

FOR IMMEDIATE RELEASE

JUDGE APPROVES AMENDED SETTLEMENT IN WTC LITIGATION

(NEW YORK, NY, June 23, 2010)—At the conclusion of a hearing today, Judge Alvin K. Hellerstein of the U.S. District Court for the Southern District of New York signed an order approving the amended settlement reached among the WTC Captive Insurance Company (the “WTC Captive”), the City of New York, the contractors the City hired, their subcontractors, and attorneys for over 10,000 plaintiffs alleging injuries from the WTC site operations.

Judge Hellerstein stated, “I intend to approve this settlement and I now do so as a fair, adequate, and reasonable settlement reflecting hard work and a concern for fairness by all parties. It is fair in amount and fair in procedures.”

Christine LaSala, President and CEO of the WTC Captive, a not-for-profit insurance company enabled by Congress to defend and indemnify the City of New York and the contractors it hired for the rescue, recovery and debris removal operations after the terrorist attacks of 9/11, who instructed her attorneys to push for a settlement, said, “We are very pleased to have Judge Hellerstein’s support, and to have him recognize that, by basing an individual’s compensation on the severity of the injury and the strength of the legal claim, we achieved our goal of valuing each claim fairly. This settlement provides plaintiffs with closure and certainty, while also reserving some funds for future claims. We believe it is the best path forward for these plaintiffs, as their only other option right now is to proceed to lengthy and costly litigation with an uncertain outcome.”

Ms. LaSala added, “This settlement also protects the other heroes who came to help after the terrorist attacks on 9/11 without regard to their own exposure to lawsuits or liability. The City and the contractors it hired are to be commended for working to find a just resolution.”

This afternoon, plaintiffs stood before Judge Hellerstein both to praise and criticize the settlement, while the Judge listened and patiently explained the difficulties and inequities of litigation.

Candace Baker, a former New York City Police Officer who is on disability for breast cancer, thanked the Court and the lawyers who negotiated the settlement, but asked that hard tumor cancers like hers be treated the same as other cancers, despite the lack of evidence proving causation: “I ask that cancers be treated the same. I ask the point system, with relation to illness, be adjusted to reflect what we endured.”

“This is a settlement system and not a compensation fund and I have to pay attention and the lawyers have to pay attention to what is proven,” Judge Hellerstein said, addressing the courtroom. “I hope Ms Baker will go back and approve this settlement not because it's perfect but because it's good--it's the best you can do.”

Judge Hellerstein also pointed out the values were also based on the relationship of the disease to the work at the WTC site: “This is the kind of cancer that exists in society and though it could have been affected by the air at 9/11, it gets to the provability.”

Referring to the litigation that would follow for those opting out, the Judge said “[If] you can't prove the relationship of the injury to the cause, without that proof you'd be out.”

Lynette Colbert, a former emergency service worker for the Fire Department of New York who claims her respiratory illness was caused by her work at the WTC site, urged people to accept the settlement: “I am grateful for this settlement and I will opt in. The cancer policy is another great part of this settlement because no one knows what the future holds.”

Under the settlement, all qualifying plaintiffs will be enrolled in a special insurance policy through MetLife to provide coverage for certain blood and respiratory cancers diagnosed during the coverage period, paying a benefit of up to \$100,000.

The Judge also read letters from plaintiffs who could not attend the hearing. One was from Suzanne Conroy, whose husband Daniel, a police officer, died from an illness she claims was caused by his work at the WTC site, who urged people to accept the settlement.

“...I strongly feel that this settlement is fair and reasonable,” Ms. Conroy wrote. “Lastly, I would like to state that this settlement is great because people do not have to prove that their injuries were a direct cause of their toxic exposure.”

The Court appointed Professor Roy D. Simon, the Howard Lichtenstein Distinguished Professor of Legal Ethics at Hofstra University School of Law, to ensure that communications from the plaintiffs' counsel is “full, fair, accurate and free of conflicts of interests so that clients have all the facts needed” to decide whether to opt in.

While Professor Simon said it was not his job to advise anyone to take the settlement, he said it was important to understand that, “The difference between a settlement and litigation is the difference between a bank account and a lottery ticket.”

Professor Aaron Twerski, former Dean of Hofstra University School of Law, and Cornell Professor John Henderson, who are both experts in Tort law, are the Court-appointed Special Masters assisting Judge Hellerstein in managing the over 10,000 cases before the Court.

Professor Twerski said, “This is a fair and sensible settlement. 94% of the money of this fund goes to the most seriously injured. Professor Henderson and I recommend the settlement.”

Earlier in the afternoon court session, Matt Garretson described the quick and efficient system his firm would use to apply adjustment factors to basis points, negotiated by the parties, to determine compensation.

Mr. Garretson said, “I recognize the importance of this program. Everyone involved deserves our best and they will get that.”

The settlement will cost the taxpayer-funded WTC Captive \$625 million in cash at the required 95% plaintiff participation, with an additional \$87.5 million paid if certain conditions are met, totaling up to \$712.5 million. Plaintiffs will have 90 days to opt into the settlement, unless that period is extended.

About the WTC Captive Insurance Company

In the absence of commercially available insurance, the WTC Captive Insurance Company was formed in July 2004 to insure the City of New York and nearly 140 contractors, subcontractors and others it engaged against claims arising out of the debris removal process that began immediately after the collapse of the twin towers of the World Trade Center on September 11, 2001. The mission of the WTC Captive is to insure and defend in court, and thereby to protect, the City and the contractor and subcontractor policyholders as claims are processed, adjudicated and resolved.

Organized as a not-for-profit corporation under the laws of the State of New York and licensed by the New York State Insurance Department, the WTC Captive is governed by a five-member Board of Directors composed of current and former City officials plus a representative of the City's lead contractors.

The WTC Captive was funded with just under \$1 billion in federal funds provided through a grant from the Federal Emergency Management Agency (FEMA)—part of the \$20 billion of such funds requested by the Administration and authorized by Congress to help New York City and its people recover and rebuild after 9/11.

Media Contacts

212-547-5505

Eileen O'Connor, McDermott Will & Emery, LLP

emoconnor@mwe.com

(202) 997 1234

Caroline Gentile, Kekst and Company

caroline-gentile@kekst.com

Diana Postemsky, Kekst and Company,

diana-postemsky@kekst.com

Ellen Davis, Media Consultant to Worby, Groner, Edelman & Napoli Bern

ellentdavis@gmail.com

917-301-2918