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Bonni Fine Kaufman (202) 419-2547 bonni.kaufman@hklaw.com

March 31, 2011

Charles M. Crout, Esq. Andrews Kurth LLP 1350 I Street, NW Suite 1100 Washington, DC 20005

Re:

NJDEP v. Occidental Chemical Corporation, et al., Docket No. L-9868-05 (PASR) Supplemental Third-Party Disclosure by Quala Systems, Inc. and Quality Carriers, Inc. Pursuant to Case Management Order XII and the Order on Consent dated January 31, 2011

Dear Mr. Crout:

Enclosed is Third Party Defendants Quala Systems, Inc. and Quality Carriers, Inc.'s Supplemental Third-Party Disclosure in connection with the above-referenced matter, pursuant to Case Management Order XII and the Order on Consent dated January 31, 2011, and Michael Ertle of Drinker Biddle & Reath's consent to an extension. The enclosed consists of: (i) a document entitled "Supplemental Third-Party Disclosure by Quala Systems, Inc. and Quality Carriers, Inc.," dated March 31, 2011, (ii) a disc containing responsive, non-privileged/protected documents Bates stamped as QCI0000001 to QCI0007214, (iii) a Public Document Log and (iv) a certificate of service. The Privilege Log will be provided next week.

Thank you for your courtesy in granting an extension.

Sincerely yours,

HOLLAND & KNIGHT LLP

Bonni Fine Kaufman

Enclosures

cc: Honorable Marina Corodemus, Esq. (via posting on CT Summation, without CD)

Eric B. Rothenberg, Esq. (via UPS, with enclosures)

Charles M. Crout, Esq. March 31, 2011 Page 2

Lee D. Henig-Elona, Esq. (via UPS, with enclosures)
John M. Scagnelli, Esq. (via UPS, with enclosures)
Peter J. King, Esq. (via UPS, with enclosures)
Michael Gordon, Esq. (via UPS, with enclosures)
Robert T. Lehman, Esq. (via UPS, with enclosures)
Gregg H. Hilzer, Esq. (via UPS, with enclosures)
William L. Warren, Esq. (via UPS, with enclosures)
James A. McGuinness, Esq. (via UPS, with enclosures)
Domenick Carmagnola, Esq. (via UPS, with enclosures)
Jonathan Gold, Esq. (via email, without enclosures)
James Rakitsky (via email, without enclosures)

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Counsel for Third-Party Defendants
Ouala Systems, Inc. and Quality Carriers, Inc.

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION and THE ADMINISTRATOR OF THE NEW JERSEY SPILL COMPENSATION FUND,

Plaintiffs,

v.

OCCIDENTAL CHEMICAL
CORPORATION, TIERRA SOLUTIONS,
INC., MAXUS ENERGY CORPORATION,
REPSOL YPF, S.A., YPF, S.A., YPF
HOLDINGS, INC. and CLH HOLDINGS,
INC.,

Defendants.

MAXUS ENERGY CORPORATION and TIERRA SOLUTIONS,

INC.,

Third-Party Plaintiffs,

VS.

3M COMPANY, et al.,

Third-Party Defendants.

SUPERIOR COURT OF NEW JERSEY LAW DIVISION: ESSEX COUNTY

DOCKET NO. L-9868-05 (PASR)

CIVIL ACTION

SUPPLEMENTAL THIRD-PARTY DISCLOSURE OF QUALITY CARRIERS, INC. AND QUALA SYSTEMS, INC. Third-Party Defendants Quala Systems, Inc. and Quality Carriers, Inc. (collectively "Respondent") hereby provide its Supplement to Initial Disclosure pursuant to Case Management Order ("CMO") XII and prior CMOs incorporated therein by reference and in accordance with terms of the January 31, 2011 Consent Order ("Consent Order") applicable to certain of those Third-Party Joint Defense Group members who have received written confirmation that CMO XII paragraph 21(a) production of site files is complete from Drinker Biddle & Reath LLP, Andrews Kurth LLP, and/or Hannafan & Hannafan, Ltd. firms (counsel for Third-Party Plaintiffs) and in accordance with requests for an extension granted by Michael P. Ertle of Drinker, Biddle & Reath, collectively the "Amended Production Requirements."

Reservations and Comments

- 1. Respondent reserves the right to object to the production of any documents or other information on any ground, including relevance and undue burden, and to assert any applicable privilege, including the attorney-client privilege, the work product doctrine, the common interest doctrine, confidentiality, trade secret, State and Federal Homeland Security confidentiality and any other applicable protection. These disclosures are not intended to prejudice or waive any privileges or objections Respondent may have with respect to any outstanding or subsequent requests for discovery or discovery obligations.
- 2. Respondent's investigation in this matter is continuing. Accordingly, it reserves the right to supplement, amend, clarify, and revise these disclosures any time prior to trial to the extent additional information becomes available or is obtained through discovery. Further, Respondent reserves the right to amend these disclosures to the extent the claims brought by or alleged against Respondent in this litigation are amended.

