

Marc J. Gross, Esq.
Mark H. Sobel, Esq.
Gregg H. Hilzer, Esq.
GREENBAUM, ROWE, SMITH & DAVIS LLP
75 Livingston Avenue
Suite 301
Roseland, NJ 07068
Telephone: (973) 535-1600
Facsimile: (973) 577-1811

Ileana M. Blanco, Esq.
Christina E. Ponig, Esq.
DLA PIPER LLP (US)
600 Travis Avenue, Suite 1700
Houston, Texas 77002
Telephone: (713) 425-8400
Facsimile: (713) 425-8401

Attorneys for Defendants
YPF Holdings, Inc. and CLH Holdings, Inc.

NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION,
THE COMMISSIONER OF THE 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,

Defendants.

:
: SUPERIOR COURT OF NEW JERSEY
: LAW DIVISION -ESSEX COUNTY

:
: DOCKET NO. ESX-L-9868-05

:
: **ANSWER AND DEFENSES OF**
: **DEFENDANTS YPF HOLDINGS,**
: **INC., AND CLH HOLDINGS, INC.**

Defendants YPF Holdings, Inc. (“YPFH”) and CLH Holdings, Inc. (“CLHH”), by and through their counsel, submit the following Answer and Defenses to the Second Amended Complaint of Plaintiffs, the New Jersey Department of Environmental Protection (“NJDEP”), the Commissioner of the New Jersey Department of Environmental Protection (“Commissioner”), and the Administrator of the New Jersey Spill Compensation Fund (“Administrator”) (collectively, “the State”). In submitting their Answer and Defenses, YPFH and CLHH do not waive, and continue to assert, their defense and argument that this Court lacks personal jurisdiction over them.

I. ANSWER TO THE STATE’S ALLEGATIONS

1. YPFH and CLHH deny all allegations contained in ¶1 of Plaintiffs’ Second Amended Complaint that pertain to them. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶1 of Plaintiffs’ Second Amended Complaint. YPFH and CLHH refer to the Answers of Maxus Energy Corporation (“Maxus”), Tierra Solutions, Inc. (“Tierra”), Repsol YPF, S.A. (“Repsol”), and YPF, S.A. (“YPF”) concerning allegations in this paragraph against those entities.

2. YPFH and CLHH deny the allegations contained in ¶2 of Plaintiffs’ Second Amended Complaint.

3. In response to the allegations contained in ¶3 of Plaintiffs’ Second Amended Complaint, YPFH and CLHH deny that the “consequences of Defendants’ actions are far-reaching and significant.” YPFH and CLHH deny the allegations contained in ¶3 of Plaintiffs’ Second Amended Complaint that pertain to them. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities.

YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶3 of Plaintiffs' Second Amended Complaint.

4. YPFH and CLHH deny the allegations contained in ¶4 of Plaintiffs' Second Amended Complaint.

5. YPFH and CLHH admit that the State has brought an action on the grounds stated to seek the relief requested, and deny that the State is entitled to any relief. YPFH and CLHH deny the remaining allegations contained in ¶5 of Plaintiffs' Second Amended Complaint.

6. In response to the allegations contained in ¶6 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that the State has brought an action on the grounds stated to seek the relief requested and further admit that the State disavows asserting other types of claims. YPFH and CLHH admit that the State purports to "reserve" certain natural resource damage claims until some unspecified time "in the future" but deny the legal efficacy of the State's unilateral attempt to do so. YPFH and CLHH further deny that the State is entitled to any relief in this action and deny the remaining allegations in ¶6 of Plaintiffs' Second Amended Complaint.

7. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶7 of Plaintiffs' Second Amended Complaint.

8. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶8 of Plaintiffs' Second Amended Complaint.

9. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶9 of Plaintiffs' Second Amended Complaint.

10. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶10 of Plaintiffs' Second Amended Complaint.

11. YPFH and CLHH admit the allegations contained in the first sentence of ¶11 of Plaintiffs' Second Amended Complaint. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegation that Occidental Chemical Corporation ("OCC") has been served, but admit that OCC has appeared in this matter.

12. In response to the allegations contained in ¶12 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that Maxus is a corporation organized under the laws of the State of Delaware and that Maxus has a place of business located at 1330 Lake Robbins Drive, Suite 300, The Woodlands, Texas 77380. YPFH and CLHH admit that Maxus was formerly known as Diamond Shamrock Corporation ("DSC-II") and, before that, New Diamond Corporation ("New Diamond"). YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegation that Maxus has been served, but admit that Maxus has appeared in this matter. YPFH and CLHH lack sufficient

knowledge or information sufficient to form a belief as to the truth of the remaining allegations in ¶12 of Plaintiffs' Second Amended Complaint. YPFH and CLHH refer to the Answer of Maxus concerning allegations against Maxus contained in this paragraph.

13. In response to the allegations contained in ¶13 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that Tierra was formerly known as Diamond Shamrock Chemical Land Holdings, Inc. ("DSCLH"), and Chemical Land Holdings, Inc. ("CLH"), and that Tierra is a corporation organized under the laws of the State of Delaware. YPFH and CLHH further admit that Tierra has a place of business located at 2 Tower Center Boulevard, Floor 10, East Brunswick, New Jersey 08816. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegation that Tierra has been served, but admit that Tierra has appeared in this matter. YPFH and CLHH lack sufficient knowledge or information sufficient to form a belief as to the truth of the remaining allegations in ¶13 of Plaintiffs' Second Amended Complaint. YPFH and CLHH refer to the Answer of Tierra concerning allegations against Tierra contained in this paragraph.

