

Protecting Our Water Environment

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Metropolitan Water Reclamation District of Greater Chicago

100 EAST ERIE STREET CHICAGO, ILLINOIS 60611-3154 312-751-5600

January 28, 2008

Frederick M. Feldman
Attorney

312-751-6565

Mr. Richard Lanyon
General Superintendent
O F F I C E

Re: Settlement of the Workers' Compensation Claim and lien of Patricia Guzowski vs. MWRDGC, 05WC 36765, Illinois Workers' Compensation Commission.

Dear Sir:

On August 21, 2003, Patricia Guzowski, a PCO-2 at the Northside Water Reclamation Plant was rear-ended while driving a District vehicle, causing her vehicle to flip over. She was taken by ambulance to Rush North Shore Hospital and treated for neck, left shoulder and low back pain. She had chiropractic treatments and lost seven days of work.

Guzowski filed a personal injury lawsuit against the driver who struck our vehicle. The District filed a lien to recover our costs for medical expenses and disability pay which totaled \$7,590.87. By statute, the District is entitled to 75% of its lien or \$5,693.15, less our pro-rata share of expenses related to Guzowski's lawsuit. The case went on trial on January 9, 2008 before Judge Maureen Durkin-Ray. During a pre-trial conference Judge Durkin-Ray recommended that the District waive the entire lien in exchange for Guzowski's not seeking a settlement on her Workers' Compensation case and accepting \$1.00 settlement contracts and agreeing not to submit \$3,990.73 in outstanding medical bills not paid under Workers' Compensation. The District agreed to reduce its lien to \$3,000.00 and the case was able to be settled.

The claim may now be settled by the District accepting \$3,000.00 of our \$5,693.15 lien. The Attorney believes this is a reasonable compromise and recommends the District accept this amount to satisfy their lien.

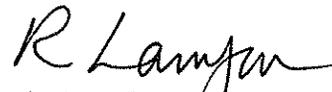
The Attorney requests that he be authorized to execute such documents as may be necessary to effect the settlement.

Respectfully submitted,



Frederick M. Feldman
Attorney

Approved by:



Richard Lanyon
General Superintendent

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Frederick M. Feldman
Attorney

February 21, 2008

312-751-6565

Mr. Richard Lanyon
General Superintendent
OFFICE

SUBJECT: Settlement of In Re: JII Liquidating, Inc. f/k/a Jernberg Industries, Case No. 05-25909, Adversary Proceeding: Richard J. Mason v. Metropolitan Water Reclamation District of Greater Chicago, Adversary No. 07-00561 in the amount of \$500.

Dear Sir:

The Metropolitan Water Reclamation District, ("District") and Richard J. Mason, the Chapter 7 Trustee of the bankruptcy estate of JII Liquidating, Inc. f/k/a Jernberg Industries, Inc., ("Trustee"), have reached a tentative settlement agreement in the context of an adversary proceeding which was brought against the District by the Trustee in the Chapter 7 Bankruptcy of Jernberg Industries ("Jernberg"), a former User of the District. The adversary proceeding arose out of payments received by the District from Jernberg with the 90 day preference period prior to Jernberg filing for bankruptcy protection. Section 554 and 550 of the Bankruptcy Code allows a Trustee to "avoid preference payments by filing an adversary action against any creditor. The point of that proceeding is to bring more funds back into the bankruptcy estate for eventual distribution to creditors. Preference payments are defined by the Bankruptcy Code as payments made by the debtor to a creditor within 90 days of the debtor having filed for bankruptcy protection which were not made in the ordinary course of business or for new value received.

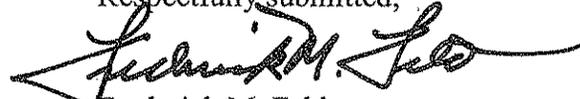
Had the adversary action against the District gone to trial, the potential exposure would be \$7, 439.76 plus interest at a rate of five (5) percent per annum in accordance with 815 ILCS 205/2. In addition, the Trustee sought to disallow the District's claim for pre-petition unpaid User Charges in the amount of \$39, 431.47, for which a Proof of Claim was filed on August 31, 2005.

Mr. Richard Lanyon
General Superintendent
February 21, 2008
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While the District has viable defenses to the adversary action, the District's special counsel, Joy Levy of Arnstein & Lehr, has recommended that the District settle this matter for the aforementioned amount of \$500. Moreover, the costs of pursuing this matter through trial and post-trial proceedings would easily cost more in legal fees and costs than the proposed settlement amount with no guarantee of a favorable outcome.

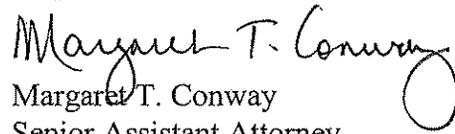
Based upon the foregoing, the Attorney respectfully requests that the General Superintendent approve the settlement of this adversary proceeding as set forth above and for authority to execute such documents as may be necessary to effectuate that agreement.

Respectfully submitted,



Frederick M. Feldman
Attorney

Prepared by:



Margaret T. Conway
Senior Assistant Attorney

Approved:



Richard Lanyon
General Superintendent

FMF:RMH:MTC