Motion for Summary Judgment	Covil v Penn 2098_004375-79	
f)	Deposition transcript of G. Moss – dated April 6, 2010	Covil v Penn 2098_004380-4459	

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Exhibit No.	Document	Document Identification	Confidential
26)	Nicholas L. Murphy asbestos files	Covil v Penn 2098_004460-5005	
a)	Complaint	Covil v Penn 2098_004460-4537	
b)	First Amended Complaint	Covil v Penn 2098_004538-4620	
c)	Second Amended Complaint	Covil v Penn 2098_004621-4704	
d)	Plaintiffs' Responses to Standard Interrogatories	Covil v Penn 2098_004705-79	
e)	Covil's Motion for Summary Judgment	Covil v Penn 2098_004792-96	
f)	Deposition transcript of N. Murphy – dated April 28, 2020	Covil v Penn 2098_004797-4834	
g)	Deposition transcript of N. Murphy – dated April 29, 2020	Covil v Penn 2098_004835-69	
h)	Deposition transcript of N. Murphy – dated April 30, 2020	Covil v Penn 2098_004870-95	
i)	Deposition transcript of N. Murphy – dated May 1, 2020	Covil v Penn 2098_004896-4927	
j)	Deposition transcript of N. Murphy – dated May 7, 2020	Covil v Penn 2098_004928-69	
k)	Deposition transcript of N. Murphy – dated May 8, 2020	Covil v Penn 2098_004970-5005	
27)	Estate of Waymon F. Sims, Jr. asbestos files	Covil v Penn 2098_005006-5181	
a)	Complaint	Covil v Penn 2098_005006-73	
b)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_005074-85	
c)	Plaintiffs' Responses to Master Interrogatories and Request for Production of Documents	Covil v Penn 2098_005086-5156	
d)	Covil's Motion for Summary Judgment	Covil v Penn 2098_005157-62	
e)	Plaintiff's Opposition to Covil's Motion for Summary Judgment	Covil v Penn 2098_005163-81	

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Exhibit No.	Document	Document Identification	Confidential
28)	Tommy D. Wannamaker asbestos files	Covil v. Penn 2098_005182-5730	
a)	Complaint	Covil v Penn 2098_005182-5265	
b)	Second Amended Complaint	Covil v Penn 2098_005266-5345	
c)	Third Amended Complaint	Covil v Penn 2098_005346-5418	
d)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_005419-34	
e)	Plaintiff's Responses to Standard Interrogatories	Covil v Penn 2098_005435-45	
f)	Covil's Motion for Summary Judgment	Covil v Penn 2098_005446-50	
g)	Deposition transcript of T. Wannamaker – dated April 1, 2021	Covil v Penn 2098_005451-97	
h)	Deposition of T. Wannamaker: Statement on the Record – dated April 2, 2021	Covil v Penn 2098_005498-5508	
i)	Deposition transcript of T. Wannamaker – dated April 13, 2021	Covil v Penn 2098_005509-5626	
j)	Deposition transcript of T. Wannamaker – dated April 14, 2021	Covil v Penn 2098_005627-5730	
29)	Article: Assessing the Coverage Carnage: Asbestos Liability and Insurance After Three Decades of Dispute, 12 Conn. Ins. L. J. 349 (2005-2006)	MILLER 00841-916	
30)	Insurance Protection for Products Liability and Completed Operations – What Every Lawyer Should Know, Nebraska Law Review, Vol. 50, No. 3, Spring 1971	MILLER 00211-43	
31)	Risk and Insurance: Sixth Edition, James L. Athearn and S. Travis Pritchett (University of South Carolina)	MILLER 00146-8	

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Exhibit No.	Document	Document Identification	Confidential
32)	Introduction to Risk Management and Insurance: Seventh Edition, Mark Dorfman (University of North Carolina at Charlotte)	MILLER 00196-8	
33)	General Liability Coverage, 1986: 3rd Edition (1985)	MILLER 00203-9	
34)	Risk & Insurance (IRM) – Insurance Glossary - definition of "premises-operations"	MILLER 00210	
35)	Comprehensive General Liability Insurance: FC&S Bulletins, National Underwriter Co. (1985)	MILLER 00199-202	
36)	P. Protopapas email to F. Benedek, Penn National's VP of Claims, regarding tender of *Timothy Howe v. Air & Liquid Systems Corporation, et al*. (York County, SC, 2015-CP-46-03456), dated August 5, 2019.		
37)	B. Wright letter to P. Protopapas in response to August 5, 2019 letter regarding tender of *Timothy Howe v. Air & Liquid Systems Corporation, et al*. (York County, SC, 2015-CP-46-03456), dated August 21, 2019.		
38)	Hartford Accident and Indemnity Company's Third-Party Complaint (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated October 2, 2019.		
39)	Summons on Penn National (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*,		

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Exhibit No.	Document	Document Identification	Confidential
	MDNC, No. 1:18-cv-932), dated October 3, 2019.		
40)	Covil's 30(b)(6) notice of deposition of Penn National, dated November 19, 2019		
41)	Penn National's Motion to Dismiss Hartford's Third-Party Complaint (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated November 21, 2019.		
42)	Penn National's Answers to Covil's First Set of Interrogatories (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated December 18, 2019.		
43)	Penn National's Responses to Covil's First Set of Requests for Admission (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated December 18, 2019.		
44)	30(b)(6) deposition notice served on Penn National (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated November 5, 2019.		
45)	B. Yntema letter to B. Edwards objecting to 30(b)(6) deposition notice served on Penn National (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC,		

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Exhibit No.	Document	Document Identification	Confidential
	No. 1:18-cv-932), dated November 12, 2019.		
46)	B. Edwards email to B. Yntema re Zurich v. Covil (North Carolina), dated November 15, 2019.		
47)	Covil's subpoena duces tecum to Penn National, dated November 25, 2019 (*Hopper v. Air & Liquid Systems Corporation, et al.*, No. 19-CP-40-00076).		
48)	South Carolina Department of Insurance's notification of acceptance of service of Covil's 11/25/2019 subpoena duces tecum to Penn National, dated November 26, 2019 (*Hopper v. Air & Liquid Systems Corporation, et al.*, No. 19-CP-40-00076).		
49)	Penn National's responses to Covil's subpoena duces tecum, dated December 9, 2019 (*Hopper v. Air & Liquid Systems Corporation, et al.*, No. 19-CP-40-00076).		
50)	Penn National's Answers to Covil's First Set of Interrogatories and Responses to Covil's First Set of Requests for Admission, dated December 18, 2019 (*Zurich American Insurance Company v. Covil Corporation, et al*., MDNC No. 1:18-cv-000932).		
51)	Penn National's Answers to Covil's First Set of Interrogatories, dated May 15, 2020 (*Covil v. Penn National*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2020-CP-40-01226).		

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Exhibit No.	Document	Document Identification	Confidential
52)	Penn National's Responses to Covil's First Set of Requests for Production, dated May 15, 2020 (*Covil v. Penn National*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2020-CP-40-01226).		
53)	Covil's subpoena duces tecum to Penn National, dated February 8, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
54)	Letter from D. Harris to M. Shisko dated Feb. 12, 2021		
55)	Penn National's objections to Covil's subpoena duces tecum to Penn National, dated February 22, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
56)	Penn National's supplemental objections to Covil's subpoena duces tecum to Penn National, dated March 9, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
57)	Penn National's Answers to the Receiver of Covil Corporation's First Set of Interrogatories, dated May 10, 2021		
58)	Penn National's Responses to the Receiver of Covil Corporation's Request for		

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Exhibit No.	Document	Document Identification	Confidential
	Production, dated May 10, 2021		
59)	Penn National's Supplemental Answers to the Receiver of Covil Corporation's First Set of Interrogatories, dated June 11, 2021		
60)	Penn National's Supplemental Responses to the Receiver of Covil Corporation's Request for Production, dated June 11, 2021		
61)	Receiver's Notice of Filing of Late-Produced Policies, dated June 15, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
62)	Order granting Covil's motions to compel, dated July 1, 2021 (*Finch and Covil v. USF&G*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2019-CP-40-03003).		
63)	Order granting Covil's motions to compel and ordering Ellis & Winters' review of Penn National's documents, dated November 5, 2021.		
64)	Penn National's Responses to Plaintiff's Second Set of Requests for Production, dated December 20, 2021		
65)	B. Yntema letter to B. Nes regarding Penn National's litigation hold and document retention policy, dated December 28, 2021.		
66)	Order granting Receiver's Motion for Protective Order		