14. YPFH and CLHH admit the allegations contained in the first sentence of ¶14 of Plaintiffs' Second Amended Complaint. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegation that Repsol has been served, but admit that Repsol has appeared in this matter for the limited purpose of challenging personal jurisdiction. YPFH and CLHH deny that Repsol either does business in New Jersey, or is subject to the specific or general jurisdiction of the State. YPFH and CLHH deny the remaining allegations contained in ¶14 of Plaintiffs' Second Amended Complaint.

15. YPFH and CLHH admit the allegations contained in the first sentence of ¶15 of Plaintiffs' Second Amended Complaint. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegation that YPF has been served, but admit that YPF has appeared in this matter for the limited purpose of challenging personal jurisdiction. YPFH and CLHH deny that YPF either does business in New Jersey, or is subject to the specific or general jurisdiction of the State. YPFH and CLHH deny the remaining allegations contained in ¶15 of Plaintiffs' Second Amended Complaint.

16. YPFH and CLHH admit the allegations contained in the first sentence of ¶16 of Plaintiffs' Second Amended Complaint. YPFH and CLHH admit that YPFH has been served and that YPFH has appeared in this matter for the limited purpose of challenging personal jurisdiction. YPFH and CLHH deny that YPFH does business in New Jersey, or is subject to the specific or general jurisdiction of the State. YPFH and CLHH deny the remaining allegations contained in ¶16 of Plaintiffs' Second Amended Complaint.

17. YPFH and CLHH admit the allegations contained in the first sentence of ¶17 of Plaintiffs' Second Amended Complaint. YPFH and CLHH admit that CLHH has been served and has appeared in this matter for the limited purpose of challenging personal jurisdiction. YPFH and CLHH deny that CLHH does business in New Jersey, or is subject to the specific or general jurisdiction of the State but admit the allegations contained in the third sentence of ¶17 as to Tierra.

18. In response to the allegations contained in ¶18 of Plaintiffs' Second Amended Complaint, YPFH and CLHH deny that Maxus is the "alter ego" of any other direct or indirect corporate subsidiary. Further, YPFH and CLHH deny that either YPFH or CLHH is the "alter

ego” of Maxus or any other affiliated corporate entity. YPFH and CLHH refer to the Answer of Maxus concerning allegations in this paragraph against Maxus. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶18 of Plaintiffs’ Second Amended Complaint.

19. In response to the allegations contained in ¶19 of Plaintiffs’ Second Amended Complaint, YPFH and CLHH admit that 80 Lister Avenue and 120 Lister Avenue are collectively referred to as the “Lister Site” in the Complaint. YPFH and CLHH admit that portions of the Lister Site are located on the banks of the Passaic River. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶19 of Plaintiffs’ Second Amended Complaint.

20. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶20 of Plaintiffs’ Second Amended Complaint.

21. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶21 of Plaintiffs’ Second Amended Complaint.

22. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶22 of Plaintiffs’ Second Amended Complaint.

23. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶23 of Plaintiffs' Second Amended Complaint.

24. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶24 of Plaintiffs' Second Amended Complaint.

25. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶25 of Plaintiffs' Second Amended Complaint.

26. In response to the allegations contained in ¶26 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that Diamond Shamrock Chemicals Corporation ("DSCC") was sold to a subsidiary of Occidental Petroleum Corporation ("Occidental") in 1986. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶26 of Plaintiffs' Second Amended Complaint.

27. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶27 of Plaintiffs' Second Amended Complaint.

28. In response to the allegations contained in ¶28 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that, in 1986, DSCC was sold to a subsidiary of Occidental. YPFH and CLHH refer to the Answers of Maxus and Tierra concerning the allegations in this

paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶28 of Plaintiffs' Second Amended Complaint.

29. In response to the allegations contained in ¶29 of Plaintiffs' Second Amended Complaint, YPFH and CLHH refer to the Answers of Maxus and Tierra concerning allegations contained in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶29 of Plaintiffs' Second Amended Complaint.

30. In response to the allegations contained in ¶30 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that DSCC was sold to a subsidiary of Occidental in 1986. YPFH and CLHH refer to the Answers of Maxus and Tierra concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶30 of Plaintiffs' Second Amended Complaint.

31. In response to the allegations contained in ¶31 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that Maxus is an indirect subsidiary of Repsol and of YPF and that Maxus is a direct subsidiary of YPFH. YPFH and CLHH refer to the Answers of Repsol, YPF, Maxus, and Tierra concerning allegations in this paragraph against those entities. YPFH and CLHH deny that Maxus and Tierra are or were alter egos of one another or any other corporate entity. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations in the first sentence of ¶31 of Plaintiffs' Second Amended Complaint.

32. In response to the allegations contained in ¶32 of Plaintiffs' Second Amended Complaint, YPFH and CLHH refer to the Answers of Maxus and Tierra concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶32 of Plaintiffs' Second Amended Complaint.

33. YPFH and CLHH deny the allegations contained in ¶33 of Plaintiffs' Second Amended Complaint.

34. In response to ¶34 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that Tierra was formed to acquire title to certain properties, including the Lister Site, that Occidental was not acquiring under the 1986 SPA. YPFH and CLHH deny that Maxus and Tierra are or were alter egos of one another or any other corporate entity. YPFH and CLHH refer to the Answers of Maxus and Tierra concerning allegations contained in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶34 of Plaintiffs' Second Amended Complaint.

