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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WISCONSIN

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KATHLEEN McHUGH, and DEANNA SCHNEIDER, Individually and on behalf of all persons similarly situated,  
Plaintiffs,  
vs. CASE NO. 11-CV-724  
MADISON-KIPP CORPORATION,  
CONTINENTAL CASUALTY COMPANY,  
UNITED STATES FIRE INSURANCE COMPANY and ABC INSURANCE COMPANIES 1-50,  
Defendants,  
and  
MADISON-KIPP CORPORATION,  
Cross-Claimant,  
vs.  
CONTINENTAL CASUALTY COMPANY,  
COLUMBIA CASUALTY COMPANY and UNITED STATES FIRE INSURANCE COMPANY,  
Cross-Claim Defendants,

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(Caption continued)  
DEPOSITION OF  
ELIZABETH R. REYNOLDS  
Madison, Wisconsin  
December 17, 2012  
3:00 p.m. to 4:01 p.m.  
Kathy A. Halma, RPR

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1 and  
2 CONTINENTAL CASUALTY COMPANY and  
3 COLUMBIA CASUALTY COMPANY,  
4 Cross-Claim Defendants  
5 and  
6 LUMBERMENS MUTUAL CASUALTY  
7 COMPANY, AMERICAN MOTORISTS  
8 INSURANCE COMPANY, and JOHN DOE  
9 INSURANCE COMPANIES 1-20,  
10 Third-Party Defendants.

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11 A P P E A R A N C E S  
12 THE COLLINS LAW FIRM, P.C., 1770 North  
13 Park Street, Suite 200, Naperville, Illinois, 60563, by  
14 MR. EDWARD J. MANZKE, ejmanzke@collinslaw.com, appeared  
15 on behalf of the Plaintiffs.  
16 VARGA, BERGER, LEDSKY, HAYES & CASEY,  
17 125 South Wacker Drive, Suite 1250, Chicago, Illinois,  
18 60606-4473, by MR. MICHAEL D. HAYES, mhayes@vblhc.com,  
19 appeared on behalf of the Plaintiffs.  
20 MICHAEL, BEST & FRIEDRICH, LLP, 100 East  
21 Wisconsin Avenue, Milwaukee, Wisconsin, 53202, by MR.  
22 JOHN A. BUSCH, jabusch@michaelbest.com, appeared on  
23 behalf of Madison-Kipp Corporation.  
24 MICHAEL, BEST & FRIEDRICH, LLP, One  
25 South Pinckney Street, Suite 700, Madison, Wisconsin,  
53703, by MS. LEAH H. ZIEMBA and MR. ALBERT BIANCHI,  
JR., lhziemba@michaelbest.com and  
abianchi@michaelbest.com, appeared on behalf of  
Madison-Kipp Corporation.  
TROUTMAN SANDERS, LLP, 55 West Monroe  
Street, Suite 3000, Chicago, Illinois, 60603-5758, by  
MR. CHRISTOPHER H. WHITE,  
christopher.white@troutmansanders.com, appeared on  
behalf of the Defendant Continental Casualty Company.  
MEISSNER, TIERNEY, FISHER & NICHOLS,

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1 S.C., 111 East Kilbourn Avenue, 19th Floor, Milwaukee,  
2 Wisconsin, 53202-6622, by MR. MICHAEL J. COHEN,  
3 mjc@mtfn.com, appeared on behalf of United States Fire  
4 Insurance Company.  
5 HALE & WAGNER, S.C., 839 North Jefferson  
6 Street, Suite 400, Milwaukee, Wisconsin, 53202, by MR.  
7 JACQUES C. CONDON, jcc@halewagner.com, appeared on  
8 behalf of American Motorists Insurance Company.  
9 I N D E X  
10 ELIZABETH R. REYNOLDS  
11 By Mr. Bianchi.....5  
12 By Mr. White.....27  
13 By Mr. Condon.....32  
14 By Mr. Cohen.....36  
15 By Mr. Bianchi.....43  
16 E X H I B I T S  
17 No. 1 Discovery Documents; PLF\_126\_S\_MARQ\_000001  
18 to 000159.....5  
19 No. 2 Answers to Defendant Madison-Kipp Corporation's  
20 First Set of Interrogatories.....5  
21 No. 3 Answers to Defendant United States Fire  
22 Insurance Company's First Set of  
23 Interrogatories.....5  
24 No. 4 Responses to Defendant Madison-Kipp  
25 Corporation's First Set of Requests for  
Documents and Things.....5  
No. 5 Responses to Defendant United States Fire  
Insurance Company's First Set of Requests