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Exhibit No.	Document	Document Identification	Confidential
	requiring Penn National to preserve all historic insurance policies, dated February 11, 2022		
67)	Penn National's Responses to the Receiver for Covil's Third Set of Requests for Production dated Feb. 17, 2022		
68)	Penn National's Responses to the Receiver of Covil Corporation's First Set of Requests for Admission, dated February 17, 2022		
69)	Penn National's Answers to the Receiver of Covil Corporation's Second Set of Interrogatories, dated February 17, 2022		
70)	Notice of Filing of Ellis & Winters, LLP Report Identifying Three Additional Covil Insurance Policies After One Day of Searching (attaching Ellis & Winters March 22, 2022 Letter Report to the Court)		
71)	Order on Discovery Motions, dated May 5, 2022		
72)	6/11/2021 Affidavit of B. Wright		
73)	7/9/2021 Affidavit of B. Reifsnyder		
74)	7/23/2021 Affidavit of B. Reifsnyder		
75)	12/22/2021 Affidavit of B. Reifsnyder		
76)	1/7/2021 Deposition Transcript of B. Wright		
77)	8/3/2021 Deposition Transcript of B. Reifsnyder		
78)	8/26/2021 Deposition Transcript of B. Wright		

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Exhibit No.	Document	Document Identification	Confidential
79)	7/13/1977 Deposition Transcript Excerpts of P. Covil		
80)	Covil Corporation Certificate of Incorporation	Covil v. Penn 2098_005893-4	
81)	Resume of Work Performed by Covil Corporation	Covil v. Penn 2098_005895-9	
82)	Order on Discovery Motions, dated November 16, 2022		
83)	Deposition Transcript of Edwin L. Rice, dated October 3, 1991	MILLER 00766-824	
84)	11/10/2022 Deposition Transcript of B. Reifsnyder		
85)	Pretrial Report of Gary J. Moss dated 9/27/21	Covil v. Penn 2098_005900-24	X
86)	Pretrial Report of Jerry W. Archer dated 7/24/20	Covil v. Penn 2098_005925-38	X
87)	Initial Report of Nicholas L. Murphy dated 7/22/21	Covil v. Penn 2098_005939-51	X
88)	Initial Report of Tommy D. Wannamaker dated 5/5/22	Covil v. Penn 2098_005952-70	X
89)	Initial Report of Waymon F. Sims dated 2/9/22	Covil v. Penn 2098_005971-9	X
90)	Covil Certificate Revocation of Authority dated 7/30/93		
91)	Court Order (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated February 24, 2020.		
92)	Court Order (*Zurich American Insurance Company v. Hartford Accident and Indemnity Company*, MDNC, No. 1:18-cv-932), dated April 22, 2020.		

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Exhibit No.	Document	Document Identification	Confidential
93)	Penn National's Interim Report Regarding Progress of Document Sampling/Review of Penn National's Insurance Policy Related Documents, Pursuant to the November 5, 2021 Order of the Court, dated December 7, 2021		
94)	Sharla J. Frost CV	COVIL - FROST - 001031–40	
95)	Charles M. Miller, Esq. CV	COVIL - MILLER - 000347–56	
96)	Deposition Transcript of Sharla J. Frost, dated November 9, 2022		
97)	Deposition Transcript of Scott Maier, dated November 21, 2022		
98)	Deposition Transcript of Charles M. Miller, dated November 28, 2022		
99)	Deposition Transcript of Boyd Wright, dated November 30, 2022		
100)	Hearing Transcript, dated January 25, 2021		
101)	Covil Certificate of Administrative Dissolution		
102)	Article: A New Set of Hurdles for Manville (the New York Times, by Tamar Lewin): dated Feb. 17, 1986		
103)	Declaration of Sharla Frost, dated December 5, 2022		X
104)	Policy Number AC 219 02 88 60		
105)	Opening Brief of Defendant in support of Its Motion to Dismiss Plaintiffs' Second		

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Exhibit No.	Document	Document Identification	Confidential
	Amended Complaint and Exhibit E Policy Number 307 0 35 14 73 (*Tawa, PLC v. Pennsylvania National Mutual Casualty Insurance Company*, D. Del., No. 1:13-cv-01427), dated March 10, 2014		
106)	Amended Complaint and Exhibit A Policy Number 307 0354912 (*Pennsulvania National Mutual Casualty Insurance Company v. Perlberg*, D. Md., No. 1:09-cv-01698), dated October 7, 2009		
107)	Policy Number AU9 0 01 85 16-9	PNI-0281–87; COV_005912; COV_005914; COV_005925; COV_005929; COV_005931; COV_005943; PNI-0001–41; PNI-0050–75; PNI-0099; COV_005897–5911	
108)	Policy Number AU9 0 01 85 16-0	PNI-0042–49; PNI-0076–98; PNI-0100–01; PNI-0108–09; PNI-0116–22; PNI-0144	
109)	Policy Number AU9 0 01 85 16-1	COV_005821–33; PNI-0102–0107; PNI-0110–15; PNI-0123–43; PNI-0145–54	
110)	Policy Number 450 00 01 00 7	PNI-1163–1244	
111)	Policy Number SU 219 001 85 16-9	COV_005820; PNI-0273–80	
112)	Policy Number SU 219 001 85 16-00	PNI-0272; PNI-0264–65	
113)	Policy Number SU 219 001 85 16-01	PNI-0266–71	

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Exhibit No.	Document	Document Identification	Confidential
114)	Policy Number IM9 001 85 16-9	COV_005988–6009; PNI-0247–63	
115)	Policy Number IM9 001 85 16-0	PNI-0242–46; PNI-0292–0303	
116)	Policy Number IM9 001 85 16-1	PNI-0288–90	
117)	Policy Number CL 219 01 85 16 9	COV_005834–96; PNI-0165–69; PNI-0173–74; PNI-0191–97	
118)	Policy Number CL 219 01 85 16 0	PNI-0162–67, PNI-0206–08; PNI-0211–14; PNI-0217–18; PNI-0221; PNI-0223	
119)	Policy Number 515 50 28 53 8	PNI-0193; PNI-1190–92	
120)	Policy Number BC9 0018516	COV_005973–87	
121)	Order granting Covil's Motion for Attorneys' Fees and Costs, dated May 12, 2023		
122)	Post-Trial Motions and Punitive Damages Order (*Portrait Homes -South Carolina, LLC v. Penn. Nat'l Mut. Cas. Ins. Com.*, Court of Common Pleas for the Ninth Judicial Circuit, County of Berkeley, SC, No. 2014-CP-08-2757), dated Mar. 23, 2020		
123)	Penn National's First Interim Report regarding Status of Compliance, dated May 25, 2023		
124)	Penn National's Second Interim Report regarding Status of Compliance, dated June 8, 2023		
125)	Penn National's Third Interim Report regarding Status of		

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Exhibit No.	Document	Document Identification	Confidential
	Compliance, dated June 22, 2023		
126)	Penn National's Fourth Interim Report regarding Status of Compliance, dated July 6, 2023		
127)	Penn National's Fifth Interim Report regarding Status of Compliance, dated July 20, 2023		
128)	Penn National's Sixth Interim Report regarding Status of Compliance, dated August 3, 2023		
129)	Penn National's Nineth Interim Report regarding Status of Compliance, dated September 11, 2023		
130)	Penn National's Tenth Interim Report regarding Status of Compliance, dated September 25, 2023		
131)	Penn National's Eleventh Interim Report regarding Status of Compliance, dated October 9, 2023		
132)	Penn National's Twelfth Interim Report regarding Status of Compliance, dated October 24, 2023		
133)	Sharla J. Frost Trial List from 1987 to 2020	COVIL - FROST - 001041–48	
134)	Charles Miller Outline of Opinions	MILLER 01376–82	
135)	Charles Miller Outline of Industry Standards regarding Lost Policies	MILLER 01365–75	
136)	Covil's 30(b)(6) notice of deposition of Penn National, dated November 3, 2022		

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Exhibit No.	Document	Document Identification	Confidential
137)	Order Appointing a Receiver for Covil Corporation, dated November 2, 2018 (*Taylor v. Air & Liquid Systems Corporation*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2018-CP-40-04940)		
138)	Order Granting the Receiver for Covil Corporation's Motion to Clarify the Receiver Order, dated March 4, 2019 (*Taylor v. Air & Liquid Systems Corporation*, Court of Common Pleas for the Fifth Judicial Circuit, County of Richland, SC, 2018-CP-40-04940)		

Dated: November 20, 2023

Respectfully submitted,

s/ Jonathan M. Robinson
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ATTORNEYS FOR THE RECEIVER FOR COVIL CORPORATION

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, Vs. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	Case Number: 2020-CP-40-02098

THE RECEIVER FOR COVIL CORPORATION'S TRIAL WITNESS LIST

COMES NOW Peter Protopapas, as Court Appointed Receiver for Covil Corporation (the "Receiver"), by and through his counsel of record, and serves his Trial Witness List pursuant to the Court's September 16, 2022 Scheduling Order and the agreement of the Parties.

