

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN

THE SENTRY CORPORATION, a Texas  
corporation, and SNE CORPORATION,  
a Wisconsin corporation,

Plaintiffs,

v.

ETHEL R. HARRIS, as Trustee under  
Trust Agreement dated March 1, 1973,  
ETHEL R. HARRIS, Successor Trustee  
under Mortimer B. Harris Trust  
Agreement dated December 26, 1979,  
JEANNE HARRIS HANSELL, an individual,  
HELEN HARRIS BRANDT, an individual,  
MARY HARRIS MARKS, an individual,  
WILLIAM M. REDFIELD, an individual,  
NANCY BARRY, an individual,  
NANCY JO BARRY, as a Custodian for  
Anita Barry, a Minor under the Idaho  
Uniform Gift to Minors Act,  
NANCY JO BARRY, as a Custodian for  
Julie E. Barry, a Minor under the  
Idaho Uniform Gift to Minors Act,  
NANCY JO BARRY, as a Custodian for  
Michelle Barry, a Minor under the  
Idaho Uniform Gift to Minors Act,  
NANCY JO BARRY, as a Custodian for  
Phillip Barry, a Minor under the  
Idaho Uniform Gift to Minors Act,  
NANCY JO BARRY, as a Custodian for  
Sean Patrick Barry, a Minor under  
the Idaho Uniform Gift to Minors  
Act,  
MICHELLE BARRY, an individual,  
EDWARD S. SEIM, an individual,  
PHILLIP BARRY, an individual,  
BONNIE DWYER, as a Custodian for  
Richard J. Dwyer, a Minor under the  
Illinois Uniform Gift to Minors Act,  
BONNIE DWYER, as a Custodian for  
Sheila Marie Dwyer, a Minor under  
the Illinois Uniform Gift to Minors  
Act,  
BONNIE DWYER, as a Custodian for  
Kristy Dwyer,

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LEGAL DEPARTMENT  
SENTRY INSURANCE

COMPLAINT

No.

Equitable Relief Sought  
and Money Damages



WAULECO\_002669

BONNIE DWYER, as a Custodian for  
Robert P. Dwyer,  
HERB DWYER, an individual,  
BONNIE DWYER, an individual,  
DANIEL L. GRAY, as a Custodian for  
Jean Ann Gray, a Minor under the  
Illinois Uniform Gift to Minors Act,  
DANIEL L. GRAY, as a Custodian for  
Karen Gray, a Minor under the  
Illinois Uniform Gift to Minors Act,  
DANIEL L. GRAY, as a Custodian for  
Thomas J. Gray, a Minor under the  
Illinois Uniform Gift to Minors Act,  
JOSEPHINE GRAY, an individual,  
MARY GRIMES, as a Custodian for  
Anna M. Grimes, a Minor under the  
Uniform Gift to Minors Act,  
MARY GRIMES, as a Custodian for  
John Grimes, a Minor under the  
Uniform Gift to Minors Act,  
MARY GRIMES, as a Custodian for  
Mary E. Grimes, a Minor under the  
Uniform Gift to Minors Act,  
MARY GRIMES, as a Custodian for  
Kathleen Grimes, a Minor under  
the Uniform Gift to Minors Act,  
MARY GRIMES, as a Custodian for  
Therese Grimes, a Minor under  
the Uniform Gift to Minors Act,  
MARY GRIMES, as a Custodian for  
William Grimes, a Minor under  
the Uniform Gift to Minors Act,  
MARY GRIMES, as a Custodian for  
Michelle F. Grimes, a Minor under  
the Uniform Gift to Minors Act,  
THOMAS J. MANEY, as Trustee under  
the Anne Mary Riordan Trust dated  
January 2, 1973,  
THOMAS J. MANEY, as Trustee under  
the Mary T. Riordan Trust dated  
June 28, 1972,  
THOMAS J. MANEY, as Trustee under  
the Patrick Jogues Riordan  
Irrevocable Trust,  
THOMAS J. MANEY, as Trustee under  
the Thomas L. Riordan Trust  
dated June 28, 1972,  
LORRAINE McCAHILL, a Custodian for  
Mary Jo McCahill, c/o Thomas McCahill,  
LORRAINE McCAHILL, as Custodian for  
Patrick M. McCahill, c/o Thomas E.  
McCahill, Jr.,