- 3. Respondent reserves its right to rely on any facts, documents or other evidence that may develop or come to Respondent's attention during the course of this matter. Respondent's responses are set forth herein without prejudice to its right to assert additional objections or supplement, amend, clarify and revise its responses should Respondent discover additional grounds for doing so during the course of this matter.
- 4. "Documents", excluding electronic e-mail and Electronically Stored Information, shall have the meaning set forth in this Court's August 11, 2009 Order for Preservation of Documents and Data.
 - 5. "Alleged Discharges" shall have the meaning set forth in the Court's CMO VIII.
- 6. "Sites", per CMO VIII, shall be defined as those site(s) or properties with which Respondent is associated in Third-Party Complaint B.
- 7. Document Production requirements are set forth in CMO XII, paragraph 21 (as amended by the Consent Order) ("Amended Production Requirements") are read in concert with CMO VIII, paragraph 3 and CMO V, paragraph 8 incorporated by reference in CMO XII, paragraph (1), CMO VIII, *inter alia*, called for a listing of those documents to be produced by Third-Party Defendants with certain excepted categories, the "Excepted Information Categories". The Amended Production Requirements are also answered with reference to the Alleged Discharges as defined in CMO VIII, and include certain documents under the Excepted Information Categories except to the extent these documents are covered by logs attached hereto. To the extent requirements set forth in Amended Production Requirements are repetitive, burdensome and/or unfairly place a duty of inquiry on Third-Party Defendants as to the Newark Bay Complex locations other than the Sites, disclosures herein are provided with reference to the

Amended Production Requirements and CMO XII paragraph 21(c) unless otherwise noted. With respect to Amended Production Requirements as to CMO XII, paragraph 21(b), reference is made to information previously furnished by the JDG in connection with CMO V, paragraph 8.

- 8. Documents subject to claims of privilege will be detailed in a log to be furnished in accordance with the August 11, 2009 "Agreed Order Regarding Documents Withheld from Production" as appended to CMO VIII, and provided under the Amended Production Requirements. Inadvertent production of any such document shall constitute neither a waiver of any privilege or protection nor a waiver of any right Respondent may have to demand the return or destruction of such document and/or to object to the use of any such document or the information contained therein in this litigation or any subsequent litigation or proceeding.
- 9. In accordance with the Court's August 11, 2009 Agreed Order Regarding Documents Withheld From Production and CMO XII, paragraph 21(d), Respondent has neither produced nor logged any documents after December 13, 2005 or those documents which are communications regarding, or which reflect the activities of, the Cooperating Parties Group, the Small Parties Group and/or the Joint Defense Group; for all such documents Respondent asserts confidentiality and/or attorney-client privilege and/or protection under the joint defense, common interest and/or work product doctrines.
- 10. These general Objections, Reservations, Comments and Limitations apply to and are incorporated in each of Respondent's responses as if specifically set forth in each response below. The stating of a specific objection, reservation, comment and/or limitation, or the absence of any, shall not be constructed as a waiver of any of these General Objections, Reservations, Comments and Limitations.

<u>Production as to Paragraph 21(c) Requests as Amended by the Amended Production</u> Requirements

- 1. A copy of all Documents relating to the following information for the site(s), properties and/or operations with which the Third-Party Defendant is associated in the Third-Party Complaints:
- i. the release or discharge of Hazardous Materials from or at that Third Party Defendant's properties or operations.
- **Response** Documents responsive to this request, to the extent available, are on the enclosed discs subject to the exceptions provided under the Amended Production Requirements.
- ii. the operations, manufacturing and/or production processes, any Hazardous Materials stored or utilized on the property, and any sampling that took place on the property and any sampling or testing of the materials, by products or waste products used in connection therewith;
- **Response** Respondent limits its response in accordance with paragraph 7 above and in accordance with the Amended Production Requirements. Responsive Documents to this request, to the extent available, are on the enclosed discs as provided under the Amended Production Requirements.
- iii. sampling results from environmental, chemical, or biological testing conducted at that Third Party Defendant's properties; and
- **Response** Respondent limits its response to those documents as to the Alleged Discharges in accordance with paragraph 7. Documents responsive to this request, to the extent available, are on the enclosed discs as provided under the Amended Production Requirements.
- iv. any communications involving that Third-Party Defendant and any branch, department, agency or instrumentality of municipal, State or federal government relating to any discharges or releases of Hazardous Materials or this litigation.
- **Response** Documents responsive to this request will be produced pursuant to the requirements of CMO XII, Paragraph 21(c) as to the Alleged Discharge as provided under the Amended Production Requirements.
- 2. Any Documents relating to any industrial waste containing Hazardous Materials that was transported to, processed or treated at, or discharged from any of the sites and/or properties with which a Third Party Defendant is associated in the Third Party Complaints.
- **Response -** Documents responsive to this request as to the Alleged Discharge, to the extent available, are on the enclosed discs as provided under the Amended Production Requirements.