FACT WITNESSES:

- Peter D. Protopapas
- Brett Reifsnyder (adversely)
- Boyd Wright (adversely)
- Scott Maier (adversely)
- Penn National, through its corporate representatives (adversely)

EXPERT WITNESSES:

- Sharla Frost
- Charles Miller

The Receiver further reserves the right to use any deposition testimony in accordance with the provisions governing the use of depositions contained in the South Carolina Rules of Civil Procedure, the applicable rules of evidence, and this Court's scheduling order.

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Dated: November 20, 2023

Respectfully submitted,

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ATTORNEYS FOR THE RECEIVER FOR COVIL CORPORATION

ELECTRONICALLY FILED - 2023 Nov 21 11:18 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	C.A. No. 2020-CP-40-02098 **THE RECEIVER FOR COVIL CORPORATION'S STATUS REPORT**

Peter D. Protopapas, as Receiver for Covil Corporation, submits this Interim Report on Penn National's compliance with the Court's May 5, 2022 Discovery Order. In the Receiver's most recent Status Report, two issues with the scanned fiche were identified: (1) searchability and (2) errors with the OCR. The searchability issue appears to have been resolved with Ellis & Winter's new system (iPro), but the OCR problem has become demonstrably worse.

A. Background—Issues with the Digital Reel System

1. As this Court will recall, BMI, the vendor that digitized Penn National's microfiche, placed the digitized images on its digital review platform: "Digital Reel." On August 21, 2023, this Court held a hearing on the status of Penn National's compliance with the Court's May 5, 2022 Discovery Order, which arose out of seven motions to compel filed between January 2021 and November 2022 on various discovery disputes between the Receiver and Penn National. A major focus of that hearing was the functionality of the Digital Reel system.

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2. As set forth in the Receiver's report in advance of the hearing, there were significant limitations and errors with both the Digital Reel search engine and the functionality of the Optical Character Recognition ("OCR") process employed within Digital Reel. The report highlighted examples of places within scanned documents where the scanning did not pick up references to the word "Covil," or where the scanning misinterpreted digits or letters as "Covil" when they were actually different words or series of numbers.

3. At the hearing, the Court noted that it was "disappointed" and "frustrated" with the inability of Penn National's chosen OCR software to perform simple, thorough searches in its digitized microfiche files. *See* August 21, 2023 Hearing Tr. at 21:9–19. The Court also explained at the hearing:

> What we needed in this case has been clear now for over two years, which is a way to search the records of [Penn National] to find all times Covil is mentioned. And, instead, we get this thing that, even though, can't do that. All right. And we're supposed to be pleased that it can maybe do 60 percent of what's being asserted.

Id. at 21:14–19.

4. After emphasizing the Receiver's findings that the current database had a "40 percent fail rate" when running a search for the term "Covil," the Court noted "whatever has got to be done to make whatever it is they digitized really searchable, it needs to be done ASAP." *See id.* at 24:7–13

B. <u>Continued Problems with Searchability and Digitization of Scanned Fiche</u>

5. In an attempt to resolve the above-identified errors, Penn National asked the Receiver to provide (and the Receiver did provide in September 2023) a proposal for the services of its expert, Dan Regard at iDS. Mr. Regard offered services that would resolve both issues.

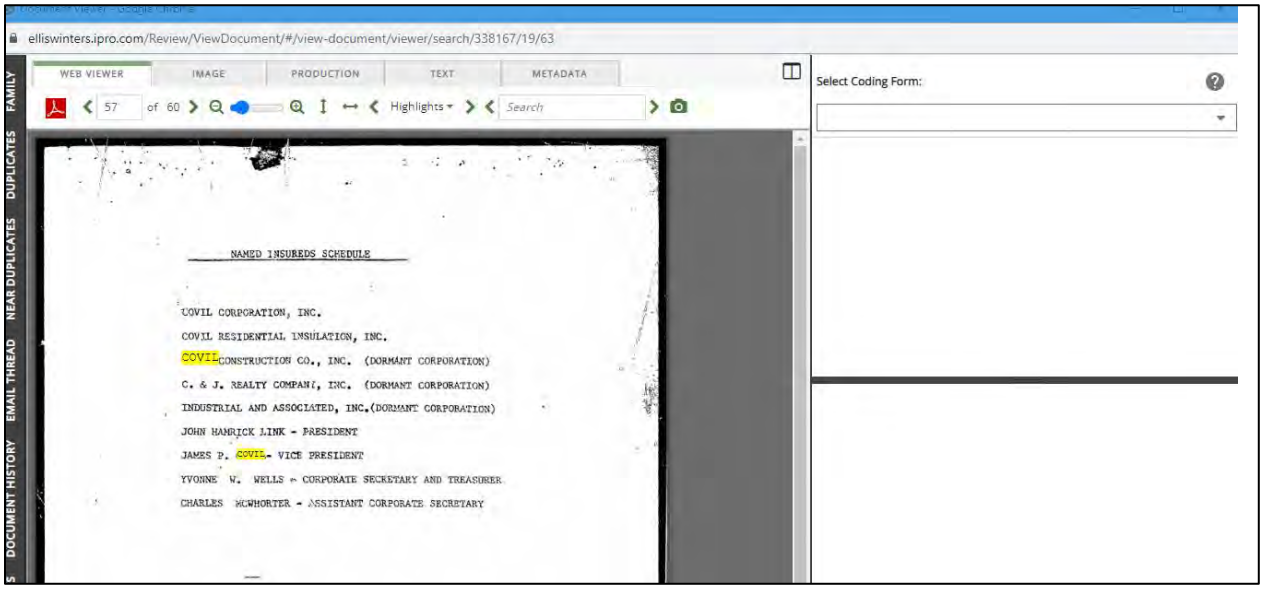
6. As discussed in Penn National's latest interim status report on this matter, Penn National elected to "hold[] off on the work proposed by Dan Regard until after [the parties have]

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had a chance to see if the search capability and accuracy of results might be substantially improved following the anticipated upload of the scanned microfiche repository to iPro." Penn National's Thirteenth Interim Status Report Regarding Status of Compliance with May 12, 2022 Order.

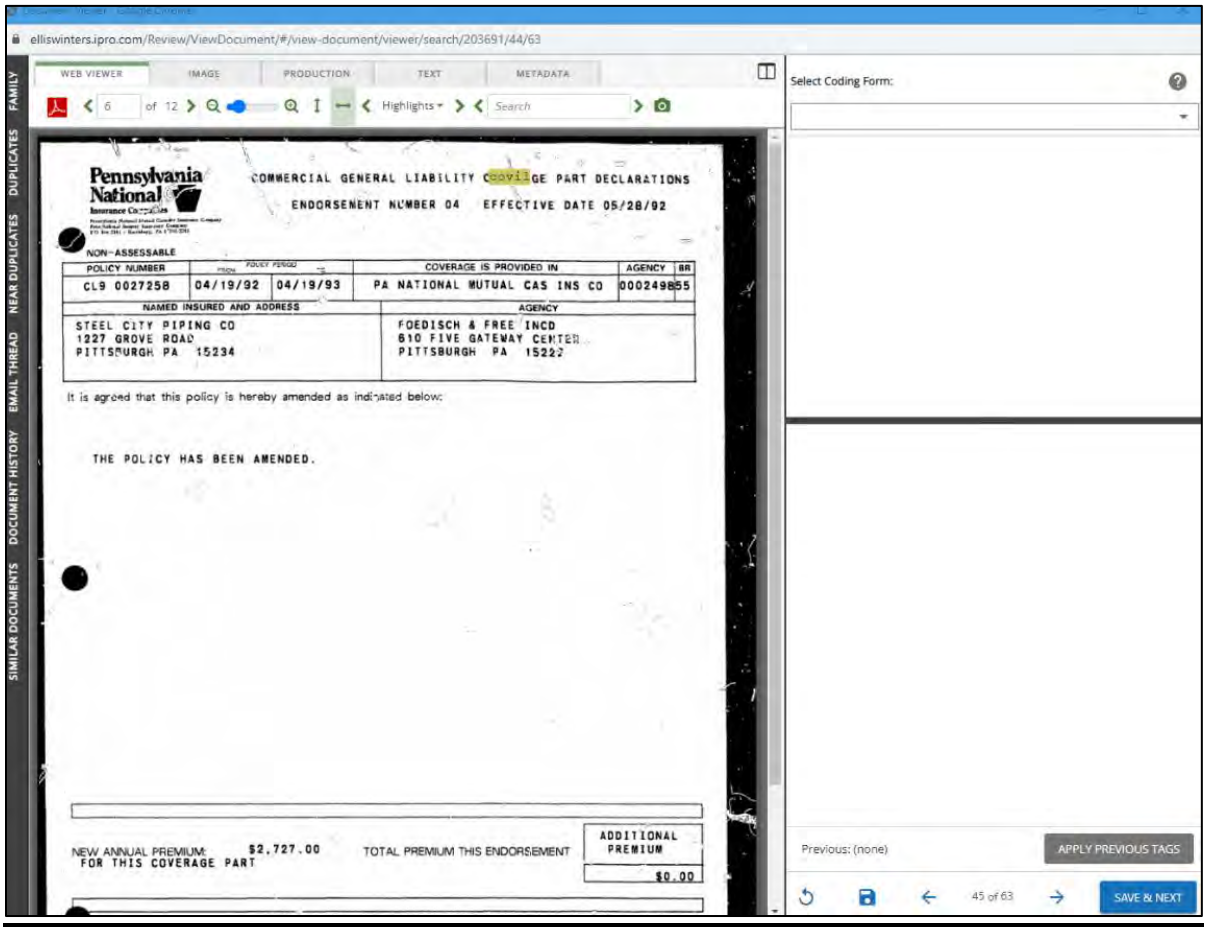
7. On October 24, 2023, the Receiver received credentials for a new Ellis & Winters scanned fiche database hosted by iPro. The new platform improves the searchability issue. But the ***OCR problems*** persist, and in fact ***are more pronounced*** than on the Digital Reel system.