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1 for Production.....5  
2  
3 (The original transcript was sent to Attorney  
4 Bianchi.)  
5 (The original exhibits were retained by the court  
6 reporter and attached to the original transcript.  
7 Copies were attached to all ordered copies.)  
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<p>1 TRANSCRIPT OF PROCEEDINGS                  2 (Exhibits 1 through 5 were marked.)                  3 ELIZABETH R. REYNOLDS, called as a                  4 witness herein by the Defendants, after having                  5 been first duly sworn, was examined and testified                  6 as follows:                  7 EXAMINATION                  8 BY MR. BIANCHI:                  9 Q Good afternoon.                  10 A Hi.                  11 Q My name is A. J. Bianchi, and I'm one of the                  12 attorneys representing Madison-Kipp. Have you                  13 ever been deposed before?                  14 A Unh-unh.                  15 Q A couple real quick ground rules. Number one is                  16 we need verbal responses, because she's going to                  17 be typing down everything that you say. So                  18 that's the big one.                  19 A Okay.                  20 Q The second thing is even if you know the answer                  21 to my question, it's always easiest to let me                  22 finish and then you can answer just again for the                  23 court reporter.                  24 A Okay.                  25 Q Can you state your full name and spell your last</p>	<p>1 Q And you have been with them for how long?                  2 A Six months.                  3 Q And does anyone else live with you at 126 South                  4 Marquette?                  5 A Yes.                  6 Q Who is that?                  7 A My husband.                  8 Q What's his name?                  9 A Corbin.                  10 Q And has he always lived there?                  11 A Yes.                  12 Q Anyone else?                  13 A Nope.                  14 Q Do either of you smoke?                  15 A I smoke.                  16 Q How long have you been with Corbin?                  17 A We have been married for three years, together                  18 for 12.                  19 Q I'm going to have you look at exhibit -- what's                  20 been marked as Exhibit 1. It's a huge chunk of                  21 documents.                  22 A Okay.                  23 Q Those are the documents I'm going to represent to                  24 you that you have provided to us in response to                  25 discovery requests. If you look at the first</p>
Page 6	Page 8
<p>1 name for the record.                  2 A Elizabeth Rose Reynolds, R-E-Y-N-O-L-D-S.                  3 Q And your address, as well?                  4 A 126 South Marquette Street.                  5 Q What's your educational background?                  6 A I have a bachelor's degree in writing, minor in                  7 art, and a bachelor's degree in secondary                  8 education and English.                  9 Q And where did you get your degrees from?                  10 A Wartburg College is where I got my writing degree                  11 in Waverly, Iowa, and I got my teaching degree at                  12 Edgewood College in Madison.                  13 Q When did you complete those degrees?                  14 A I completed my degree at Wartburg in 2004 and my                  15 degree at Edgewood in 2008.                  16 Q And let's start in 2004. What has been your work                  17 experience from 2004 to present?                  18 A My work experience is I worked at Panera Bread                  19 in Minneapolis, I lived there for about a year,                  20 and then I moved to Madison. Once I got my                  21 teaching degree, I have been teaching with                  22 disconnected youth. That's what I'm currently                  23 doing now.                  24 Q What is the employer's name?                  25 A Operation Fresh Start.</p>	<p>1 page, there's this kind of long number and letter                  2 PLF_126_S_MARQ_000001 and that goes all the way                  3 through, if you look at the end, to 000159.                  4 A Okay.                  5 Q Do these documents look familiar to you? Are                  6 these ones that you have provided us with? Do                  7 you recognize them?                  8 A Yes. I mean, they are bigger, but --                  9 Q All right. I'm going to have you start with the                  10 document that is 000002.                  11 A Okay.                  12 Q I would like you to just take a quick look at                  13 that page and then the next page. Just let me                  14 know if you see anything on there that looks                  15 incorrect.                  16 A It looks correct.                  17 Q Would you have any reason to disagree that the                  18 house was built in 1922?                  19 A To my knowledge, I thought it was 1928. I don't                  20 know about that little conflation.                  21 Q For what reason did you think it was 1928?                  22 A Because it was on my real estate information.                  23 Q Okay. What is the current way that your home is                  24 heated?                  25 A It's a gas heater.</p>