35. In response to the allegations contained in ¶35 of Plaintiffs' Second Amended Complaint, YPFH and CLHH deny that Maxus and Tierra are or were alter egos of one another or any other corporate entity. YPFH and CLHH admit that YPF was formerly a governmental entity of the Argentinean Republic, involved in the oil and gas business. YPFH and CLHH refer to the Answers of Defendants Maxus, Tierra, and YPF concerning allegations in this paragraph against those entities. YPFH and CLHH deny that YPF has a strong presence in the United States, including New Jersey. YPFH and CLHH lack sufficient knowledge or information

sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶35 of Plaintiffs' Second Amended Complaint.

36. YPFH and CLHH deny the allegations contained in ¶36 of Plaintiffs' Second Amended Complaint.

37. In response to the allegations contained in ¶37 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that Tierra is a subsidiary of CLHH, which is a subsidiary of YPFH. YPFH and CLHH further admit that Maxus is a subsidiary of YPFH, which is a subsidiary of YPF. YPFH and CLHH admit that YPFH and CLHH are Delaware corporations with principal places of business in Texas. YPFH and CLHH deny the remaining allegations contained in ¶37 of Plaintiffs' Second Amended Complaint.

38. In response to the allegations contained in ¶38 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that Maxus and Tierra entered into an Assumption Agreement in 1996, the terms of which speak for themselves. YPFH and CLHH refer to the Answers of Defendants Maxus, Tierra, and YPF concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶38 of Plaintiffs' Second Amended Complaint.

39. In response to the allegations contained in ¶39 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that YPF, YPF International Ltd., YPFH, CLHH, Maxus, and Tierra entered into a Contribution Agreement in 1996 ("Contribution Agreement"), the terms of which speak for themselves. YPFH and CLHH refer to the Answers of Defendants YPF, Maxus, and Tierra concerning the allegations in this paragraph against those entities. YPFH and

CLHH deny the remaining allegations contained in ¶39 of Plaintiffs' Second Amended Complaint.

40. In response to the allegations contained in ¶40 of Plaintiffs' Second Amended Complaint, YPFH and CLHH state that the terms of the Contribution Agreement speak for themselves. YPFH and CLHH refer to the Answers of Defendants YPF, Maxus, and Tierra concerning the allegations in this paragraph against those entities. YPFH and CLHH deny the remaining allegations of ¶40 of Plaintiffs' Second Amended Complaint.

41. YPFH and CLHH deny the allegations contained in ¶41 of Plaintiffs' Second Amended Complaint.

42. In response to the allegations contained in ¶42 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that the interest in Maxus Southeast Sumatra, LLC, and the stock of YPF Java Baratlaut, B.V. were sold to a subsidiary of YPF on December 31, 1997. YPFH and CLHH deny that the transfer occurred for "substantially less than fair market value." YPFH and CLHH refer to the Answers of Defendants YPF, Maxus, and Tierra concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶42 of Plaintiffs' Second Amended Complaint.

43. In response to the allegations contained in ¶43 Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that Maxus International Energy Company sold YPF, Ecuador, Inc.'s stock to YPF International Ltd. The terms of the 1997 Stock Purchase and Sale Agreement speak for themselves. YPFH and CLHH deny the remaining allegations contained in ¶43 of Plaintiffs' Second Amended Complaint.

44. YPFH and CLHH admit that, in 1998, David Wadsworth was vice-president of YPFH and a vice-president of CLHH. YPFH and CLHH admit that, in 1998, H.R. Smith was a secretary of YPFH, CLHH, and Tierra. YPFH and CLHH deny that they or any other corporate entity took actions that “left” Maxus or any other corporate entity “empty.” YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶44 of Plaintiffs’ Second Amended Complaint.

45. In response to the allegations contained in ¶45 of Plaintiffs’ Second Amended Complaint, YPFH and CLHH deny that Maxus “was forced to look to YPF and its subsidiaries for all of its funding.” YPFH and CLHH further refer to the Answer of Maxus concerning allegations in this paragraph made against Maxus. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶44 of Plaintiffs’ Second Amended Complaint.

46. In response to the allegations contained in ¶46 of Plaintiffs’ Second Amended Complaint, YPFH and CLHH admit that, in 2002 and 2003, YPF submitted self-guarantee applications to NJDEP for chromium-related sites. YPFH and CLHH deny that Repsol moved “former Maxus assets” from YPF’s international subsidiaries to Repsol’s international subsidiaries. YPFH and CLHH further deny that Repsol moved or “stripped” any assets to insulate them from any of Maxus and Tierra’s liabilities. YPFH and CLHH refer to the Answers of Repsol, YPF, Maxus, and Tierra concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶46 of Plaintiffs’ Second Amended Complaint.

47. In response to the allegations contained in ¶47 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that YPF, from time to time, has provided funds to YPFH and that those funds were ultimately distributed to Maxus and Tierra. YPFH and CLHH deny the allegations contained in the second sentence of ¶47 of Plaintiffs' Second Amended Complaint. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph made against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶47 of Plaintiffs' Second Amended Complaint.