8. First, the updated OCR system continues to miss a significant number of terms when running a simple search for "Covil." In fact, while the new system returned more files after running such a search, ***its failure rate is more severe than the previous system***. The Receiver performed a search for the term "Covil" to conduct a reliability analysis similar to the one discussed at the August 21, 2023 hearing. In all the files returned in the search, the Receiver identified 332 "Covil" terms. Of those terms, only 164 were highlighted while 168 were missed by the OCR system—indicating ***a failure rate of over 50 percent***. The screenshot below, showing some Covil terms highlighted while others are not, is one example of how the updated OCR system continues to miss terms:



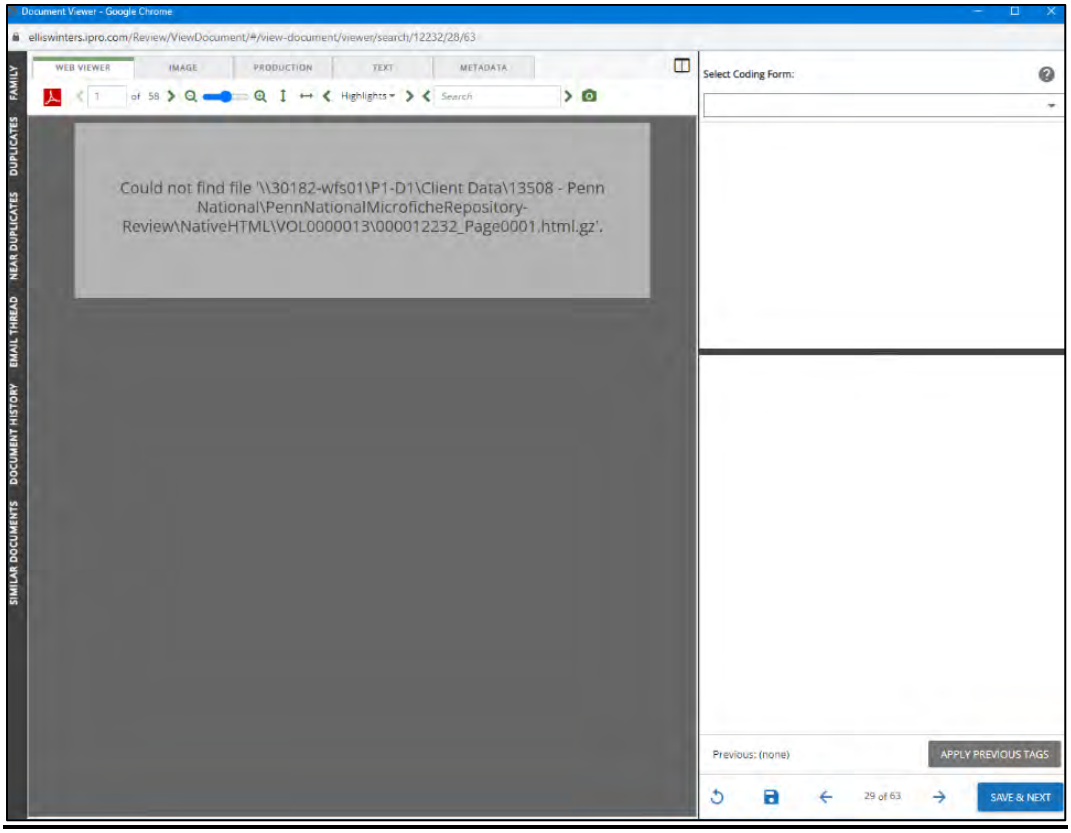
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9. Second, many of the same files contained the same search hits and search misses as they did in the previous OCR system, indicating no improved accuracy. Additionally, most of the inaccurate highlights (incorrect highlights of terms that are not actually "Covil," such as "coverage") were the same inaccurate highlights identified with the last OCR system. All of this indicates that the underlying problems with Penn National's digitized data have not been resolved. The below example shows a search highlight that is clearly inaccurate:



10. Third, the Receiver also identified issues with the new database that did not exist with the past database. Specifically, the new system failed to retrieve at least one file that was included in search results for the term "Covil," resulting in the error message below:

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Because the documents are too voluminous to be reviewed individually, the Receiver is unable to ascertain precisely how many additional files the system may fail to retrieve.

11. Additionally, the Receiver identified instances in which it appears that the new OCR system missed a term that the previous OCR system highlighted. In short, the Receiver sees no indication that the new OCR system improves upon the past search issues at all. Over two months after the August 21, 2023 hearing, it appears that, if anything, the OCR system has gotten less reliable. This faulty searching does not meet the OCR requirements envisioned by this Court.

Status Conference With Court

12. On November 8, 2023, the Receiver's counsel and Penn National's counsel met with the Court to discuss a trial setting in this matter and the current state of Penn National's compliance with the Court's discovery orders. During the conference, the Receiver's counsel

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summarized the above-referenced deficiencies, and the parties discussed with the Court the steps Penn National must take to resolve them.

13. On November 20, 2023, Penn National's counsel and the Receiver's counsel had a conference call with Dan Regard at iDS regarding his September 2023 proposal. During the call, Penn National's counsel indicated that Penn National would sign the work proposal with the direction that iDS was only to conduct "Phase 1" of the written proposal. Penn National's counsel would also send Mr. Regard a confidentiality agreement to sign. Mr. Regard estimated that, given the holidays, "Phase 1" would take approximately six to eight weeks for iDS to complete.

Dated: November 21, 2023

Respectfully submitted,

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ATTORNEYS FOR THE RECEIVER FOR COVIL CORPORATION

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	C.A. No.: 2020-CP-40-02098 **DEFENDANT PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY'S MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT**

Defendant Pennsylvania National Mutual Casualty Insurance Company ("Penn National"), by and through undersigned counsel, hereby submits this Memorandum of Law in Support of its Motion for Summary Judgment filed on November 17, 2023.

I. THE COURT IS NOT EMPOWERED TO ISSUE AN ADVISORY OPINION

Section 15-53-20 of the South Carolina Code identifies the purpose of the Uniform Declaratory Judgments Act ("the Act") and provides that courts "shall have power to declare rights, status and other legal relations whether or not further relief is or could be claimed." S.C. Code § 15-53-20 (2005); *see* Rule 57, SCRCP ("The procedure for obtaining a declaratory judgment pursuant to Code §§ 15-53-10 through 15-53-140, shall be in accordance with these rules, and ... [t]he existence of another adequate remedy does not preclude a judgment for declaratory relief in cases where it is appropriate."). The Act is to be liberally construed and administered to achieve its intended purpose "to settle and to afford relief from uncertainty and insecurity with respect to rights, status and other legal relations." S.C. Code § 15-

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53-130 (2005). However, the Act does not require the courts to give purely advisory opinions as to the issues sought to be raised. *City of Columbia v. Sanders,* 231 S.C. 61, 97 S.E.2d 210 (1957). "[A]n issue that is contingent, hypothetical, or abstract is not ripe for judicial review." *Colleton County Taxpayers Ass'n v. Sch. Dist. of Colleton County,* 371 S.C. 224, 242, 638 S.E.2d 685, 694 (2006).

