

EXHIBIT "B"

Declaration of Mohsen Sultan

I, Mohsen Sultan, make this Declaration in San Francisco, California, under the penalty of perjury of the laws of the State of California, and state:

1. I am Mohsen Sultan. I am an employee of the California Insurance Commissioner's Conservation and Liquidation Office. I am the Estate Trust Officer for the Mission Insurance Company Trust and the Mission National Insurance Company Trust. I am over the age of eighteen years. I am competent to be a witness. I have personal knowledge of the facts to which I attest. I acquired my personal knowledge through my involvement in the events described herein.

2. As the Estate Trust Officer for the Mission Insurance Company Trust and Mission National Insurance Company Trust, my responsibilities included marshaling the assets of the Trusts and to determine the approved claims and asset distributions for those entities.

3. I am also a person qualified to testify about the records of Missions Insurance Company and Mission National Insurance Company. These records are kept in a systematic manner in the ordinary course of business, with entries logged into those records at or about the time that the events occur. I base my testimony as to historical matters upon the review of these records.

4. Mission Insurance Company and Mission National Insurance Company entered liquidation on February 24, 1987. The companies were California property and casualty insurance companies. In that time, the records of the company reflect that the following steps took place:

- a. litigation to collect reinsurance due, resulting in asset recoveries;
- b. proof of claim notices were sent out to tens of thousands of policyholders and creditors;
- c. tens of thousands of proofs of claims were received and processed;
- d. guaranty association claims were processed and valued;
- e. interim distributions were made to approved policyholder class claimants;
- f. suits were settled with officers and with the company's accountants;
- g. a rehabilitation plan resulted in the creation of the Mission Insurance Company Trust and the Mission National Insurance Company Trust, in a transaction which makes Danielson Holding Corporation shares available for distribution.

5. At my direction, notices were sent by CLO to the policyholders, creditors and guaranty

1 associations regarding this closing motion setting for the closing of the cases.

2 6. The Court is requested to authorize the distribution of the remaining assets of Mission
3 Insurance Company and Mission National Insurance Company Trust, less a reserve to be held in the
4 trusts to deal with expense and potential reserve items. Based on information received from all the
5 CLO departments, I have estimated a closing budget of \$7,000,000 (seven million dollars) for
6 Mission Insurance Company and a closing budget of \$3,000,000 (three million dollars) for Mission
7 National Insurance Company.

8 7. Upon the distribution of the assets, the Court is requested to authorize a declaration of
9 compliance to be filed within 180 days after the completion of such distribution.

10 8. The proposed distribution in this matter shall increase policyholder priority claims to one
11 hundred percent of the principal amount of their claims as to both Mission Insurance Company
12 Trust and Mission National Insurance Company Trust. In addition, the distribution will provide
13 thirty percent (30%) of the principal amount of the claims to general creditors of Mission Insurance
14 Company Trust and one hundred percent (100%) of the claims to general creditors of Mission
15 National Insurance Company Trust.

16 9. In connection with these motions, the Insurance Commissioner as Trustee seeks leave to
17 maintain the trusts open, with a substantial reserve for unexpected matters, including any unforeseen
18 tax issues. The amount recommended for such a reserve is currently fifty eight million dollar for
19 Mission Insurance Company Trust and twenty nine million dollars for Mission National Insurance
20 Company Trust, but as further collections are received, this amount may increase. Upon the
21 expiration of an appropriate time period, the trusts will seek permission to distribute this money to
22 the creditors.

23
24 10. The distribution of shares of Covanta Holding Corporation will be sought in connection
25 with a subsequent motion in this matter. The Insurance Commissioner is negotiating now with
26 Covanta Holding Corporation to seek to resolve all remaining issues regarding the Mission/Covanta
27 agreement.

28 11. I have been the Estate Trust Officer in this matter since 2002. During this time period,


1 the CLO claims department conducted an extensive adjustment of numerous guaranty association
2 and individual claims, which included liability claims with substantial exposures and "long tail"
3 claims which posed substantial challenges for the trusts.
4 The claims department succeeded in resolving those policyholder class claims, and only a single
5 order to show cause remains pending by a general creditor class claimant. Reinsurance recoverables
6 have totaled over one billion dollars since 1987, and the reinsurance department has also overseen
7 the adjusting of thousands of reinsurance claims.

8 12. In my role as Estate Trust Officer, I have been responsible for the day to day
9 management of the trusts, including, without limitation:

- 10 a. coordinating with other states' regulatory and receivership departments;
11 b. planning and implementing the process for distribution of the Covanta Holding Corporation
12 shares;
13 c. leading negotiations with Covanta Holding Corporation with closing matters; and
14 d. planning and resolving closing issues related to claims, reinsurance and accounting;
15 e. negotiating with, and collecting over \$60,000,000 from, insurance guaranty associations as a
16 result of a final accounting of liabilities and disbursements;
17 f. managing the logistics of closing the liquidations of the biggest property and casualty insolvencies
18 in California history.

19 Based on this experience, I believe that the requested distribution and reserves are appropriate.
20 I base my recommendation upon the information provided to me by the accounting, claims and
21 reinsurance departments in this matter.

22 I hereby execute this declaration under the penalty of perjury of the laws of the State of
23 California in San Francisco, California, on the 30th day of November, 2005.

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25 
26 Mohsen Sultan
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