c. Any insurance or indemnity agreement under which another person or entity may be liable to satisfy all or part of a possible judgment in this action or to indemnify or reimburse for payments made to satisfy said judgment.

Response - Documents responsive to this request, to the extent available, are on the enclosed discs as provided under the Amended Production Requirements and as to policies potentially covering the Alleged Discharges.

<u>Production as to Paragraph 21(b) Requests as Amended by the Amended Production</u> Requirements

Copies of all non-privileged Documents other than electronic email discovery, that relate to (i.) the alleged discharge of any hazardous wastes, hazardous substances, pollutants or contaminants ("Hazardous Materials") to the Newark Bay Complex;

Response - See, Paragraph 5-9, above. See, Response to Paragraph 21c 1, i., above.

(ii.) the potential pathways and methods by which the Hazardous Materials have been released to the Newark Bay Complex, as well as the quantity, nature and toxicity of such Hazardous Materials:

Response - See, Paragraph 5-9, above. See, Response to Paragraphs 21(c), 1, i. - iv., above.

(iii.) other actions relating to properties or operations that may have adversely impacted the environmental condition of the Newark Bay Complex

Response - <u>See</u>, Paragraph 5-9, above.

(iv.) the costs and damages costs and damages sought in connection with any alleged discharge of Hazardous Materials.

Response - <u>See</u>, Paragraph 5-9, above. Third-Party Defendant further notes that all cross-claims and counterclaims and Fourth-Party claims are stayed in the present action and, as such, it has made no such claim against parties in this action at this time.

<u>Production as to Paragraph 21(b) Requests as Amended by the Amended Production Requirements</u>

Copies of all non-privileged Documents other than electronic email discovery, that relate to (i.) the alleged discharge of any hazardous wastes, hazardous substances, pollutants or contaminants ("Hazardous Materials") to the Newark Bay Complex;

Response - See, Paragraph 7, above. See, Response to Paragraph 21c 1, i., above.

(ii.) the potential pathways and methods by which the Hazardous Materials have been released to the Newark Bay Complex, as well as the quantity, nature and toxicity of such Hazardous Materials;

Response - See, Paragraph 7, above. See, Response to Paragraphs 21(c), 1, i. - iv., below.

(iii.) other actions relating to properties or operations that may have adversely impacted the environmental condition of the Newark Bay Complex

Response - See, Paragraph 7, above.

(iv.) the costs and damages costs and damages sought in connection with any alleged discharge of Hazardous Materials.

Response - <u>See</u>, Paragraph 7, above. Respondent further notes that certain cross-claims and counterclaims and Fourth-Party claims are stayed in the present action and it has made no such claim against parties in this action at this time.

August 11, 2009 CMO VIII Excepted Information Categories

Excepted Information includes the following:

"Information, ("Information"), including, but not limited to, environmental, chemical and/or biological testing of groundwater, surface water, soil or sediment (hereinafter "Sampling Information") contained in the nexus packages produced pursuant to paragraph 8(e) of CMO V".

See, Paragraph 4(a), as well as information produced under CMO XII, paragraph 21(a).

"Information previously produced to any branch, department, agency or instrumentality of the State of New Jersey including to the New Jersey Department of Environment Protection ("NJDEP") or Information produced to any other governmental agency or entity whose responsibility it is to oversee environmental compliance in the Newark Bay Complex Area, including, but not limited to, the United States Environmental Protection Agency and the United States Army Corps of Engineers (hereinafter "Governmental Recipients"). We believe information received from such agencies is included within the exception, although we have

produced information received from such agencies. Without waiving any rights to provide a log of such information, Respondent has also produced all information submitted or produced to governmental agencies, except for certain documents specifically on the Public Documents Log.

"Information produced to any Licensed Site Remediation Professional (hereinafter "LSRP") who is duly licensed by the State of New Jersey at the time of receipt of such Information where such disclosure of Information is intended to be used in connection with any remedial investigation or remedial action having an assigned case number in the NJDEP's NJEMS system;" See, Paragraph 4(c).