"A suit for declaratory judgment is neither legal nor equitable, but is determined by the nature of the underlying issue." *S.C. Lottery Comm'n v. Glassmeyer*, 428 S.C. 423, 430, 835 S.E.2d 524, 527 (Ct. App. 2019), citing *Felts v. Richland Cty.*, 303 S.C. 354, 356, 400 S.E.2d 781, 782 (1991). "When the purpose of the underlying dispute is to determine whether coverage exists under an insurance policy, the action is one at law." *Auto-Owners Ins. Co. v. Rhodes*, 405 S.C. 584, 593, 748 S.E.2d 781, 785 (2013), citing *Crossmann Cmtys. of N.C., Inc. v. Harleysville Mut. Ins. Co.*, 395 S.C. 40, 46, 717 S.E.2d 589, 592 (2011).

"A justiciable controversy exists where (1) a concrete issue is present, and (2) there is a definite assertion of legal rights and a positive legal duty which is denied by the adverse party." *Firemen's Ins. Co. v. Cincinnati Ins. Co.*, 302 S.C. 234, 236, 394 S.E.2d 855, 857 (Ct. App. 1990), citing *Power v. McNair*, 255 S.C. 150, 177 S.E.2d 551 (1970). "A party has stated a cause of action under the Declaratory Judgment Act if he states the existence of a controversy which should be decided even though he is ultimately on the wrong side of the controversy." *Dantzler v. Callison,* 227 S.C. 317, 88 S.E.2d 64 (1955).

Although an insurance contract may be construed either before or after a breach occurs, there must be a real or actual controversy between the litigants at the time of the institution of the declaratory judgment action. *Rhodes*, 405 S.C. at 595, citing S.C. Code Ann. § 15-53-40 (2005) and *Nelson v. Ozmint,* 390 S.C. 432, 702 S.E.2d 369 (2010). An adjudication that would

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not settle the legal rights of the parties would be "only advisory and, therefore, beyond the intended purpose and scope of a declaratory judgement." *S.C. Lottery Comm'n v. Glassmeyer,* 428 S.C. 423, 432-33, 835 S.E.2d 524, 528 (Ct. App. 2019), quoting *Power v. McNair*, 255 S.C. 150, 154-55, 177 S.E.2d 551, 553 (1970) (holding action for declaratory judgment to determine whether simultaneous holding of office of city policeman and commission as state constable without compensation would constitute dual office holding prohibited by the South Carolina Constitution presented no justiciable controversy).

Plaintiff Covil Corporation ("Covil") asserts a single nebulous allegation framing the purported dispute over the insurance policies, claiming that:

> Penn National has failed to fully acknowledge or accept its insuring obligations under the Penn National Policies, has reserved its rights, failed to acknowledge or respond to tender of covered Covil Asbestos Suits, and otherwise breached its contracts of insurance.

Complaint at ¶ 9.[1] As the evidentiary record has been developed in this case, Covil has failed to identify a single claim to which this allegation applies or a single "Covil Asbestos Suit" for which it contests Penn National's coverage position, and thereby deprives this Court of any factual or legal predicate to render a merits-based decision that would resolve a dispute or declare the parties' rights. What Covil seeks is a premature resolution of a contingency rather than a judicial determination of a real and substantial controversy, and presents an issue that "is abstract rather than ripe for adjudication … nothing more than a vehicle for rendering an advisory opinion." *See Hitter v. McLeod*, 274 S.C. 616, 619, 266 S.E.2d 418, 420 (1980).

The contrast between this matter and those where a proper, justiciable issue was present is well-demonstrated by *Auto-Owners Ins. Co. v. Rhodes*, 405 S.C. 584, 595-96, 748 S.E.2d 781, 787 (2013). In *Rhodes*, Auto-Owners filed a declaratory judgment action asking the court

[1] A true and accurate copy of Complaint is annexed hereto as Exhibit "A."

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to determine whether coverage was available for property damage claims under a commercial general liability ("CGL") policy. The trial court issued an order in the declaratory judgment action after the judgment in the underlying tort case had been vacated. Auto-Owners argued that there was no longer a justiciable issue and sought to have the order in the declaratory judgment action declared null and void. *Id.* at 591. The Supreme Court of South Carolina found a justiciable controversy sufficient to implicate the Declaratory Judgment Act because (1) the insured demanded the insurer defend and indemnify a *specific* claim; (2) the insurer denied portions of the claim; (3) definite and concrete issues existed regarding the adverse interests of insurer and insured with respect to liability under the CGL policy; and (4) the underlying tort action was still pending.

None of those factors are present here. No specific claim is identified in Covil's Complaint; no set of facts are presented to this Court establishing an actual, justiciable conflict between the parties; and no details of any claim or dispute are presented by which this Court could render a coverage determination or resolve a specific disagreement concerning the application or interpretation of policy provisions. Rather, Covil seeks the Court's interpretation of the Penn National Policies' terms and conditions for use in *other* unspecified circumstances—something the courts of this State expressly prohibit.

Questions of statutory or policy interpretation, by themselves, do not rise to the level of actual controversy (*see Tourism Expenditure Review Comm. v. City of Myrtle Beach*, 403 S.C. 76, 81, 742 S.E.2d 371, 374 [2013]), and South Carolina courts consistently refrain from rendering advisory opinions (*see In re Chance*, 277 S.C. 161, 284 S.E.2d 231 (1981)). Because Covil's Complaint fails to identify a justiciable issue and seeks purely an advisory opinion on the general interpretation of the provisions of the Penn National Policies without reference to a specific claim,

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a specific coverage position, or a specific disagreement between the parties, this Court should refuse to entertain Covil's attempt "to fish in judicial ponds for legal advice" (*City of Columbia v. Sanders*, 231 S.C. 61, 97 S.E. (2d) 210 [1957]), and should grant summary judgment to Penn National.

II. IF THE COURT INSISTS ON ISSUING AN ADVISORY OPINION, IT MUST CONCLUDE THAT COVERAGE IS LIMITED TO ASBESTOS EXPOSURE OCCURRING DURING COVIL'S ONGOING OPERATIONS FROM MARCH 31, 1986 TO MARCH 31, 1988

As established above, Covil plainly seeks an advisory opinion "which [it] might, so to speak, put on ice to be used if and when occasion might arise." *City of Columbia*, 231 S.C. at 68. If the Court elects to entertain Covil's patently improper use of the Declaratory Judgment Act to obtain legal guidance, the Court must conclude that coverage under the Penn National Policies is limited to asbestos exposure injuries occurring during Covil's ongoing operations during the effective dates of coverage—*i.e.*, between March 31, 1986 and March 31, 1988.

A. The Penn National Policies

As alleged in the Complaint, Penn National issued two CGL policies to named insured, Covil Corporation. The policy effective from March 31, 1986 to March 31, 1987 bears policy number 515502853-7, and the policy effective from March 31, 1987 to March 31, 1988 bears policy number 515502853-8.[2] Covil further alleges that each of the Penn National Policies provided for a $1,000,000 each occurrence limit of liability, and a $1,000,000 aggregate limit of liability.[3]

[2] The Penn National Policies are annexed hereto collectively as Exhibit "B."
[3] Exhibit "A" at ¶ 8.

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Section **III** of the Penn National Policies, entitled **Limits of Liability**, provides as follows:[4]

> **Coverage A—**The total liability of the company for all damages, including damages for care and loss of services, because of **bodily injury** sustained by one or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the declarations as applicable to "each **occurrence**."
>
> Subject to the above provision respecting "each **occurrence**", the total liability of the company for all damages because of (1) **bodily injury** included within the **completed operations hazard** and (2) all **bodily injury** included within the **products hazard** shall not exceed the limit of **bodily injury** liability stated in the declarations as "aggregate".

Under the **Limits of Liability** provisions, the Penn National Policies direct that "[f]or the purposes of determining the limit of the company's liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered arising out of one **occurrence**."[5]

The Penn National Policies each contain a provision entitled **EXCLUSION (Completed Operations Hazard and Products Hazard)**, which provides as follows in clear and unambiguous terms:[6]

> It is agreed that such insurance as is afforded by the Bodily Injury Liability Coverage and the Property Damage Liability Coverage does not apply to **bodily injury** or **property damage** included within the **Completed Operations Hazard** or the **Products Hazard**.

The Penn National Policies respectively define the "Completed Operations Hazard" and the "Products Hazard" as follows:[7]

> **"completed operations hazard"** includes **bodily injury** and **property damage** arising out of the operations or reliance upon a representation or warrant made at any time with respect thereto, but only if the **bodily injury** or **property damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the named

[4] Exhibit "B," Bates 000004 and 000047.
[5] *Id*.
[6] *Id*. at 000001, 000030, 000044, and 000068.
[7] *Id*. at 000036 and 000081.