LORRAINE McCAHILL, as Custodian for William F. X. McCahill, c/o Thomas E. McCahill,  
THOMAS E. McCAHILL, JR., and MRS. LORRAINE McCAHILL, as Joint Tenants with the Right of Survivorship and not as Tenants in Common,  
SANDRA PRENDERGAST, an individual,  
LAWRENCE T. RIORDAN, an individual,  
VIRGINIA A. RIORDAN, an individual,  
LOUISE B. MYERS, an individual,  
WAYNE HUMMER & CO. by PHILIP M. BURNO,  
DANA LYNN HARRIS, by THOMAS NEW HARRIS, her guardian,  
ELLEN D. A. HARRIS, an individual,  
HELEN N. HARRIS, as Executor of the Will of Francis L. Harris, deceased,  
HELEN H. HARRIS, an individual,  
JODY LEIGH HARRIS, by THOMAS NEW HARRIS, her guardian,  
JULIET M. HARRIS, an individual,  
KEITH W. HARRIS, an individual,  
KENNETH A. HARRIS, an individual,  
KENNETH A. HARRIS, JR., an individual,  
LYNN HARRIS MERLO, an individual,  
S. H. HARRIS, an individual,  
HELEN M. WILLNER, an individual,  
THOMAS NEW HARRIS, an individual,  
JANE STADELMAN BARNES, an individual,  
EVELYN E. STADELMAN, an individual,  
LEONA T. STADELMAN, an individual,  
LYNN A. STADELMAN, an individual,

Defendants.

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CLAIM I.

1. This claim arises under Section 10(b) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. 78j(b), and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission. This Court's jurisdiction over the action is invoked under Section 27 of the Securities Exchange Act, 15 U.S.C. 78aa.

2. The Sentry Corporation is a United States corporation organized and existing under the laws of Texas engaged primarily as a holding company with headquarters located in this district

at 1800 North Point Drive, Stevens Point, Wisconsin 54481.

3. SNE Corporation is a wholly owned subsidiary of the Sentry Corporation organized and existing under the laws of Wisconsin, which subsidiary has succeeded to the business of Harris-Crestline Corporation. (The Sentry Corporation and SNE are hereinafter collectively referred to as "Sentry".)

4. On information and belief, each of the defendants named in the above caption, whose occupations are unknown, were formerly shareholders of an Illinois corporation known as Harris-Crestline Corporation (hereinafter collectively referred to as "the Selling Shareholders"). On further information and belief, defendants Thomas J. Maney, Lawrence T. Riordan, Virginia Riordan, and Edward Seim, each resides in this district.

5. On October 30, 1981, the Selling Shareholders acting in concert, collectively sold their controlling shares of stock in the Harris-Crestline Corporation of approximately 48,400 shares to Sentry for a purchase price of \$307.636 per share. The shares of stock sold to Sentry were "securities" within the meaning of Section 3(a)(10) of the Securities Exchange Act 15 U.S.C. §78c(a)(10).

6. On information and belief, at all material times prior to sale of stock to Sentry, the following defendants, in addition to being Selling Shareholders, were also directors of Harris-Crestline Corporation: Lawrence T. Riordan (Chairman of the Board), William M. Redfield, Ethel R. Harris, Kenneth A. Harris, Sr., and Edward S. Seim.

7. On information and belief, at all material times prior to the sale of stock to Sentry, the following defendants, in addition to being Selling Shareholders, were also officers of the Harris-Crestline Corporation: Lawrence T. Riordan (President), Edward S. Seim (Executive Vice President and Chief Operations Officer).

8. In connection with their sale of stock to Sentry, each of the Selling Shareholders represented to Sentry that, among other things:

- (a) Harris-Crestline as of the date of the sale of stock was in compliance, in all material respects, with all statutes, laws, rules, regulations, governmental permits and governmental authorizations then applicable to the Company, or to its subsidiary Crestline International Sales Corporation, or to either of their properties;
- (b) that all real property improvements on Harris-Crestline's or its subsidiary's properties as of the date of the sale were in operating condition and repair and conformed in all material respects to all applicable ordinances, regulations and other laws;
- (c) that the financial statements delivered to Sentry "fairly" represented the financial condition of the company and its subsidiary as of the date of the statements;

- (d) that during the interim period before closing, Harris-Crestline and its subsidiary had not undergone any change in their conditions, financial or otherwise, including changes in assets, liabilities, businesses or operations not in the ordinary course of business;
- (e) that during the interim period before closing, they would cause Harris-Crestline and its subsidiary to comply in all material respects with all statutes, laws, rules or regulations applicable to the corporation or its subsidiary or to either corporation's business; and
- (f) that during the interim period before closing, they would promptly advise Sentry, in writing, of any materially adverse change in Harris-Crestline's or its subsidiary's financial condition, operations, business or properties.