48. In response to the allegations contained in ¶48 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that YPFH is a holding company that owns Maxus' and CLHH's stock. YPFH and CLHH admit that CLHH is a holding company that owns Tierra's stock. YPFH and CLHH admit that YPFH is a U.S. based subsidiary of YPF. YPFH and CLHH admit that YPFH and YPF entered into a Credit Contract, effective August 1, 2005 ("Credit Contract"), that the Credit Contract was amended three times, and that the Third Amendment to the Credit Contract became effective May 3, 2006. YPFH and CLHH state that the terms of the Credit Contract speak for themselves. YPFH and CLHH state that Deloitte & Touche LLP's ("Deloitte & Touche") Independent Accountants' Review Report of the Consolidated Financial Statements of YPFH and Subsidiaries as of March 31, 2006 and December 31, 2005, and for the Three-Month Periods Ended March 31, 2006 and 2005, speaks for itself. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities. YPFH and CLHH deny that they have operated jointly, as co-conspirators, as one cohesive economic unit, or as alter-egos with YPF or any other affiliated corporate

entities. YPFH and CLHH further deny the remaining allegations contained in ¶48 of Plaintiffs' Second Amended Complaint.

49. In response to the allegations contained in ¶49 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that YPFH and CLHH do not have any employees, but deny that those companies have no operations; they operate as shareholders of other companies. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities. YPFH and CLHH deny the remaining allegations contained in ¶49 of Plaintiffs' Second Amended Complaint.

50. In response to the allegations contained in ¶50 Plaintiffs' Second Amended Complaint, YPFH and CLHH do not know to which "officers or directors" the State refers, nor do YPFH and CLHH know what time period the State references in this paragraph. As a result, YPFH and CLHH lacks sufficient knowledge or information sufficient to permit them to form a belief as to the allegations in this paragraph. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities.

51. In response to the allegations contained in ¶51 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that Repsol acquired over 95% of YPF's stock and is the majority owner of YPF. YPFH and CLHH deny the allegations contained in the second sentence of this paragraph. YPFH and CLHH admit that, in 2005, Repsol organized its worldwide operations into three divisions: upstream, downstream, and ABB. YPFH and CLHH admit that YPF, Maxus, and Tierra are part of the ABB division. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities.

YPFH and CLHH deny the remaining allegations contained in ¶51 of Plaintiffs' Second Amended Complaint.

52. YPFH and CLHH deny the allegations contained in ¶52 of Plaintiffs' Second Amended Complaint.

53. YPFH and CLHH deny the allegations contained in ¶53 of Plaintiffs' Second Amended Complaint.

54. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶54 of Plaintiffs' Second Amended Complaint.

55. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶55 of Plaintiffs' Second Amended Complaint.

56. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶56 of Plaintiffs' Second Amended Complaint.

57. In response to ¶57 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that the State purports to quote portions of the opinion in Diamond Shamrock Chems. Co. v. Aetna Cas. & Sur. Co., 258 N.J. Super. 167, 215-16 (App. Div. 1992) ("Aetna Opinion") and state that the Aetna Opinion speaks for itself. To the extent that this paragraph calls for further answer, YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to

form a belief as to the truth of the allegations contained in ¶57 of Plaintiffs' Second Amended Complaint.

58. In response to ¶58 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that the State purports to quote portions of the Aetna Opinion and state that the Aetna Opinion speaks for itself. To the extent that this paragraph calls for further answer, YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶58 of Plaintiffs' Second Amended Complaint.

59. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶59 of Plaintiffs' Second Amended Complaint.

60. In response to ¶60 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that the State purports to quote portions of the Aetna Opinion and state that the Aetna Opinion speaks for itself. To the extent that this paragraph calls for further answer, YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶60 of Plaintiffs' Second Amended Complaint.

61. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶61 of Plaintiffs' Second Amended Complaint.

62. YPFH and CLHH deny all allegations contained in ¶62 of Plaintiffs' Second Amended Complaint that pertain to them. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities. YPFH

and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶62 of Plaintiffs' Second Amended Complaint.

63. In response to ¶63 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that the State purports to quote portions of the Aetna Opinion and state that the Aetna Opinion speaks for itself. To the extent that this paragraph calls for further answer, YPFH and CLHH deny the allegations contained in ¶63 of Plaintiffs' Second Amended Complaint.

64. In response to the allegations contained in ¶64 of Plaintiffs' Second Amended Complaint, YPFH and CLHH deny that YPF and Maxus participated in a joint effort to "strip Maxus' assets away" from "the liabilities at issue." YPFH and CLHH refer to the Answer of Maxus concerning allegations in this paragraph made against Maxus. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶64 of Plaintiffs' Second Amended Complaint.

65. YPFH and CLHH deny all allegations in ¶65 of Plaintiffs' Second Amended Complaint that pertain to them. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶65 of Plaintiffs' Second Amended Complaint.

66. YPFH and CLHH deny the allegations contained in ¶66 of Plaintiffs' Second Amended Complaint.

67. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶67 of Plaintiffs' Second Amended Complaint.

68. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶68 of Plaintiffs' Second Amended Complaint.

69. In response to the allegations contained in ¶69 of Plaintiffs' Second Amended Complaint, YPFH and CLHH admit that, in 1990, the United States District Court for the District of New Jersey entered a consent decree for DSCC's former Lister Avenue plant. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶69 of Plaintiffs' Second Amended Complaint.

70. In response to the allegations contained in ¶70 of Plaintiffs' Second Amended Complaint, YPFH and CLHH refer to the Answer of Tierra concerning allegations in this paragraph made against Tierra. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶70 of Plaintiffs' Second Amended Complaint.

71. YPFH and CLHH deny all allegations in ¶71 of Plaintiffs' Second Amended Complaint that pertain to them. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶71 of Plaintiffs' Second Amended Complaint.