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insured. **"Operations"** include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

(1) when all operations to be performed by or on behalf of the **named insured** under the contract have been completed,

(2) when all operations to be performed by or on behalf of the **named insured** at the site of the operations have been completed, or

(3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The **completed operations hazard** does not include **bodily injury** or **property damage** arising out of

(a) operations in connection with the transportation of property, unless the **bodily injury** or **property damage** arises out of a condition in or on a vehicle created by the loading or unloading thereof,

(b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

(c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations";

* * * *

"products hazard" includes **bodily injury** and **property damage** arising out of the **named insured's products** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **bodily injury** or **property damage** occurs away from premises owned by or rented to the named insured and after physical possession of such products has been relinquished to others;

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B. Interpretation of Insurance Policies

In South Carolina, "[a]n insurance policy is a contract between the insured and the insurance company, and the policy's terms are to be construed according to the law of contracts." *Canal Ins. Co. v. Nat'l House Movers*, LLC, 414 S.C. 255, 260, 777 S.E.2d 418, 421 (Ct. App. 2015) (citing *Auto Owners Ins. Co. v. Rollison*, 378 S.C. 600, 663 S.E.2d 484 (2008)). "Courts must enforce, not write, contracts of insurance, and their language must be given its plain, ordinary and popular meaning." *Id*. at 594, 762 S.E.2d at 709-10 (quoting *Sloan Constr. Co. v. Cent. Nat'l Ins. Co. of Omaha*, 269 S.C. 183, 185, 236 S.E.2d 818, 819 (1977)).

"Where the contract's language is clear and unambiguous, the language alone determines the contract's force and effect." *Id.* at 260, 777 S.E.2d at 421. "The court cannot torture the meaning of policy language to extend coverage not intended by the parties" (*Precision Walls, Inc. v. Liberty Mut. Fire Ins. Co.*, 410 S.C. 175, 183-84, 763 S.E.2d 598, 602 (Ct. App. 2014)), and "[a]mbiguity may not be created in an insurance policy by singling out a sentence or a clause." *Laidlaw Envtl. Servs. (TOC), Inc. v. Aetna Cas. & Sur. Co.*, 338 S.C. 43, 48, 524 S.E.2d 847, 850 (Ct. App. 1999) (quoting *Falkosky v. Allstate Ins. Co.*, 311 S.C. 369, 371, 429 S.E.2d 194, 196 (Ct. App.), *modified*, 312 S.C. 210, 439 S.E.2d 836 (1993) (internal citations omitted). "It is a question of law for the court whether the language of a contract is ambiguous." *Id*. (quoting *S.C. Dep't of Nat. Res. v. Town of McClellanville*, 345 S.C. 617, 623, 550 S.E.2d 299, 302–03 (2001)).

Because an insurance policy is to be interpreted according to the language contained therein, "[t]he court's duty is limited to the interpretation of the contract made by the parties themselves regardless of its wisdom or folly, apparent unreasonableness, or failure of the parties

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to guard their interests carefully." *B.L.G. Enter. v. First Fin. Ins. Co.*, 334 S.C. 529, 535, 514 S.E.2d 327, 330 (1999).

C. To Trigger Coverage, There Must Be Evidence Of A Given Plaintiff's Exposure To Covil Products While Covil Was Performing Ongoing Operations During The Effective Dates Of Coverage

Because the Penn National Policies contain unambiguous, valid, and enforceable **Completed Operations Hazard** and **Products Hazard** Exclusions (*see Laidlaw Envtl. Servs. (TOC), Inc. v. Aetna Cas. & Sur. Co.*, 338 S.C. 43, 48-49, 524 S.E.2d 847 [Ct. App. 1999]; *Auto-Owners Ins. Co. v. Gordon & Assocs.*, Civil Action No. 9:15-4063-RMG, 2005 U.S. Dist. LEXIS 63588 at *7 [D.S.C. Aug. 22, 2016]), coverage for asbestos-related claims under the Penn National Policies is limited. In order to trigger the Insuring Agreements of the Penn National Policies, Covil must show that a given claimant or plaintiff was exposed to asbestos during the effective dates of coverage—*i.e.*, March 31, 1986 to March 31, 1988—and as a result of Covil's ongoing operations during those two consecutive policy periods. Because Covil's complaint fails to identify any specific claimant or plaintiff in connection with which it seeks a declaration of coverage and/or an interpretation of the Penn National Policies, Covil has deprived the Court of any ability to reach a merits ruling with regard to the operation of the Penn National Policies in the context of a given claim. As detailed above, seeking such advisory opinions is not permissible. However, should the Court nevertheless entertain Covil's improper request, it must find that coverage is limited pursuant to the clear and unambiguous provisions of the Penn National Policies.

First, coverage is only available for asbestos exposure injuries resulting from a given claimant or plaintiff's injury that occurs during the respective policy periods of the Penn National Policies—*i.e.*, March 31, 1986 to March 31, 1987, and March 31, 1987 to March 31, 1988. The Supreme Court of South Carolina has consistently held that in a progressive injury case,

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"coverage is triggered at the time of an injury-in-fact and continuously thereafter to allow coverage under all policies in effect from the time of injury-in-fact during the progressive damage." *Crossmann Cmtys. Of N.C. v. Harleysville Mut. Ins. Co.*, 395 S.C. 40, 56, 717 S.E.2d 589, 597 (2011) (quoting *Joe Harden Builders, Inc. v. Aetna Cas. & Sur. Co.*, 326 S.C. 231, 236, 486 S.E.2d 89, 91 (1997)). Therefore, the Penn National Policies are only triggered if the injuries alleged by any theoretical claimant in fact occurred during the Penn National Policies. Again, because Covil has failed to identify any specific claim in connection with which it seeks a declaratory ruling, the Court is unable to declare that the Penn National Policies are or have been triggered.

To be certain, the Penn National Policies are only triggered by an *injury* occurring within the respective policy period, not merely alleged *exposure*. This is critical because South Carolina courts have held that "[t]he time of injury-in-fact is when the injury *manifests*, rather than when the negligent action which ultimately causes the underlying injury occurs." *State Nat'l Ins. Co. v. Eastwood Constr., LLC*, No. 6:16-2607-HMH, 2017 U.S. Dist. LEXIS 226348, at *10-11 (D.S.C. Apr. 18, 2017) (citing *Spartan Petroleum Co. v. Federated Mut. Ins. Co.*, 162 F.3d 805, 809 (4th Cir. 1998)). Again, absent the specific details of a particular claim, the Court is deprived of the ability to discern whether any particular claimant or plaintiff has suffered an injury-in-fact during the specific policy period, versus exposure that ultimately later manifests itself in some type of damage.

Second, coverage under the Penn National Policies is only available for an injury-in-fact that occurs during one of the two policy periods for the Penn National Policies, and only if the subject "bodily injury" is not otherwise excluded by a valid and applicable exclusion to coverage. This is because, as noted, the Penn National Policies each contain a clear and

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unambiguous exclusion for "bodily injury" included within the "Completed Operations Hazard" or the "Products Hazard".

Based on the plain language contained in the Penn National Policies, the "completed operations hazard" exclusion applies to claims: (1) arising out of Covil's operations; (2) after such operations are completed (as further described in the Policies' definition); and (3) if the "bodily injury" occurs away from Covil's premises. Similarly, the Penn National Policies preclude coverage for claims of "bodily injury" arising out of Covil's manufacturing, selling, handling, or distribution of its products. Pursuant to the Penn National Policies' definition of "products hazard," claims of "bodily injury" are included in the "products hazard" exclusion if: (1) the "bodily injury" arises out of the named insured's products; (2) the "bodily injury" occurs away from the named insured's premises; and (3) physical possession of such products has been relinquished by the named insured to others.

Courts in other jurisdictions have held that when the claims asserted in an underlying lawsuit allege liability based solely on the defective nature of the insured's product, the "products hazard" exclusion applies to bar coverage. *See, e.g.*, *Brewer v. Home Ins. Co.*, 710 P.2d 1082 (Ariz. Ct. App. 1985) (the products hazard exclusion applies to bar coverage for claims alleging injury arising out of the use of the insured's products); *Fibreboard Corp. v. Hartford Acc. & Indem. Co.*, 20 Cal.Rptr.2d 376 (Cal. Ct. App. 1993) (the claims asserted in the underlying complaints fall within the products hazard coverage of the policy because they allege that the insured's asbestos products were defective and caused property damage and bodily injury); *Steadfast Ins. Co. v. Eon Labs Mfg.*, 1999 Del. Super. LEXIS 272 (Del. Super. 1999) (claims asserting liability against insured for manufacturing and distributing phentermine fall within products hazard exclusion); *Mayor & City Council of Baltimore v. Utica Mut. Ins. Co.*, 802 A.2d 1070 (Md. App.