9. Prior to and after 1978, Harris-Crestline used a hazardous substance known as pentachlorophenol ("penta") in its business to treat wood components of its windows. Harris-Crestline stored and held the penta in three underground tanks which had capacities between 3000 gallons and 15,000 gallons. At and before the sale of stock to Sentry these tanks were real property improvements on Harris-Crestline's property.

10. Sentry is informed and believes that in 1978, Harris-Crestline directed a civil engineer to take core samples from the company's real property in connection with a proposed addition of a building or improvements. Those core samples disclosed to Harris-Crestline that portions of its property were saturated with penta. The core samples were each drilled over 20 feet deep and showed penta contamination to the deepest levels.

11. On further information and belief, upon discovery of penta in 1978, Harris-Crestline in the same year transmitted and caused tests to be performed by Coppers Corporation, a manufacturer of penta in St. Louis, on the core samples, which confirmed the presence of a contaminating agent. Harris-Crestline had reason to know it had discharged penta into the surrounding grounds.

12. At and before the time the Selling Shareholders marketed their stock to Sentry, Wisconsin law provided that any entity spilling, leaking, emitting or dumping any hazardous substance into the environment was to notify the Wisconsin Department of Natural Resources.

13. At and prior to the sale, penta was a hazardous substance within the definition of Wisconsin and federal environmental law.

14. Prior to the sale Wisconsin law further provided that any person responsible for discharging hazardous substances into the environment was obligated to bear all financial costs necessary to restore the environment and to minimize the harmful effects of the discharge.

15. At no time prior to their sale of Harris-Crestline stock to Sentry did the Selling Shareholders ever advise or inform Sentry, or ever cause the corporation to advise Sentry that (a) core samples had been taken from Harris-Crestline's property disclosing that a discharge or spill of a hazardous substance had occurred; (b) that Harris-Crestline had failed to disclose its discharge of penta to the DNR; (c) that Harris-Crestline had not taken any steps to eliminate the contamination and prevent further contamination; and (d) that Harris-Crestline would be financially responsible for the clean up.

16. Sentry first discovered the penta contamination in September of 1984. Having just discovered the existence of the problems, Sentry currently is unaware of the extent of the measures the Wisconsin Department of Natural Resources is going to direct be taken. However, Sentry has already suffered loss as a result of the contamination. Sentry is further informed and believes that among other things, the DNR is empowered to direct complete containment and removal of all contaminated or suspected ground, which if directed, will require expenditure of multiple millions of dollars and possibly partial or total destruction of one or more of Harris-Crestline's buildings.

17. The Selling Shareholders' representations as set forth in paragraph 8 above were each materially false and misleading, in that (a) Harris-Crestline was not in compliance with applicable Wisconsin environmental law; (b) Harris-Crestline's



real property improvements, (namely, on information and belief, the penta storage tanks) were not in compliance with applicable Wisconsin environmental law; (c) Harris-Crestline's financial statement did not fairly represent the company's financial exposure with regard to the penta contamination; (d) during the interim period before closing, the company was not in compliance with applicable Wisconsin law; and (e) none of the Selling Shareholders advised Sentry of this materially adverse change in Harris-Crestline's condition.

18. Sentry did not know that the representations set forth in paragraph 8 were untrue at the time they were made, and in reliance thereon, paid the agreed upon sum for each of the Selling Shareholders' stock.

19. The Selling Shareholders' representations set forth in paragraph 8 above were material to Sentry's decision to purchase the stock. Had Sentry been advised of the penta discharge, it would have refused purchase of the Selling Shareholders' stock or required the Selling Shareholders to correct the situation or make adequate financial provisions therefor.