72. YPFH and CLHH deny all allegations in ¶72 of Plaintiffs' Second Amended Complaint that pertain to them or any other defendant. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶72 of Plaintiffs' Second Amended Complaint.

73. YPFH and CLHH deny all allegations in ¶73 of Plaintiffs' Second Amended Complaint that pertain to them or any other defendant. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶73 of Plaintiffs' Second Amended Complaint.

74. YPFH and CLHH deny the allegations in ¶74 of Plaintiffs' Second Amended Complaint.

75. YPFH and CLHH deny the allegations in ¶75 of Plaintiffs' Second Amended Complaint.

76. YPFH and CLHH deny all allegations contained in ¶76 of Plaintiffs' Second Amended Complaint that pertain to them. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶76 of Plaintiffs' Second Amended Complaint.

77. YPFH and CLHH deny all allegations contained in ¶77 of Plaintiffs' Second Amended Complaint that pertain to them. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶77 of Plaintiffs' Second Amended Complaint.

78. In response to the allegations contained in ¶78 of Plaintiffs' Second Amended Complaint, YPFH and CLHH refer to the Answers of Maxus and Tierra concerning allegations in this paragraph against those entities. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶78 of Plaintiffs' Second Amended Complaint.

79. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶79 of Plaintiffs' Second Amended Complaint.

80. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶80 of Plaintiffs' Second Amended Complaint.

81. In response to the allegations contained in ¶81 of Plaintiffs' Second Amended Complaint, YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations in the first sentence of ¶81. The second sentence of this paragraph is a characterization of the State's claims, and does not require a response. To the extent that this paragraph calls for further answer, YPFH and CLHH admit that the State disavows asserting natural resource damage claims in this action, and purports to "reserve" such claims until some unspecified time "in the future," but YPFH and CLHH deny the legal efficacy

of the State's unilateral attempt to do so. YPFH and CLHH deny the remaining allegations contained in ¶81 of Plaintiffs' Second Amended Complaint.

82. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the allegations contained in ¶82 of Plaintiffs' Second Amended Complaint.

83. YPFH and CLHH deny all allegations contained in ¶83 of Plaintiffs' Second Amended Complaint that pertain to them. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all remaining allegations contained in ¶83 of Plaintiffs' Second Amended Complaint.

84. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶84 of Plaintiffs' Second Amended Complaint.

FIRST COUNT – SPILL ACT

85. In response to ¶85 of Plaintiffs' Second Amended Complaint, YPFH and CLHH hereby repeat and incorporate by reference each and every response contained in paragraphs 1 through 84 above, as if fully recited herein.

86. The allegations in contained in ¶86 of Plaintiffs' Second Amended Complaint call for a legal conclusion, and, therefore, YPFH and CLHH deny same.

87. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶87 of Plaintiffs' Second Amended Complaint.

88. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶88 of Plaintiffs' Second Amended Complaint.

89. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of all allegations contained in ¶89 of Plaintiffs' Second Amended Complaint.

90. YPFH and CLHH deny the allegations contained in ¶90 of Plaintiffs' Second Amended Complaint.

91. In response to the allegations contained in ¶91 of Plaintiffs' Second Amended Complaint, YPFH and CLHH deny that they are dischargers of TCDD and, thus, deny the allegations as to themselves. With respect to allegations against any other defendants, YPFH and CLHH refer to those defendants' Answers to such allegations. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶91 of Plaintiffs' Second Amended Complaint.

92. In response to the allegations contained in ¶92 of Plaintiffs' Second Amended Complaint, YPFH and CLHH deny that they are dischargers of TCDD and, thus, deny the allegations as to themselves. With respect to allegations against any other defendants, YPFH and CLHH refer to those defendants' Answers to such allegations. YPFH and CLHH lack sufficient

knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶92 of Plaintiffs' Second Amended Complaint.

93. In response to the allegations contained in ¶93 of Plaintiffs' Second Amended Complaint, YPFH and CLHH state that the Spill Act speaks for itself, deny that the State is entitled to the relief requested, and further deny the remaining allegations contained in ¶93 of Plaintiffs' Second Amended Complaint.

WHEREFORE, YPFH and CLHH demand judgment dismissing plaintiffs' Second Amended Complaint with prejudice, together with costs, disbursements and attorneys' fees in the full amount provided by the law.

SECOND COUNT - WATER POLLUTION CONTROL ACT

94. In response to ¶94 of Plaintiffs' Second Amended Complaint, YPFH and CLHH hereby repeat and incorporate by reference each and every response contained in paragraphs 1 through 93 above, as if fully recited herein.

95. In response to the allegations contained in ¶95 of Plaintiffs' Second Amended Complaint, the allegations in this paragraph call for a legal conclusion, and, therefore, YPFH and CLHH deny same.

96. YPFH and CLHH deny the allegations contained in ¶96 of Plaintiffs' Second Amended Complaint that pertain to them. With respect to allegations against any other defendants, YPFH and CLHH refer to those defendants' Answers to such allegations.

97. YPFH and CLHH deny the allegations contained in ¶97 of Plaintiffs' Second Amended Complaint that pertain to them. YPFH and CLHH refer to the Answers of Maxus, Tierra, Repsol, and YPF concerning allegations in this paragraph against those entities.

98. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶98 of Plaintiffs' Second Amended Complaint.