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2002) (products hazard exclusion excludes coverage for claims asserting defective product and failure to warn); *Mass Ins. Insolvency Fund v. E. Refractories Co.*, 1997 Mass. Super. LEXIS 589, *8 (Mass. Super. 1997) ("When a defect inherent in the product itself caused the injury, the product hazard provision applies."); *Continental Cas. Co. v. Employers Ins. Co. of Wausau*, 60 A.D.3d 128, 151 (1st Dep't 2008) (holding that claims arising out of the insured's asbestos insulating activities are included within the products hazard coverage); *J.H. Fr. Refractories Co.*, 626 A.2d 502, 509 (Pa. 1993) (claims that insured manufactured and marketed silica products fall squarely within products hazard exclusion); *Celotex Corp. v. AIU Ins. Co.*, 149 B.R. 997, 1001 (M.D. Fla. 1993) ("[D]amages resulting from negligent failure to warn of risks of use of asbestos-containing products in buildings are intimately related to the products themselves and should be covered exclusively by the products liability provisions of the insurance policies.").

The interpretation and application of the "products hazard" exclusion in the Penn National Policies is straightforward, and the exclusion must be enforced based upon the plain language of the exclusion. *See Gambrell v. Travelers Ins. Cos.*, 280 S.C. 69, 71, 310 S.E.2d 814, 816 (1983) ("We must enforce, not write, contracts of insurance"). Accordingly, to the extent the Court accepts Covil's invitation to issue an advisory opinion on the interpretation and application of the provisions of the Penn National Policies in a factual vacuum, the Court must apply the plain language of the "products hazard" exclusion and conclude that there is no coverage under the Penn National Policies for "**bodily injury…**arising out of [Covil's] **products** or reliance upon a representation or warranty made at any time with respect thereto[,]" so long as the "bodily injury" occurs away from premises owned or rented to Covil and after physical possession of the products has been relinquished to others.

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Finally, even if a given claimant suffered an injury-in-fact during the policy period of one of the Penn National Policies, and even if that injury-in-fact occurred as a result of Covil's ongoing operations and was not otherwise excluded from coverage, Penn National's liability is limited pursuant to the "time on the risk" analysis as stated by the Supreme Court of South Carolina in *Crossmann Cmtys. of N.C. v. Harleysville Mut. Ins. Co.*, 395 S.C. 40, 717 S.E.2d 589 (2011). As the *Crossmann* Court explained:

> In cases where it is impossible to know the exact measure of damages attributable to the injury that triggered each policy, courts have looked to the total loss incurred as a result of all of the property damage and then devised a formula to divide that loss in a manner that reasonably approximates the loss attributable to each policy period. The basic formula consists of a numerator representing the number of years an insurer provided coverage and a denominator representing the total number of years during which the damage progressed. This fraction is multiplied by the total amount the policyholder has become liable to pay as damages for the entire progressive injury. In this way, each triggered insurer is responsible for a share of the total loss that is proportionate to its time on the risk.
>
> * * * *
>
> We overrule *Century Indemnity* and impose a "time on risk" approach to defining the scope of each CGL insurer's obligation to its insured in a progressive damage case. This equitable approach best harmonizes with policy language limiting coverage to the "policy period." Moreover, the "time on risk" framework lends itself to a logical default formula that is easily applied when the actual quantum of damage incurred during each policy period is not known.

Crossman, 395 S.C. at 64-65, 67, 717, S.E.2d at 602-603.

Because asbestos exposure injuries necessarily involve the progression of disease over the course of time, and to the extent any given claimant can establish that his, her or their alleged injury was the result of Covil's ongoing operations during the respective policy periods of the Penn National Policies, Penn National's obligation to indemnify Covil for any damages awarded in connection with any such claim must be limited to Penn National's relative "time on

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risk", *i.e.*, the two years from March 31, 1986 through March 31, 1988. *See Zurich Am. Ins. Co. v. Covil Corp.*, No. 1:18-CV-932, 2020 U.S. Dist. LEXIS 138062, at *28-29 (M.D.N.C. Aug. 4, 2020) ("Applying the default formula in *Crossmann*, Zurich and USF&G are each liable for their pro rata share of the judgment, based on the number of years each provided coverage relative to the overall duration of the injury.").

III. THE NON-PLED CLAIMS FOR SPOLIATION OF EVIDENCE AND ASSERTIONS OF CONTRACTUAL DUTIES BEYOND THOSE ESTABLISHED BY THE PENN NATIONAL POLICIES SHOULD BE DISMISSED.

Though no such assertion is contained in the Complaint, and despite any reliable suggestion of evidence that Penn National ever issued another policy of commercial general liability insurance to Covil other than those for the 1986-1987 and 1987-1988 policy years, Covil nevertheless charges Penn National with spoliation of evidence—*i.e.*, that it intentionally or negligently destroyed documentation concerning *other* policies of insurance that Penn National issued to Covil, which would have otherwise provided coverage for Covil's asbestos exposure liabilities. These non-pled claims lack anything resembling a factual or legal predicate, and the Court should not waste its or the parties' time and resources litigating an issue manufactured from thin air.

At its core, the accusation that Penn National spoliated evidence of other liability policies arises from Covil's own displeasure with the methodology employed by Penn National to retain historic insurance policies. Its contention persists notwithstanding Covil's own actual, direct, and admitted knowledge that it possessed specific, identifiable, and insurer-traceable commercial general liability coverage for *every single day* of Covil's operational existence from 1954 through, at least, the conclusion of the March 31, 1992, a full four years after the expiration of the final Penn National policy issued to Covil. This knowledge is not in dispute, as Covil itself created and disseminated a specific, line-by-line spreadsheet of each and every policy of commercial liability

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insurance, with the correlating insurer bearing the risk for Covil's operations, a true and complete copy of which is annexed hereto as Exhibit "C". (Depo. of Peter Protopapas (11/17/2022), p. 81)[8]

Aside from the absence of any reliable evidence to suggest that another commercial general liability policy was ever issued by Penn National to Covil, Covil's objection to Penn National's record keeping systems is hardly sufficient to raise a genuine question as to the existence of another such policy. First, there is no federal or state statute or regulation, nor promulgated industry standard that requires how an insurance company should file and maintain historical policies of insurance. In the absence of a statute, regulation, or industry standard dictating a particular approach to this issue, there is no factual or legal basis for the Circuit Court to mandate that Penn National change its established practices. As noted by the Supreme Court of the United States when addressing a similar issue in *Oppenheimer Fund v. Sanders*:

> The panel dissent and the en banc majority suggested several additional reasons to justify the District Court's order, none of which we find persuasive. Both opinions suggest that the fact that part of these records are kept on computer tapes justifies imposing a greater burden on petitioners than might be imposed on a party whose records are kept in another form…
>
> We do not think these reasons justify the order in this case. There is no indication or contention that these petitioners have acted in bad faith to conceal information from respondents. … **Finally, the suggestion that petitioners should have used "different systems" to keep their records borders on the frivolous.**

437 U.S. 340, 362-63 (1978) (emphasis added).

This is not a "lost policy" case, and no such claims were or ever have been asserted by Covil. The reason for this is simple: Covil has, at all times, possessed actual knowledge of its precise commercial general liability insurers, together with the specific policy numbers referable to each commercial general liability policy providing continuous, uninterrupted coverage

[8] A true and accurate copy of the relevant portions of the transcript of the deposition of the Receiver, Peter Protopapas, conducted in this action on November 17, 2022, is annexed hereto as Exhibit "D."

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from March 31, 1969 through March 31, 1992. Further, Covil has not produced a shred of primary or secondary evidence to suggest that Penn National may have issued another general liability insurance policy to it at any point in time. See, *Gamble v. Travelers Ins. Co.*, 251 S.C. 98, 103, 160 S.E.2d 523, 525 (1968) (burden of proof rests on party seeking insurance benefits to prove coverage). Covil has not produced any business records, board meeting minutes, financial ledgers, premium invoices, receipts or cashed checks for paid premiums, quotes, binders, declaration pages, or certificates of insurance records from its brokers or agents showing the issuance of primary, excess, or umbrella policies referencing scheduled underlying insurance, risk management records, or offered any testimony to establish even the possibility that Penn National issued additional commercial general liability policies to Covil.

Because there is no evidence that any other policy of commercial liability insurance was ever issued by Penn National to Covil, there is no basis for any suggestion that Penn National intentionally or negligently destroyed evidence of any such policy. Likewise, because no evidence exists to suggest that any such other policy ever existed, there is no factual or legal basis for concluding that Penn National owes any defense or indemnification obligations to Covil other than those that may be contained within the two established Penn National Policies, and even then, only for covered claims occurring from March 31, 1986 through March 31, 1988.

