IN THE WORKERS' COMPENSATION COURT OF THE STATE OF MONTANA

2000 MTWCC 54A-1

WCC No. 2000-0003

ALLEN J. HAAS

Petitioner

vs.

STATE COMPENSATION INSURANCE FUND

Respondent/Insurer for

NEWMAN RANCH

Employer.

SETTLEMENT AGREEMENT

Petitioner, Allen J. Haas (Haas), and Respondent, State Compensation Insurance Fund (State Fund), agree to settle the Petition herein as follows:

1. Haas was seriously injured in the course and scope of his employment on June 9, 1990. State Fund accepted liability for Haas' injury pursuant to the Workers' Compensation Act of Montana. Haas filed his Petition in the instant proceeding in January

2000, and an Amended Petition in March 2000. State Fund adjusted Haas' workers' compensation claim from June 1990 through September 13, 2000, when the parties orally agreed, before Judge Mike McCarter, to settle the Petition herein according to the terms set forth below.

2. State Fund agrees to pay Haas SIX HUNDRED NINETY THOUSAND AND NO/100 DOLLARS ($690,000.00) (the Settlement Sum). In consideration of the settlement, the State Fund agrees to pay the Settlement Sum as follows:

a. Sum due at the time of settlement, as follows: TWO HUNDRED FIFTY-TWO THOUSAND TWO HUNDRED FORTY-NINE AND NO/100 DOLLARS ($252,249.00), by draft made payable to Allen J. Haas.

b. Sums due as periodic payments, scheduled follows: See, Appendix A.

c. All sums received hereunder constitute medical benefits under the Montana Workers' Compensation Act and are deemed by the parties as workers'

compensation within the meaning of section 104(a)(1) of the Internal Revenue Code of 1986 as amended.

d. Haas is disabled from and may not, directly or indirectly, by assigning or otherwise, sell, mortgage, encumber or anticipate any payment or party of any payment, to be made under this Settlement Agreement. Additionally, Haas may not accelerate, defer, increase or decrease any payment, or part of any payment.

e. Neither the Insurer nor the State Fund must set aside any asset to fund payments to be made to Haas under this Settlement Agreement. Additionally, Haas is merely a general creditor of the Insurer and State Fund.

f. Any payment to be made under this Settlement Agreement after Haas' death shall be to the individual or entity that Haas has designated in a writing, signed by Haas or by Haas' authorized representative and delivered to the Insurer or the Insurer's Assignee before Haas' death. If Haas does not make a designation as prescribed in this paragraph or if the designated person has died or the designated entity has ceased to exist before Haas' death, any payment to be made under this Settlement Agreement after Haas' death shall be to Haas' estate.

g. Haas may request to change the designation at any time by delivering in writing, signed by Haas or Haas' authorized representative, to the Insurer or the Insurer's Assignee before Haas' death. Any change in the designation becomes effective only after the Insurer or the Insurer's Assignee has changed the beneficiary designation on an annuity contract funding this Settlement Agreement.

3. In consideration for payment of the Settlement Sum, Haas agrees to settle and forever compromise his future medical expenses under § 39-71-704, MCA (1989), inclusive of domiciliary care benefits. The parties agree that they have executed this Settlement Agreement to compromise all claims existing between the parties and the parties hereby mutually release any and all claims, reserving only such claims that might arise from a breach of this Settlement Agreement. It is the mutual intent of the parties that the execution of this Settlement Agreement and its terms shall fully and forever terminate all dealings between Haas and the State Fund. The Haases represent and warrant: a) that no claims for any type of benefit under the Workers' Compensation Act of Montana or damages available pursuant to statutory or common law arising from or related in any way to the injury of June 9, 1990, and the State Fund's adjustment of the claim relating to that injury are reserved by them; and b) that receipt of the settlement sum is full and adequate consideration for this general release.

4. The parties have stipulated that Haas is permanently totally disabled. As such, Haas agrees that he shall not engage in any employment for which the State Fund or its successors or assigns may provide workers' compensation coverage, occupational disease

or employer's liability coverage and shall not make claim for any benefits under any such coverage.

5. This settlement brings the relationship between the parties with respect to the injury of June 9, 1990, and the State Fund's adjustment of the claim arising out of that injury to a final and permanent end. All other benefits payable under the Montana Workers' Compensation Act for the compensable injury of June 9, 1990, have been fully settled and compromised and upon approval of this settlement no further relationship between the parties shall exist with respect to the claim for the June 9, 1990 injury and the adjustment of that claim and such matters shall be forever closed in their entirety.

6. The State Fund, as an essential part of this Settlement Agreement, agrees that it will conduct no further investigations of Haas or his family, with respect to Haas' claim for his injury of June 9, 1990, and his entitlement to benefits with respect to that injury.

7. The parties agree they have executed this Settlement Agreement to compromise disputed matters and that neither the Settlement Agreement, the negotiations for settlement, nor the execution of this Settlement Agreement and its terms shall be considered as evidence of the merit or lack of merit in the position of either party in this proceeding, nor as any admission of liability by either party, or admissible as evidence of liability except for a claim made for breach of this Settlement Agreement.

8. The parties agree to the dismissal **with prejudice** of WCC No. 2000-0003, 2000 MTWCC 54, pending in the Montana Workers' Compensation Court, each party to bear its own costs and attorneys' fees.

The parties have carefully read the foregoing, discussed its legal effect with their respective counsel of record, understand the contents thereof and sign the same of their own free will and accord. This agreement shall be binding upon the heirs, successors, assigns, agents, and personal representatives of each party.

DATED this 27th day of October, 2000.

CAUTION: READ BEFORE SIGNING

\s\ *Allen J. Haas*
ALLEN J. HAAS

\s\ *Sally Haas*
SALLY HAAS

STATE COMPENSATION INSURANCE FUND
\s\ *James McCluskey*
Mr. James McCluskey
Vice President of Claims
P.O. Box 4759
Helena, MT 59604-4759

APPROVED AS TO FORM AND CONTENT:

LEWIS, HUPPERT & SLOVAK, P.C.
By: \s\ *J. David Slovak*
Mr. J. David Slovak
P.O. Box 2325
Great Falls, MT 59403-2325
Attorney for Petitioner

APPROVED AS TO FORM AND CONTENT:

STATE COMPENSATION INSURANCE FUND
By: \s\ *Thomas E. Martello*
Mr. Thomas E. Martello
P.O. Box 4759
Helena, MT 59604-4759
Attorney for Respondent

STATE OF MONTANA)

: ss.

County of Cascade)

On this 27th day of October, 2000, before me, the undersigned, a Notary Pubic in and for the State of Montana, personally appeared **ALLEN J. HAAS** and **SALLY HAAS**, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this certificate first-above written.

Notary Public for the State of Montana

(NOTARIAL SEAL) Residing at _____

My Commission expires: _____

STATE OF MONTANA)

: ss.

County of Lewis and Clark)

On this 27th day of October, 2000, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared **JAMES McCLUSKEY**, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year in this certificate first-above written.

_____

Notary Public for the State of Montana

(NOTARIAL SEAL) Residing at _____

My Commission expires: _____