99. YPFH and CLHH lack sufficient knowledge or information sufficient to permit them to form a belief as to the truth of the remaining allegations contained in ¶99 of Plaintiffs' Second Amended Complaint.

100. YPFH and CLHH deny the allegations contained in ¶100 of Plaintiffs' Second Amended Complaint.

WHEREFORE, YPFH and CLHH demand judgment dismissing plaintiffs' Second Amended Complaint with prejudice, together with costs, disbursements and attorneys' fees in the full amount provided by the law.

THIRD COUNT - PUBLIC NUISANCE

101. In response to ¶101 of Plaintiffs' Second Amended Complaint, YPFH and CLHH hereby repeat and incorporate by reference each and every response contained in paragraphs 1 through 100 above, as if fully recited herein.

102. The allegations contained in ¶102 of plaintiffs' Second Amended Complaint call for a legal conclusion, and, therefore, YPFH and CLHH deny same.

103. YPFH and CLHH deny the allegations contained in ¶103 of Plaintiffs' Second Amended Complaint that pertain to them. With respect to allegations against any other defendants, YPFH and CLHH refer to those defendants' Answers to such allegations.

104. YPFH and CLHH deny the allegations contained in ¶104 of Plaintiffs' Second Amended Complaint.

105. YPFH and CLHH deny the allegations contained in ¶105 of Plaintiffs' Second Amended Complaint.

106. YPFH and CLHH deny the allegations contained in ¶106 of Plaintiffs' Second Amended Complaint.

107. YPFH and CLHH deny the allegations contained in ¶107 of Plaintiffs' Second Amended Complaint.

108. YPFH and CLHH deny the allegations contained in ¶108 of Plaintiffs' Second Amended Complaint.

109. YPFH and CLHH deny the allegations contained in ¶109 of Plaintiffs' Second Amended Complaint.

WHEREFORE, YPFH and CLHH demand judgment dismissing plaintiffs' Second Amended Complaint with prejudice, together with costs, disbursements and attorneys' fees in the full amount provided by the law.

FOURTH COUNT - TRESPASS

110. In response to ¶110 of Plaintiffs' Second Amended Complaint, YPFH and CLHH hereby repeat and incorporate by reference each response contained in paragraphs 1 through 109 above, as if fully recited herein.

111. YPFH and CLHH deny the allegations contained in ¶111 of Plaintiffs' Second Amended Complaint.

112. YPFH and CLHH deny the allegations contained in ¶112 of Plaintiffs' Second Amended Complaint.

113. YPFH and CLHH deny the allegations contained in ¶113 of Plaintiffs' Second Amended Complaint.

WHEREFORE, YPFH and CLHH demand judgment dismissing plaintiffs' Second Amended Complaint with prejudice, together with costs, disbursements and attorneys' fees in the full amount provided by the law.

FIFTH COUNT - STRICT LIABILITY

114. In response to ¶114 of Plaintiffs' Second Amended Complaint, YPFH and CLHH hereby repeat and incorporate by reference each response contained in paragraphs 1 through 113 above, as if fully recited herein.

115. YPFH and CLHH deny the allegations contained in ¶115 of Plaintiffs' Second Amended Complaint.

116. YPFH and CLHH deny the allegations contained in ¶116 of Plaintiffs' Second Amended Complaint.

117. YPFH and CLHH deny the allegations contained in ¶117 of Plaintiffs' Second Amended Complaint.

WHEREFORE, YPFH and CLHH demand judgment dismissing plaintiffs' Second Amended Complaint with prejudice, together with costs, disbursements and attorneys' fees in the full amount provided by the law.

SIXTH COUNT - FRAUDULENT TRANSFERS

118. In response to ¶118 of Plaintiffs' Second Amended Complaint, YPFH and CLHH hereby repeat and incorporate by reference each response contained in paragraphs 1 through 117 above, as if fully recited herein.

119. YPFH and CLHH deny the allegations contained in ¶119 of Plaintiffs' Second Amended Complaint.

120. YPFH and CLHH deny all allegations contained in ¶120 of Plaintiffs' Second Amended Complaint.

121. YPFH and CLHH deny all allegations contained in ¶121 of Plaintiffs' Second Amended Complaint.

122. YPFH and CLHH deny all allegations contained in ¶122 of Plaintiffs' Second Amended Complaint.

123. YPFH and CLHH deny all allegations contained in ¶123 of Plaintiffs' Second Amended Complaint.

124. YPFH and CLHH deny the allegations contained in ¶124 of Plaintiffs' Second Amended Complaint.

WHEREFORE, YPFH and CLHH demand judgment dismissing plaintiffs' Second Amended Complaint with prejudice, together with costs, disbursements and attorneys' fees in the full amount provided by the law.

SEVENTH COUNT - CIVIL CONSPIRACY/AIDING AND ABETTING

125. In response to ¶125 of Plaintiffs' Second Amended Complaint, YPFH and CLHH hereby repeat and incorporate by reference each response contained in paragraphs 1 through 124 above, as if fully recited herein.

126. YPFH and CLHH deny the allegations contained in ¶126 of Plaintiffs' Second Amended Complaint.

127. YPFH and CLHH deny the allegations contained in ¶127 of Plaintiffs' Second Amended Complaint.

128. YPFH and CLHH deny the allegations contained in ¶128 of Plaintiffs' Second Amended Complaint.

129. YPFH and CLHH deny the allegations contained in ¶129 of Plaintiffs' Second Amended Complaint.

130. YPFH and CLHH deny the allegations contained in ¶130 of Plaintiffs' Second Amended Complaint.

WHEREFORE, YPFH and CLHH demand judgment dismissing plaintiffs' Second Amended Complaint with prejudice, together with costs, disbursements and attorneys' fees in the full amount provided by the law.