20. On information and belief, Lawrence T. Riordan, William M. Redfield, Ethel R. Harris, Kenneth A. Harris, Edward S. Seim, each of whom was a Selling Shareholder and a director or officer of Harris-Crestline Corporation, knew their representations contained in paragraph 8 above were materially false and misleading, or alternatively, these defendants made the above representations recklessly and without caring for the truth or falsity of their statements.

21. With respect to the remaining non-director, non-officer Selling Shareholders, Sentry believes and is informed that assuming that these defendants did not have actual knowledge of the penta discharge, that then none of these defendants had sufficient basis to justify their representing to Sentry the facts set forth in paragraph 8 above, and that knowing they had no adequate factual grounds, their representations were made in furtherance of their own selfish financial interests, recklessly and in total disregard of Sentry's interests and rights, and without caring whether their representations were true or false. On information and belief, one or more of the non-officer, non-director Selling Shareholders may have also had actual knowledge of the falsity of their representations.

22. On information and belief, the Selling Shareholders knew that Sentry was relying upon the truthfulness and accuracy of their representations and that their representations were made to induce Sentry to purchase their stock.

23. The Selling Shareholders' acts complained of in paragraphs 1 through 21 above were carried out by use of the mails and by use of the means and instrumentalities of interstate commerce, some of which acts took place in this district.

24. The Selling Shareholders' material misstatements and omissions of material facts are a violation of Section 10(b) of the Securities Exchange Act and Rule 10b-5 promulgated thereunder. As a direct result of said violations, the Sentry Corporation and SNE have suffered damage and are threatened with even greater future loss.

25. WHEREFORE, plaintiffs request that they be granted judgment awarding them complete indemnification from each of the Selling Shareholders, jointly and severally, for all costs incurred by them in connection with the penta contamination, clean-up thereof, any resultant administrative litigation, all attorneys' fees incurred therewith, the costs and disbursements of this action and such further or other relief the Court deems appropriate under the circumstances.

CLAIM II.

26 . This is a claim for common law intentional fraud. This Court has jurisdiction over this claim under the doctrine of pendent jurisdiction in that the claim herein arises out of the same transaction as alleged in Claim I above.

27 . As and for its claim of common law intentional fraud, plaintiffs repeat and reallege as if set forth herein each and every allegation contained in paragraphs 1 through 25 above.

28 . Defendants' knowing or reckless untrue statements of fact constitute an intentional fraud upon plaintiffs on which plaintiffs relied to their detriment in purchasing defendants' stock.

29 . WHEREFORE, plaintiffs request that they be granted judgment awarding them complete indemnification from each of the Selling Shareholders, jointly and severally, for all costs incurred by plaintiffs in connection with the penta contamination, cleanup thereof, any resultant administrative litigation, all attorneys'

fees incurred therewith, the costs and disbursements of this action and such further and other relief as the Court deems appropriate under the circumstances.

CLAIM III.

30. This is a claim for negligent misrepresentation. This Court has jurisdiction over this claim under the doctrine of pendent jurisdiction, in that the claim herein arises out of the same transaction as alleged in Claims I and II above.

31. Plaintiffs repeat and reallege as if fully set forth herein each and every allegation contained in Claim I above.

32. At the time defendants made the representations to plaintiff as alleged in Claim I, they had no reasonable ground for believing said statements to be true.

33. The aforementioned representations were made by defendants in a negligent manner not warranted under the circumstances then existing.

34. As a direct and proximate result of defendants' negligent misrepresentations, plaintiffs have and will suffer substantial loss in connection with the penta contamination.

35. WHEREFORE, plaintiffs request that they be granted judgment awarding them complete indemnification from each of the Selling Shareholders, jointly and severally, for all costs incurred by plaintiffs in connection with the penta contamination, cleanup thereof, any resultant administrative litigation, all attorneys' fees incurred therewith, the costs and disbursements of this action and such further and other relief as the Court deems appropriate under the circumstances.

CLAIM IV.

36. This is a claim for violation of Wisconsin Statute §§551.41, 551.59(1) (1981-82). The Court has jurisdiction of this claim under the doctrine of pendent jurisdiction, in that the claim herein arises out of the same transaction as alleged in Claims I through III above.