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1 Q Is it through forced air?	1 statement, a statement of damages or -- I can't
2 A Yes.	2 remember the exact name of it. All of the
3 Q Do you know when the furnace was put in?	3 information was there. There was no disclosures
4 A I do not. It was prior to us moving in.	4 of any problems.
5 Q And do you know if originally the house used to	5 Q Have you since gone back and talked to the people
6 have heat by way of coal?	6 that you purchased the house from?
7 A No.	7 A I have not.
8 Q And the home has a basement?	8 Q Do you have all the documents from the closing
9 A Yes.	9 still?
10 Q And how did you guys use the basement?	10 A Um-hum.
11 A Pretty much for storage and laundry.	11 Q And those were not produced in this, correct?
12 Q Any other uses besides those two?	12 A No, not that I know of.
13 A No.	13 Q How long did you live in Madison before you
14 Q And do you still have a hot tub in the basement?	14 purchased this home?
15 A We do, yep.	15 A I lived in Madison starting in 2005.
16 Q And do you still use that?	16 Q Where did you live?
17 A Yes. Not quite as frequently.	17 A I lived with my parents.
18 Q And was that there when you purchased the home?	18 Q Where was that?
19 A Um-hum.	19 A They lived on Capital Avenue.
20 Q What year was it that you purchased the home?	20 Q Did Corbin live with you guys, as well?
21 A 2009.	21 A No.
22 Q And what due diligence or effort did you use to	22 Q Where did he live?
23 purchase the property?	23 A He lived down on Broom Street.
24 A Could you define "due diligence" and "effort."	24 Q Starting in 2005, though?
25 Q Did you look at a lot of houses?	25 A Yes, he was there a little bit before I moved in.
Page 10	Page 12
1 A Yes. When we found this one, it was perfect and	1 Q Do you recall who you financed your mortgage
2 everything that we wanted.	2 through on this home?
3 Q What made it perfect?	3 A I do not recall.
4 A It was a three bedroom; it was within our budget.	4 Q You had the property appraised?
5 It had a garage and a back yard. We enjoyed the	5 A It was appraised prior to us buying the home,
6 layout of the home. It had a three-seasons	6 yes.
7 porch. The previous owners had taken really good	7 Q Did you have your own separate appraisal or was
8 care of it. We were very excited about	8 that the one that the people who were selling the
9 purchasing that particular home. We really enjoy	9 home had?
10 the neighborhood. Its quiet. It's a dead end	10 A The people that were selling the home.
11 and there's not a lot of traffic that comes	11 Q Would that document also be in your closing
12 through there. We thought it would be a good	12 documents?
13 place to raise a family.	13 A Yes.
14 Q Did you purchase the home using a realtor?	14 Q Did you talk to any of the neighbors to the
15 A Yes.	15 property before you purchased the home?
16 Q What was your realtor's name?	16 A No.
17 A Jaci See, First Weber.	17 Q Did you do any other kind of internet research or
18 Q Do you know how to spell her last name?	18 anything about the neighborhood?
19 A S-E-E. Her first name is J-A-C-C-I.	19 A No. Well, actually the only internet research we
20 Q Do you recall in purchasing the property whether	20 did was in regards to safety, to see what the
21 you received any kind of environmental	21 crime was in the area and whether or not there
22 disclosures or any data sheets?	22 were registered sex offenders.
23 A Not at all.	23 Q What did you find?
24 Q You didn't receive any?	24 A I don't remember the exact statistics, but, you
25 A We did not receive any. We did get a real estate	25 know, it wasn't anything that we were concerned