"Sampling Information compiled with the expectation of being produced to a Governmental Recipient or an LSRP under Paragraphs 4(b) or 4(c) but which Sampling Information has not yet undergone quality assurance/quality control or similar analysis;" See, Paragraph 4(d).

"Information produced by a third-party defendant to any third-party plaintiff pursuant to the New Jersey Open Records Act or other freedom of information law or regulation;" See, Paragraph 4(e).

"Information previously produced to Defendants" See, Paragraph 4(f).

"Information that falls within the attorney-client privilege and/or the attorney work product privilege." See, Paragraph 4(g).

Dated: March 31, 2011

Respectfully submitted,

Sean C. Sheely Katherine A. Skeele

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NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION and THE ADMINISTRATOR OF THE NEW JERSEY SPILL COMPENSATION FUND,

Plaintiffs,

v.

OCCIDENTAL CHEMICAL CORPORATION, TIERRA SOLUTIONS, INC., MAXUS ENERGY CORPORATION, REPSOL YPF, S.A., YPF, S.A., YPF HOLDINGS, INC. and CLH HOLDINGS, INC.,

Defendants.

MAXUS ENERGY CORPORATION and TIERRA: SOLUTIONS, : INC.. :

Third-Party Plaintiffs,

VS.

3M COMPANY, et al.,

Third-Party Defendants.

SUPERIOR COURT OF NEW JERSEY LAW DIVISION: ESSEX COUNTY

DOCKET NO. L-9868-05 (PASR)

CIVIL ACTION

CERTIFICATE OF SERVICE OF SUPPLEMENTAL THIRD-PARTY DISCLOSURE BY QUALA SYSTEMS, INC. AND QUALITY CARRIERS, INC. PURSUANT TO CASE MANAGEMENT ORDER XII AND THE ORDER ON CONSENT DATED JANUARY 31, 2011 I, Bonni F. Kaufman, hereby certify that Third-Party Defendants Quala Systems, Inc. and Quality Carriers, Inc.'s Supplemental Third-Party Disclosure pursuant to Case Management Order XII and the Order on Consent dated January 31, 2011, including (i) a document entitled "Supplemental Third-Party Disclosure by Quala Systems, Inc. and Quality Carriers," dated March 31, 2011, (ii) a disc containing responsive, non-privileged/protected documents Bates stamped as QCI0000001 to QCI0007214, and (iii) a Public Document Log to the Supplemental Third-Party Disclosure by Quala Systems, Inc. and Quality Carriers, Inc., prepared in accordance with the Court's August 11, 2009 Agreed Order Regarding Documents Withheld From Production and Case Management Order XII, paragraph 21(d), was served on the following liaison counsel for the third-party defendants and counsel of record for the original parties, on March 31, 2011 via overnight courier:

Liaison Counsel

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James A. McGuinness, Esq. Hannafan & Hannafan, Ltd. One East Wacker Drive, Suite 2800 Chicago, IL 60601 jam@hannafanlaw.com Dated: March 31, 2011

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Counsel for Third-Party Defendants Quala Systems, Inc. and Quality Carriers, Inc.

March 31, 2011 Publically Available Documents of Quala Systems, Inc. And Quality Carriers, Inc.

Date	Type of Document	Author	Recipient	Copied	Subject Matter
10/00/98	Report	BCM Engineers	EnviroPower, Inc.		Site Investigation Report for Chemical Leaman Tank Lines Facility
07/00/04	Report				Remedial Investigation Results Report
10/00/04	Sampling Plan				Supplemental Sampling Plan
05/10/06	Letter of Transmittal with Enclosure	Science Application International Corp. (SAIC)	Michael P. Gaudio, NJDEP	Roy Peterson, QDI	Forwarding Supplemental Remedial Investigation Work Plan for Chemical Leaman Tank Lines Facility
02/15/06	Figures and Plates		110		
06/22/07	Letter with Enclosure	Marc A. Reeves, Science Application International Corp. (SAIC)	Michael P. Gaudio, NJDEP	James A. Rakitsky, QDI	Forwarding addendum May 10, 2006 Supplemental Remedial Investigation Work Plan for Chemical Leaman Tank Lines Facility
07/00/09	Report (2 Vols.)	SAIC	QDI		Remedial Investigation Report for Chemical Leaman Tank Lines Facility
02/28/11	Letter with Enclosure	William Presnal, Hatch Mott	Michael P. Gaudio, NJDEP	Roy Peterson, QDI; James A. Rakitsky,	Forwarding Vapor Intrusion Investigation Report for Chemical

MacDonald (HMM)	QDI; Angelo	Leaman Tank Lines Facility
	Bufaino, HMM	