37. Plaintiffs repeat and reallege as if fully set forth herein each and every allegation contained in Claim I above.

38. Defendants' knowing or reckless untrue statements of fact constitute a violation of Wisconsin Statute §551.41.

39. WHEREFORE, plaintiffs request that they be granted judgment awarding them complete indemnification from each of the Selling Shareholders, jointly and severally, for all costs incurred by them in connection with the penta contamination, clean-up thereof, any resultant administrative litigation, all attorneys' fees incurred therewith, the costs and disbursements of this action, and such other and further relief the Court deems appropriate under the circumstances.

Dated this 26th day of October, 1984.

L. C. HAMMOND, JR.  
HARRY G. HOLZ  
JOHN A. ROTHSTEIN

  
Quarles & Brady  
750 North Water Street  
Milwaukee, WI 53202  
414-277-5000

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

THIS SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS ("Agreement") is entered effective as of the 10th day of December, 1987, by and among THE SENTRY CORPORATION, a Texas corporation ("Sentry") and WAULECO, <sup>Inc.</sup> a Wisconsin corporation (formerly known as SNE Corporation) ("Wauleco") (Sentry and Wauleco are collectively referred to herein as "Releasers") and MELVIN L. MARKS, as agent ("Agent") for all those former shareholders of Harris-Crestline Corporation, formerly an Illinois corporation, their trustees, custodians, guardians, and trusts who were parties to that certain Stock Purchase Agreement effective as of October 30, 1981 among such shareholders and Sentry ("Releasees" and the "Purchase Agreement", respectively). A list naming all Releasees is attached hereto as Exhibit A.

*Handwritten initials and signature:*  
DAS  
MML

On October 30, 1981 the Releasees sold to Sentry substantially all of the issued and outstanding shares of Harris-Crestline Corporation ("Harris-Crestline") pursuant to the Purchase Agreement. Subsequent to that transaction, Releasers initiated two separate litigations, The Sentry Corporation, et al. v. The Northern Trust Company, et al., No. 84 CH 00850, in the Circuit Court of Cook County, Illinois (the "State Litigation") and The Sentry Corporation, et al. v. Ethel R. Harris, et al., No. 84-C-855-C, in the Federal District Court for the Western District of Wisconsin (the "Federal Litigation") (referred to jointly as the

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"Litigations"). In the Litigations, Releasors asserted a variety of claims against Releasees relating to Sentry's purchase of Harris-Crestline shares.

To avoid the burden and expense of further litigation, Releasors and Releasees wish to reach a full and final settlement of the Litigations and of all claims, causes of action, and other disputes that Releasors, their past or present parents, subsidiaries or other affiliates, and any other person or entity having or claiming an interest by, through, or on behalf of Releasors now have, may now have, or ever had against any of the Releasees or any other person intended to benefit by the provisions of this Agreement.

IT IS, THEREFORE, AGREED:

1. Settlement and Consideration. In consideration of and upon the payment by Releasees of \$1,200,000 made to Releasors by Agent within five (5) business days from the execution of this Agreement, Releasors agree to be bound by all the terms, provisions and conditions of this Agreement for the benefit of Releasees and any other party for whose benefit any such term, provision and condition is made herein. The parties hereby acknowledge that of the \$1,200,000 payment, \$800,000 is in full satisfaction of the settlement of claims and matters related to the State Litigation and the balance of \$400,000 is in full satisfaction of the settlement of the claims and matters related to the Federal Litigation and all other agreements of Releasors under this Agreement. Said payment shall be made as follows: Within

such five (5) days, Agent shall deliver to Sentry a joint direction executed by Agent, and then to be executed by Sentry, directing The Northern Trust Company ("Northern") to release and deliver to Sentry any and all sums presently held by Northern in accordance with the Escrow Agreement (as defined in and established pursuant to the Purchase Agreement). The form of such direction shall be substantially identical to Exhibit B hereto. Within said five (5) days, Agent shall also pay to Sentry an amount equal to the difference between the aggregate amount held by Northern pursuant to the Escrow Agreement and \$1,200,000, in immediately available funds.

2. Dismissal of Litigations. Each party agrees to dismiss the Federal Litigation with prejudice and without cost to the other party promptly after the payment made to Releasors pursuant to Section 1 above. Each party agrees to dismiss their claims against each other in the State Litigation with prejudice and without cost to the other party on the 120th day after the payment to Releasors pursuant to Section 1 above, unless Releasees notify Releasors that said dismissal shall be entered at an earlier date. The agreed stipulations and orders relating to such dismissal shall be substantially identical to Exhibit C hereto.