II. SEPARATE DEFENSES

Without assuming the burden of proof where such burden is otherwise on the State as a matter of applicable substantive or procedural law, YPFH and CLHH assert the following defenses. YPFH and CLHH reserve the right to assert additional defenses as information becomes available to them.

1. The Court lacks personal jurisdiction over YPFH and CLHH.
2. The Complaint is barred in whole or in part as it fails to state a cause of action against YPFH and CLHH upon which relief can be granted.
3. The State's claims against YPFH and CLHH are barred, in whole or in part, by the applicable Statute of Limitations, Statute of Repose, and the equitable doctrines of laches and estoppel.
4. The State's claims are barred, in whole or in part, by the doctrines of waiver, consent, estoppel, release and assumption of risk.
5. Federal law preempts some or all of the State's claims.

6. Some or all of the State's claims violate due process rights protected by the Fifth Amendment, as incorporated in the Fourteenth Amendment, of the United States Constitution.

7. The State's selective pursuit of the narrow group of parties, disregarding hundreds if not thousands of sources of pollution to the vast Newark Bay Complex, constitutes unlawful selective enforcement that violates Constitutional Due Process Rights and the New Jersey Doctrine of Fundamental Fairness.

8. The obligations, damages, costs and penalties the State seeks to impose violate YPFH's and CLHH's Constitutional Due Process Rights, their rights under the Eighth Amendment to the U.S. Constitution, and the New Jersey Doctrine of Fundamental Fairness.

9. The State's claims are barred, in whole or in part, by the doctrines of collateral estoppel, res judicata, judicial estoppel, and accord and satisfaction.

10. The State's claims against YPFH and CLHH are subject to setoff and recoupment and therefore must be reduced accordingly.

11. The State's claims are barred, in whole or in part, by the doctrine of unclean hands, because of the State's actions or omissions in breach of their fiduciary obligations under the public trust doctrine, and other acts and omissions that exacerbated contamination of the Newark Bay Complex.

12. The State's claims contravene fundamental notions of public policy.

13. The State seeks relief in excess of its statutory authority, or otherwise seeks to impose obligations that are *ultra vires*.

14. The State is not entitled to recover attorneys' fees or costs and fees of litigation.
15. The State's claims are barred by the statutory defenses to liability provided by the Spill Compensation and Control Act ("Spill Act"), and the Water Pollution Control Act ("WPCA").
16. The State's claims are barred to the extent they seek relief for conduct occurring, or damages incurred, before the effective date of the Spill Act.
17. The State had notice, and was aware of, the discharges it alleges in its Complaint before YPFH and CLHH existed, and therefore, YPFH and CLHH cannot be subject to penalties for the alleged failure to timely notify the State of such discharges.
18. Plaintiff Administrator cannot recover monies paid from the Spill Fund in excess of \$3,000,000 in any one year period, as alleged discharges occurred before the effective date of the Spill Act.
19. In the event the State is entitled to relief under the Spill Act, such relief is capped by the limitation on liability set forth in N.J.S.A. 58:10-23.11g.b.
20. Neither YPFH nor CLHH owned or operated a "Major Facility" as defined by the Spill Act or the WPCA, N.J.S.A. 58:10A-1 et seq.
21. The WPCA cannot be applied retroactively, and any such application is constitutionally impermissible.
22. The State has failed to join parties needed for just adjudication and in whose absence complete relief cannot be accorded.

23. The State's claims are barred or diminished because the State was guilty of negligence, or otherwise culpable conduct, and contributory negligence.

24. The pre-existing, superseding, and intervening acts and negligence of other parties over whom YPFH and CLHH had no control caused the State's injuries and damages.

25. Although YPFH and CLHH deny that they are liable for the contamination described in the State's Complaint, in the event they are found liable, YPFH and CLHH are entitled to an offset against any such liability on their part, and for the equitable share of the liability of any person or entity joined or not joined as a defendant in this action that would be liable to the State.

26. The State's costs and damages, if any, are divisible and, as a result, the State has no claim for joint and several liability.

27. Any claims asserted by the State based on an allegation of joint and several liability are barred or limited because: (1) the acts and omissions of all other parties were separate and distinct from those, if any, of YPFH and CLHH; (2) under the facts of this case, neither the common law nor any statute renders YPFH or CLHH jointly and severally liable for the acts or omissions of other Defendants; (3) the State is liable for all, or a portion, of the relief it seeks; and (4) the injury, harm, and costs that are the subject of the State's claims are subject to apportionment.

28. The State cannot, consistent with the Constitutions of the United States and the State of New Jersey, prosecute claims of third parties with whom the State has no relationship.

29. The costs, damages and penalties the State seeks to recover or impose are unreasonable, excessive, arbitrary, and capricious.

30. Some or all of the State's claims are barred because the State failed to exhaust administrative remedies available in connection with the federal oversight of cleanup with respect to the Newark Bay Complex.

31. YPFH and CLHH cannot be liable for, or be required to pay, the State's damages that arise out of conduct lawfully undertaken in compliance with permits issued by relevant government agencies, including the State and the United States, or in compliance with applicable laws, regulations, rules, orders, directives, and other requirements of all federal, state and local government entities.

