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REC'D
AUG 29 2008
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15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 FOR THE COUNTY OF LOS ANGELES

17 STEVE POIZNER, Insurance Commissioner) CASE NO. C 572 724
18 of the State of California,)
19) [PROPOSED] VALUATION ORDER
20 Plaintiff,)
21 vs.) DATE: October 3, 2008
22) TIME: 8:30 a.m.
23 MISSION INSURANCE COMPANY, a) DEPT: 50
24 California corporation,)
25) Filed: October 31, 1985
26 Respondent.)

27 Consolidated with Case Numbers:)

28 C 576 324, C 576 416, C 576 323)
C 576 325, C 629709)

On October 3, 2008, the Court heard the Motion to Approve Final Valuations of Latent Deficiency Claims and Interest Payable on Deficiency Claims Against Mission National Insurance Company Trust and Allocation of Shares of Covanta Holding Corporation Pursuant to the

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1 Rehabilitation Plan Implementation Agreement. The Court finds that appropriate and timely
2 notice was given to all interested parties as to the motion. Based on the evidence presented, the
3 Court finds that the individual claim amounts and claimants set forth on Exhibits A and B to the
4 Declaration of Richard McNamee are the final, determined and fixed amounts of each individual
5 Deficiency Claim, including Latent Deficiency Claims, as described in paragraph 31 of the
6 Rehabilitation Plan Implementation Agreement against the Mission National Insurance Company
7 Trust and that the Latent Deficiency Claims against the Mission National Insurance Company
8 Trust total \$78,012,287 in the aggregate. The Court further finds that interest amounts owed to
9 claimants in the amount of \$211,986,104 are additional claims that are final, determined and fixed
10 arising under California law and are payable by Mission National Insurance Company Trust to
11 holders of unpaid Deficiency Claims from the date such claims were final, fixed and determined
12 through the date of payment and as reduced by early access and interim distributions from time to
13 time. These Deficiency Claims, including Latent Deficiency Claims and interest payable on
14 claims against MNICT, individually and in the aggregate, are valid indebtedness from both direct
15 insurance and reinsurance contracts entered into by Mission Insurance Company and general
16 creditor claims and which are owed under California law pursuant to the Agreement of
17 Reorganization, Rehabilitation and Restructuring and the Rehabilitation Plan Implementation
18 Agreement, each as previously agreed upon and approved by this Court.

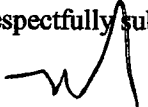
19 The Court approves the final allocation of Covanta Holding Corporation common stock
20 previously issued and held on behalf of such claimants by the California Insurance Commissioner
21 pursuant to the Agreement of Reorganization, Rehabilitation, and Restructuring to holders of
22 Deficiency Claims, including Latent Deficiency Claims and interest payable on the claims against
23 Mission National Insurance Company Trust, as set forth in the share distribution schedule set forth
24 in Exhibits A and B to the Declaration of Richard McNamee and orders that the shares of Covanta
25 Holding Corporation stock be distributed to each holder of a Deficiency Claim in accordance with
26 Exhibits A and B to the Declaration of Richard McNamee. The Court finds that this distribution
27 of shares of Covanta Holding Corporation stock to holders of Deficiency Claims, including Latent
28 Deficiency Claims and interest payable on the claims, is consistent with the proportionality

1 requirements of Internal Revenue Code former section 108(e)(8)(B). The Court further finds that
2 the distribution of cash held by Mission National Insurance Company Trust and the distribution of
3 shares of Covanta Holding Corporation stock to holders of Deficiency Claims, including Latent
4 Deficiency Claims and interest payable on the claims shall be in full satisfaction of
5 the valid indebtedness from both direct insurance and reinsurance contracts and general creditor
6 claims of Mission National Insurance Company constituted by such Deficiency Claims, including
7 Latent Deficiency Claims and interest payable on the claims and is consistent with the
8 requirements of section 108 of the Internal Revenue Code, as in effect on the date of and forming
9 the basis for the 1990 Agreement of Reorganization, Rehabilitation, and Restructuring, as
10 continuously applicable from the date thereof to the date of this Order.

11 The Insurance Commissioner is further authorized to take such steps as he deems
12 appropriate and necessary to implement the terms of these valuation and share distribution
13 procedures.

14 JUDGE OF THE SUPERIOR COURT

15 Respectfully submitted,

16 
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