3. General Release. Releasors, for themselves and for their respective successors, assigns, receivers, all their present and past parents, subsidiaries, and affiliates, and any other person or entity having or claiming an interest by, through, or on behalf of any of the foregoing persons,



do hereby, jointly and severally, fully, completely and absolutely release and forever discharge all and each of Releasees, their respective heirs, legal representatives, administrators, agents, receivers, employees, successors and assigns, and relatives, whether by blood, marriage, or law, from (a) any and all known or unknown claims, causes of action, judgments, duties, rights of contribution as between joint tortfeasors or otherwise, damages (including consequential damages), obligations and demands of all and every kind and nature whatsoever, for and on account of any fact, matter, cause, thing, act or omission of any kind or nature whatsoever which occurred or accrued on or prior to the date of this Agreement, in connection with, arising from, or relating to the purchase, investment in, ownership by or sale by Releasees, their successors, assigns, or any present or past parents, subsidiaries, and affiliates, of the shares, business or assets of Harris-Crestline and successor entities, including, without limitation, claims under any federal or state securities or environmental laws, rules, or regulations (whether said securities or environmental claims arise from any representation, warranty, covenant, or agreement made by any Releasee under the Purchase Agreement or otherwise, from failure by any of the foregoing released persons to disclose any material information, or from any involvement by any of the foregoing released persons in any aspect of the operation, management, or conduct of Harris-Crestline), and (b) any claims, causes of actions, or matters asserted or which

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of the  
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could have been asserted in any of the Litigations or other litigations or proceedings against any of the foregoing released persons. Releasors hereby also agree to release and discharge any person who was an employee, agent, director, or officer of Harris-Crestline with respect to any fact, matter, cause, thing, act, or omission described in the <sup>relating to any matter</sup> sub-part (a) preceding sentence which occurred or accrued on or prior to October 30, 1981. Releasors hereby agree, jointly and severally, to fully and unconditionally indemnify, defend, and hold harmless each Releasee and any other person released hereunder from any judgment, losses, damages (including consequential damages), liabilities, costs or expenses of whatsoever kind or nature, including, without limitation, reasonable attorneys', expert witness, and other professional fees and litigation expenses, resulting from any actions against any indemnified person by Releasors, their respective successors, assigns, receivers, parents, subsidiaries and affiliates or any person or entity having or claiming an interest by, through, or on behalf of Releasors which are contrary to or in violation of the release and discharge set forth in this Section 3,

4. <sup>Special</sup> ~~Additional~~ Indemnification. Wauleco, for itself, its respective successors, assigns, receivers and subsidiaries, hereby agree ~~jointly and severally~~, to fully and unconditionally indemnify, defend, and hold harmless any former director or officer of Harris-Crestline (or any of its predecessors, successors, or former subsidiaries),

DKS  
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to any claims brought by any one or more, or  
of releases themselves against any person  
otherwise covered by this paragraph, and shall  
further not apply to any liability (or expense, other  
fees, costs or disbursements) imposed upon Releasee  
because of any claim by a third party based on allegation  
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on back  
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against any expenses (including attorneys' fees), costs,  
disbursements, judgments, and/or amounts paid in settlement,  
actually and reasonably incurred after the date hereof (the  
"Indemnification Date") by such person in connection with  
any suit, proceeding, or any threatened or pending civil  
action in connection with, relating to, or arising from, any  
discharge, emission, or spill of pentachlorophenol, if the  
indemnified person is the subject of any such suit, proceeding  
or threatened or pending action by reason of his directorship  
or officership with Harris-Crestline (or any such related  
entity), and if he acted in a manner he reasonably believed  
to be in, and not opposed to, the best interests of Harris-Crestline  
(and such related entities). This indemnification shall not  
apply ~~if the indemnified person is subject to such actual or  
potential liability or assertion of liability because he  
breached or failed to perform a duty he owed to Harris-Crestline  
(or any such related entity) and his breach or failure to  
perform constituted:~~

