

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

ALBERT L. GRAY, Administrator, et al., :
Plaintiffs, :
 :
VS. : C.A. No.: 04-312L
 :
JEFFREY DERDERIAN, et al., :
Defendants. :

NOTICE OF SETTLEMENT –
JEFFREY DERDERIAN, MICHAEL DERDERIAN AND DERCO, LLC

Counsel for the Gray Plaintiffs¹ and counsel for the Defendants, Jeffrey Derderian, Michael Derderian and Derco, LLC, wish to advise the Court that settlement in principle has been reached for the consideration of \$813,218.82, comprising the balance of proceeds of a liability insurance policy issued by Essex Insurance Company (which will be further reduced by any fees and expenses authorized by the Bankruptcy Court), said sum representing the total balance of funds in the bankruptcy estates of Jeffrey Derderian, Michael Derderian and DERCO, LLC. The aforementioned individual Defendants were discharged in bankruptcy on September 1, 2006.

Plaintiffs' counsel in all pending Station Fire Cases² have agreed to this settlement which is expressly subject to: (a) approval by the Bankruptcy Court; (b) approval of all Plaintiffs; (c) execution of a mutually acceptable settlement and release agreement by all Plaintiffs;

¹ All Plaintiffs represented by counsel in Gray, et al. v. Derderian, et al., C.A. No. 04-312L and Napolitano, et al. v. Derderian, et al., C.A. No. 06-080L as indicated by the signatures of counsel.

² All Station Fire Plaintiffs in the cases of Gray, et al. v. Derderian, et al., C.A. No. 04-312L; Napolitano, et al. v. Derderian, et al., C.A. No. 06-80L; Passa, et al. v. Derderian, et al., C.A. No. 03-148L; Kingsley, et al. v. Derderian, et al., C.A. No. 03-208L; Guindon, et al. v. American Foam Corp., et al., C.A. No. 03-335L; Henault, et al. v. American Foam Corp., et al., C.A. No. 03-483L; Roderiques, et al vs. American Foam Corp., et al., C.A. No. 04-026L; Sweet, et al. v. American Foam Corp., et al., C.A. No. 04-056L; Paskowski, et al. v. Derderian, et al., C.A. No. 05-002L; Kolasa v. American Foam Corp., et al., C.A. No. 05-070L; Long v. American Foam Corporation, C.A. No. 06-047L; Malagrino v. American Foam Corp., et al., C.A. No. 06-002L; and Gonsalves v. Derderian, et al., C.A. No. 06-076L.

(d) approval of this settlement by this Court; (e) approval by this Court of the allocation plan being developed by the Special Master; and (f) successful defense of any challenge to the constitutionality of the Rhode Island Uniform Contribution Among Joint Tortfeasors Act (R.I.G.L. § 10-6-1, *et. seq.*), as amended.

Plaintiffs #13d and e, #17 through #63, inclusive, #133 through #190, inclusive, #225 through #233, inclusive, # 240, and #251 through #257, inclusive, and the Napolitano plaintiffs,
By their Attorneys,

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/s/ John P. Barylick
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Plaintiffs #1 through #11, inclusive, #12b, #13a, b, and c, #14 through #16, inclusive, #80 through #132, inclusive, #222; #223, and #242 through #248, inclusive,
By their Attorneys,

/s/ Patrick T. Jones
/s/ Peter J. Schneider
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Plaintiffs #13d and e, #17 through #63, inclusive, #133 through #190, inclusive, #225 through #233, inclusive, # 240, and #251 through #257, inclusive, and the Napolitano plaintiffs,
By their Attorney,

/s/ Mark S. Mandell
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Plaintiffs #65b, #71 through #75, inclusive, #197 through #214, inclusive, #224; #234 through #237, inclusive, #260 through #262, inclusive, #265 and #266,
By their Attorney,

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Plaintiffs #64, #65a, #66 through #68,
inclusive, #192 through #195 inclusive, and
#241,
By their Attorney,

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Plaintiffs #12a, #76 through #79,
inclusive, #215 through #221, inclusive,
#238, #258, #259, #263, and #264,
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By their Attorney,

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Plaintiffs #191 and #239,
By their Attorney,

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Michael Derderian and DERCO, LLC,
By their Attorney,

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