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<p>1 about.</p> <p>2 Q And when did you first become aware that</p> <p>3 Madison-Kipp was near this property?</p> <p>4 A Madison-Kipp was near the property?</p> <p>5 Q Right.</p> <p>6 A When we were looking at the home we knew that</p> <p>7 Madison-Kipp was there. We pretty much can smell</p> <p>8 it, we can hear it, you know, we're living behind</p> <p>9 the parking lot.</p> <p>10 Q What did you know about Madison-Kipp at that</p> <p>11 time?</p> <p>12 A I knew that they manufactured something.</p> <p>13 Q You didn't know what it was?</p> <p>14 A I didn't know exactly what it was.</p> <p>15 Q Did the owner tell you anything about</p> <p>16 Madison-Kipp?</p> <p>17 A Not particularly. They had mentioned something</p> <p>18 that had happened about an employee dumping</p> <p>19 Liquid Heat or anti-freeze into their yard and it</p> <p>20 killed their dog.</p> <p>21 Q Did you believe that the property was worth less</p> <p>22 because it abutted next to the factory?</p> <p>23 A I would assume so. I would assume so.</p> <p>24 Q So you were aware of the noise?</p> <p>25 A I was aware of the noise, but, you know, we</p>	<p>1 chose to join, too.</p> <p>2 Q What was that?</p> <p>3 A Our neighbors decided to file a lawsuit.</p> <p>4 Q Was there anything else -- Between the time that</p> <p>5 you heard about it in the newspaper or in the</p> <p>6 news and this lawsuit began, did you attend</p> <p>7 meetings?</p> <p>8 A I did not, no.</p> <p>9 Q Do you remember receiving any kind of information</p> <p>10 or letters from the DNR or anybody else?</p> <p>11 A DNR. Sorry. DNR, ARCADIS, Department of Health.</p> <p>12 Q And when you received some of this information,</p> <p>13 did you take any other action, independent</p> <p>14 research or hire anybody to investigate, anything</p> <p>15 further?</p> <p>16 A I'm pretty well versed with the DNR website.</p> <p>17 Q So you visited their website often?</p> <p>18 A Yes, to see updates, study the maps on there.</p> <p>19 Q Anything else?</p> <p>20 A No.</p> <p>21 Q I believe you recently refinanced your mortgage,</p> <p>22 is that right?</p> <p>23 A No.</p> <p>24 Q Did you take out a new mortgage?</p> <p>25 A No.</p>
Page 14	Page 16
<p>1 looked at it once and fell in love with the home.</p> <p>2 The noise factor, you know, after living there we</p> <p>3 don't notice it.</p> <p>4 Q Okay. Sure. Since moving there have you joined</p> <p>5 any kind of a -- there's a community group SASY.</p> <p>6 A Um-hum.</p> <p>7 Q Are you part of that?</p> <p>8 A No.</p> <p>9 Q Any other community groups that you'd be a part</p> <p>10 of?</p> <p>11 A No.</p> <p>12 Q Do you receive any emails from any of those</p> <p>13 community groups?</p> <p>14 A No.</p> <p>15 Q When did you first become aware of the alleged</p> <p>16 pollution and/or contamination issues with</p> <p>17 Madison-Kipp?</p> <p>18 A It would have been the spring, summer of 2011.</p> <p>19 Q How did you become aware?</p> <p>20 A It was in the media.</p> <p>21 Q Like the newspaper or TV?</p> <p>22 A Newspaper. I don't have television.</p> <p>23 Q What did you do when you read something about it?</p> <p>24 Did you take any action?</p> <p>25 A There was action within our neighborhood which we</p>	<p>1 Q A line of equity?</p> <p>2 A No.</p> <p>3 Q Did you do something where you put your property</p> <p>4 up as collateral recently?</p> <p>5 A My husband is a small business owner. Yes, that</p> <p>6 would have been the collateral.</p> <p>7 Q What exactly was that process?</p> <p>8 A He took out a bank loan. So in the event he</p> <p>9 cannot pay the loan, all of your personal</p> <p>10 property, cars, would be taken in the event that</p> <p>11 the loans could not be paid off.</p> <p>12 Q And what's your husband's business?</p> <p>13 A It's a deli.</p> <p>14 Q What's the name of it?</p> <p>15 A Stalzys, S-T-A-L-Z-Y-S.</p> <p>16 Q Where is that located?</p> <p>17 A Atwood Avenue.</p> <p>18 Q So do you know was the home appraised for that</p> <p>19 process?</p> <p>20 A I'm not -- Not to my knowledge.</p> <p>21 Q Were there any kind of disclosures or</p> <p>22 environmental data sheets that you had to provide</p> <p>23 to obtain that line of credit?</p> <p>24 A No.</p> <p>25 Q No, there weren't any --</p>