32. The State is not entitled to recover costs incurred for cleanup actions not undertaken in coordination or conjunction with federal agencies.

33. Under N.J.S.A. 2A:15-97, the amount of damages, if any, should be reduced by any amounts recovered from any other source.

34. The State's claims are barred for its failure to use an adequate and independent scientific basis to support its claims for assessment of injuries to natural resources.

35. The damages that the State seeks, if awarded, would amount to an unlawful double recovery.

36. To the extent the State's claims are subject to contribution or any reduction or offset from other parties, any damages recovered against YPFH or CLHH shall be reduced accordingly.

37. The State's claims for natural resource damages assessment costs are barred because the State's method of assessing natural resource damages was not adopted in a manner consistent with the Administrative Procedures Act.

38. The State's claims are barred, in whole or in part, by the doctrine of coming to the nuisance.

39. The damages the State seeks, if awarded, would result in unjust enrichment to the State.

40. The State has failed to mitigate damages, or to take reasonable precautions to prevent any further damages, and claims for monetary relief against YPFH and CLHH must be reduced accordingly.

41. The State's claims are barred, in whole or in part, as the State legally cannot establish the requisite elements of its claims.

42. The State's claims are barred, in whole or in part, by the law of foreign jurisdictions.

43. The State is not entitled to recover for any alleged unjust enrichment as there exists an adequate remedy at law to redress the State's claims.

44. Some or all of the State's claims are not ripe for adjudication.

45. The State's claims are barred due to its own conduct in unilaterally, and without notice to YPFH and CLHH, implementing clean-up plan(s) or taking other actions that resulted in the commingling of formerly divisible areas of environmental harm.

46. YPFH and CLHH reserve the right to incorporate by reference the defenses pled, now or in the future, by any other Defendant or Third-Party Defendant, to the extent applicable to YPFH and CLHH.

47. YPFH and CLHH reserve the right to assert additional defenses that may be uncovered during the course of this action.

III. PRAYER

YPFH and CLHH reserve the right to amend this answer.

WHEREFORE, YPFH and CLHH respectfully pray that:

- (i) judgment against the State on its claims against YPFH and CLHH be entered;
- (ii) the State's claims against YPFH and CLHH be dismissed with prejudice at the State's cost;
- (iii) the State recover nothing by this suit;
- (iv) YPFH and CLHH be awarded their costs of court, expenses, and attorneys' fees; and
- (v) YPFH and CLHH be granted such other relief, both special and general, at law or in equity, to which they are justly entitled.

GREENBAUM, ROWE, SMITH & DAVIS LLP
Attorneys for Defendants,
YPF Holdings, Inc., and CLH Holdings, Inc.

By _____

MARC J. GROSS

Dated: October 24, 2008

DEMAND FOR STATEMENT OF DAMAGES

PLEASE TAKE NOTICE that YPF Holdings, Inc., and CLH Holdings, Inc., pursuant to the provisions of Rule 4:5-2, demand that they be furnished with a statement of the monetary amounts of all damages claimed herein within five (5) days of the date of this pleading.

DEMAND FOR PRODUCTION OF DOCUMENTS

PLEASE TAKE NOTICE that YPF Holdings, Inc., and CLH Holdings, Inc., pursuant to the provisions of Rule 4:18-2, demand that all parties furnish them with a copy of all documents and papers referred to in their pleadings within five (5) days of the date of this pleading.

CERTIFICATION PURSUANT TO R. 4:5-1

Undersigned counsel hereby certifies, in accordance with R. 4:5-1(b)(2), that the matters in controversy in this action are not the subject of any other pending action in any court or arbitration proceeding known to YPFH and CLHH at this time, but may become the subject of a federal action pursuant to certain federal environmental statutes. YPFH and CLHH are not aware of any parties who should be joined in this action pursuant to R. 4:28 in addition to those identified in the Answers filed by defendants Maxus and Tierra. If additional non-parties later become known to YPFH and CLHH, an amended certification shall be filed and served on all other parties, and with this Court, in accordance with R. 4:5-1(b)(2).

GREENBAUM, ROWE, SMITH & DAVIS LLP
Attorneys for Defendants,
YPF Holdings, Inc. and CLH Holdings, Inc.

By _____

MARC J. GROSS

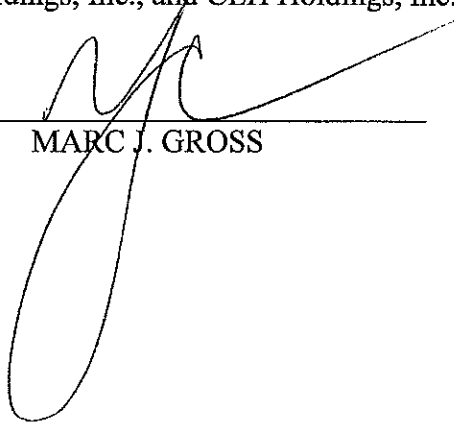
Dated: October 24, 2008

CERTIFICATION PURSUANT TO R. 4:6-1

I hereby certify pursuant to R. 4:6-1 that the Answer to plaintiffs' Second Amended Complaint on behalf of defendants YPF Holdings, Inc., and CLH Holdings, Inc., has been served within the time and manner provided by the Court's Order of September 19, 2008.

GREENBAUM, ROWE, SMITH & DAVIS LLP
Attorneys for Defendants,
YPF Holdings, Inc., and CLH Holdings, Inc.

By _____


MARC J. GROSS

Dated: October 24, 2008