IV. CONCLUSION

For the foregoing reasons, Penn National respectfully submits that it is entitled to dismissal of this lawsuit, which patently seeks an advisory opinion concerning the interpretation and application of the Penn National Policies in a complete factual vacuum. Covil cites to no specific alleged breach of the policy terms and conditions and does not seek a determination with respect to Penn National's purported obligations in connection with any specific claim. This is

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a quintessential request for the Court to provide it with an advisory opinion that Covil may "put on ice to be used if and when occasion might arise." *City of Columbia*, 231 S.C. at 68. The Court should reject Covil's attempt to secure this improper relief, and dismiss this action in its entirety.

To the extent the Court declines to dismiss the action outright, it must conclude that the Penn National Policies only provide coverage for "bodily injury" arising out of Covil's ongoing operations from March 31, 1986 through March 31, 1988, only to the extent that such alleged injuries were not within the "product hazard," and even then, only for Penn National's relative "time on risk." The plain language of the Penn National Policies clearly and unambiguously provides that there is no coverage thereunder for "bodily injury" arising out of the "named insured's products," so long as the "bodily injury" occurs away from premises owned or rented to Covil, and provided that the "bodily injury" occurs after Covil has relinquished physical possession of the products to others. Finally, the Supreme Court of South Carolina has unwaveringly held that in the case of progressive injury claims, such as those resulting from asbestos exposure, the proper allocation of indemnity obligations is based upon the "time on risk" analysis. In the face of such a clear directive from the highest court of this State, there is no reason for this Court to conclude otherwise.

Respectfully submitted, this the 21st day of November 2023.

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, Vs. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	Case Number: In Re: Asbestos Personal Injury Litigation Coordinated Docket **SUMMONS**

TO THE ABOVE-NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action, a copy of which is hereby served on you, and to serve a copy of your Answer to the said Complaint upon the subscribers at 1329 Blanding Street, Columbia, South Carolina 29201, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in such Complaint.

Respectfully submitted,

RIKARD & PROTOPAPAS, LLC

s/ Jescelyn T. Spitz
Jescelyn T. Spitz (SC Bar 101880)
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Attorney for the Receiver

This 27th Day of April, 2020

EXHIBIT A

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STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, Vs. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	Case Number: In Re: Asbestos Personal Injury Litigation Coordinated Docket **COMPLAINT FOR DECLARATORY JUDGMENT AND BREACH OF CONTRACT**

COMES NOW Covil Corporation by and through its duly appointed Receiver, Peter D. Protopapas ("Plaintiff" or "Covil"), complaining of the defendants Pennsylvania National Mutual Casualty Insurance Company ("Penn National"); Sam J. Crain & Co., Inc. ("Crain Agency"); and South Carolina Property and Casualty Guaranty Association ("Guaranty Association"), who through undersigned counsel respectfully shows unto the Court as follows:

PARTIES

1. Covil Corporation, appearing by and through its duly appointed receiver, Peter D. Protopapas (the "Receiver"), who maintains his principal place of business in Richland County, South Carolina, brings this action. This Court appointed the Receiver to undertake actions to administer all assets of Covil Corporation, including without limitation its insurance policies. *See* Exhibit A, Receiver Order, at 1 ("This order is inclusive of, but not limited to, the right and obligation to administer any insurance assets of Covil

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Corporation as well as any claims related to the actions of failure to act of Covil's insurance carriers").

2. Plaintiff is informed and believes that defendant Penn National is a corporation organized under the laws of the Commonwealth of Pennsylvania, with its principal place of business located in the Commonwealth of Pennsylvania.

3. Plaintiff is informed and believes that the Crain Agency is a South Carolina corporation.

4. Plaintiff is informed and believes that the Guaranty Association is an association formed under the laws of South Carolina.

JURISDICTION

5. This Court has jurisdiction over the matters alleged herein pursuant to S.C. Code Ann. §§ 36-2-802 and 36-2-803, Article V of the Constitution of the State of South Carolina, and the Court's plenary powers. This Court appointed the plaintiff as Receiver of Covil.

VENUE

6. Venue is proper in this Court as it is the Receiver Court with cases pending and anticipated new filings in this Court. Further, on March 3, 2019, pursuant to the Order of the Supreme Court of South Carolina, Order Number 2017-03-03-01, the Honorable Jean H. Toal was appointed to have jurisdiction in all circuits in this state to dispose of all pretrial matters and motions, as well as trials, arising out of asbestos and asbestos litigation filed within the state court system. Thus, the Honorable Jean H. Toal will have jurisdiction over this matter.

FACTUAL BACKGROUND

7. Covil's operations from 1954 through 1991 included the installation, repair, replacement, removal or disturbance of thermal insulation and other building materials. Those

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operations allegedly exposed persons to asbestos who thereby suffered bodily injury (the "Asbestos Allegations"). The alleged bodily injury resulting from the Asbestos Allegations has resulted in claims and lawsuits against Covil ("Covil Asbestos Suits").

8. Penn National issued general liability policies to Covil (the "Penn National Policies"). The Penn National Policies have standard terms and conditions. It is the burden of Penn National to prove any limitation on or exclusion of coverage. Specifically, Penn National issued primary general liability coverage (policy nos. 515 50 28 53 7 and 515 50 28 53 8) to Covil for the policy periods March 31, 1986 to March 31, 1987 and March 31, 1987 to March 31, 1988 with an annual $1,000,000 combined single limit per occurrence for covered claims, with no limit to the number of occurrences, as follows:

Policy Period	Policy Number	Limits of Liability
March 31, 1986 – March 31, 1987	515 50 28 53 7	$1,000,000 per occurrence; $1,000,000 aggregate where applicable
March 31, 1987 – March 31, 1988	515 50 28 53 8	$1,000,000 per occurrence; $1,000,000 aggregate where applicable

9. Penn National has failed fully to acknowledge or accept its insuring obligations under the Penn National Policies, has reserved its rights, failed to acknowledge or respond to tender of covered Covil Asbestos Suits, and otherwise breached its contracts of insurance.

10. On information and belief, Mission Insurance Company ("Mission") issued umbrella coverage that Covil contends "drops down" to provide "first dollar" coverage or coverage above a retained limit of less than $25,000, for which the Receiver is not responsible, in

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the event that there is no available primary coverage. The Mission policy is missing but was written on a standard form that provides for the payment or reimbursement of defense and indemnity costs, as those terms are understood in the insurance business. The Mission policy was issued for the period June 16, 1986 to March 31, 1987. Covil has experienced losses that "trigger" the Mission policy and would be sufficient in size to invoke the policy, which Covil contends, on information and belief, has a limit of liability of $5,000,000.

11. On information and belief, Mission was liquidated on September 12, 1987.

12. The Guaranty Association was statutorily created to protect the policy holders of insolvent insurance companies like Mission. The Guaranty Association "is considered the insurer to the extent of its obligation on the covered claims and, to this extent, has all rights, duties, and obligations of the insolvent insurer as if the insurer had not become insolvent." S.C. Code Ann. § 38-31-60(b).

13. On November 2, 2018, Plaintiff was appointed Receiver of Covil, giving him the power and authority fully to administer all assets of Covil, accept service on behalf of Covil, engage counsel on behalf of Covil, and take any and all steps necessary to protect the interests of Covil, whatever they may be. Since appointment, the Receiver has expended substantial time and incurred expenses to identify potential assets and responsive policies and to defend Covil Asbestos Suits in fulfillment of his responsibilities as Receiver. The Receiver will continue to expend substantial time and incur expenses in connection with Covil Asbestos Suits.

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FIRST CAUSE OF ACTION
DECLARATORY JUDGMENT

14. An actual and justiciable controversy exists between the Receiver for Covil and Penn National concerning Penn National's obligations to Covil, including its obligation to pay for the Receiver's defense of Covil.

15. Judicial declarations are necessary and appropriate at this time, under the circumstances alleged above, so that plaintiff may ascertain his rights against Penn National.

16. Pursuant to S.C. Code Ann. § 15-65-100, the Receiver shall be allowed such commissions as may be fixed by the Court appointing the Receiver.

17. Pursuant to the Supreme Court of South Carolina's ruling in *Ex Parte Simons*, 289 S.C. 1, 344 S.E.2d 151 (1986), a Receiver's fee is based on the value of the Receiver's services and at the appointing Court's discretion.

18. Plaintiff dedicated a substantial amount of time and incurred substantial expenses in his role as Receiver for Covil, including in connection with the defense of asbestos suits against Covil. The Receiver is continuing to devote such time to the defense of Covil and will continue to incur expenses in his role as Receiver, which defense obligations are those of Penn National.

19. Plaintiff respectfully requests this Court to declare that Penn National must fairly compensate Plaintiff for the substantial time, effort, and expenses Plaintiff expended in connection with the defense of asbestos suits potentially covered under the Penn National policies and to further declare that this obligation is unlimited and shall continue as long as there are Covil Asbestos Suits pending.