- (a) a violation of criminal law;
- (b) a transaction ~~other than the Purchase  
Agreement or other than a transaction relating to the  
discharge, emission, or spill of pentachlorophenol,~~
- (c) willful misconduct; <sup>or</sup> ~~other than in  
connection with the Purchase Agreement or in connection  
with his knowledge of or involvement in the discharge,  
emission, or spill of pentachlorophenol; or~~

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by the third party that the Releasee's  
credit constituted

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To the extent Sentry receives any distributions from WAULECO after the date hereof, which distribution results in WAULECO being unable to pay for the indemnification provided hereunder then Sentry agrees to restore to WAULECO all amounts necessary for WAULECO to meet its obligations up to, but no more than, the full amount of all distributions received.

(d) a willful failure by him, ~~other than in connection with the Purchase Agreement or in connection with his knowledge of or involvement in the discharge, emission, or spill of pentachlorophenol,~~ to deal fairly with the corporation or its shareholders in connection with a matter in which the officer or director had a material conflict of interest.

*[Handwritten signature]*  
MLM

Any person seeking indemnification under this Section shall make a written request to Releasors for such indemnification. Assuming such person is entitled to indemnification under this Section 4 Releasors shall bear all expenses, costs, and fees incurred on or prior to the Indemnification Date in defending any such suit, proceeding, or threatened or pending action and other matters for which indemnification is provided under this Section 4 on an ongoing basis during the pendency of any action or threatened action which is the subject of the foregoing indemnification, and the indemnified person shall not be required to await the conclusion of any such action or threatened action before being entitled to payment hereunder.

*[Handwritten initials]*  
D & S P MLM

5. Representation. Releasors, jointly and severally, represent and warrant to Releasees, and their heirs, representatives, receivers, administrators and successors and assigns that they are the sole owners of any claim released or other matter released and discharged under Section 3 above and that neither Releasors nor any of their former or present parents, subsidiaries, or affiliates have

*Melvin Marks, agent for Releasers, represents and warrants to Releasers the matters set forth in Exhibit D attached here to.*

assigned or otherwise conveyed to any person any claim, cause of action or other right against any Releasee or any other person intended to benefit from any provisions of this Agreement which if it had not been so assigned or conveyed would have been within the scope of the matters released and discharged and not subject to any recovery against any such person under Section 3. In the event of a breach of this Section, the person subject to any such claim, cause of action or right shall be entitled to indemnification under Section 3 to the same extent and as if such claim, cause of action, or right had been released and discharged under Section 3 by Releasers, and as if Releasers, or any person or entity having or claiming an interest by, through, or on behalf of Releasers, had nonetheless initiated or sought to recover under such claim, cause of action or right.

*Handwritten initials and signature: DZS, [Signature], HAM*

6. Status of Releasers. Releasers are large, knowledgeable business entities and have been fully advised of the consequences of their actions and agreements under this Agreement in advance of their execution of this Agreement. Releasers acknowledge that they have had the full responsibility to ascertain all material facts and claims, have had the full opportunity and sufficient time to ascertain same, and have not relied upon any representation or any duty of disclosure of any of Releasees,

7. Basis of Agreement. The acts done and evidenced hereby and the covenants, indemnities, and other provisions granted hereunder are done to compromise disputed

*excepting only the representations of Melvin Marks contained in Exhibit D attached hereto which representations Releasees acknowledge have been relied upon by Releasers.*

*Handwritten initials and signature: HAM*

claims and, in addition, to avoid the delay and extensive costs of litigation, and are not an admission of liability on the part of any party or person who is the subject of this Agreement, each of whom expressly denies any such liability.

8. Amendments. The parties may amend or supplement this Agreement only in written instruments executed by persons authorized to execute same on their behalf.

9. Notices. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been properly given if delivered by hand, sent by telecopy, sent by telex, or mailed (certified or registered mail with postage prepaid):

If to Releasers, to:

The Sentry Corporation  
1800 North Point  
Stevens Point, WI 54481  
Attention: James C. Noonan

If to Releasees, to the specific  
Releasee at the address set forth  
on Exhibit A hereto,

With copy to:

Robert L. Graham, Esq.  
Jenner & Block  
One IBM Plaza  
Chicago, IL 60611

or to such other person or address as the party to whom the communication is to be given shall have notified the other party in accordance with this Section 9.