Page 17	Page 19
<p>1 A Environmentally related, no. We didn't know 2 about it then. 3 Q I will have you look at Document 00005. Do you 4 recall receiving this document in the mail around 5 this date? 6 A I'm just looking through it. 7 Q Yes, sure. Take your time. 8 A I'm not sure I remember seeing this document. I 9 kept all of my -- the Kipp documents that I had 10 in a file. I didn't -- When I was delivering 11 them it's possible. I don't know. 12 Q I'm sorry. Go ahead. 13 A I don't know if I received this specifically. 14 Q This isn't a group that you produced to us. 15 A Okay. Then it was in there. 16 Q Okay. No, I'm just trying to make sure I'm being 17 clear. 18 A Um-hum. 19 Q And so would it have been possible that your 20 husband received the document? 21 A No, it would have gone to our home, and I take 22 care of most of the mail. 23 Q So specifically looking at the third paragraph, 24 do you recall hearing this information before? 25 A Yes, I do.</p>	<p>1 section says? 2 A On the first page? 3 Q Yes, just for the record that part that starts 4 "Class Members." 5 A Oh, okay. "Class Members (Corbin and Elizabeth 6 Reynolds) Answers to Defendant Madison-Kipp 7 Corporation's First Set of Interrogatories." 8 Q Okay. And you can go ahead now and look through 9 the document. 10 A Okay. 11 Q Just confirm that you helped provide the answers 12 to these questions, please. There's a 13 verification page, it's like seven pages in, with 14 your signature. Do you recognize this document? 15 A Absolutely. 16 Q Okay. And we're going to look at Question 3, 17 your response. 18 A Okay. 19 Q You talk about the loss of full use and 20 enjoyment. Can you explain how you lost the full 21 use and enjoyment? 22 A I put \$40,000 of my inheritance into that home. 23 I don't like being at my house anymore. I feel 24 unsafe there. I feel that it's a violation the 25 way that Kipp has handled the situation, and I'm</p>
Page 18	Page 20
<p>1 Q And did hearing the information that PCE in the 2 collected samples was below the sub-slab soil gas 3 and indoor air residential action levels provided 4 by the WDNR, did that cause you to take any kind 5 of action? 6 A As far as the toxins being in my home? 7 Q Learning this information, did it change the way 8 you felt about your home or did it make you feel 9 better about any concerns that you had? 10 A It made me feel horrible about my home. 11 Q And the next document that is 000007 through 12 000016, do you recall receiving this document? 13 A I don't remember. It may have been submitted in 14 the previous information that I had submitted. 15 Q Do you remember someone coming out in March 2012 16 to survey your home and take the samples, though? 17 A Yes, I do remember that. 18 Q I'm going to have you look at -- Underneath there 19 should be an exhibit labeled Exhibit 2. It's a 20 completely separate document. I think it's one 21 of those (indicating). I'm just going to have 22 you at the very bottom of the first page before 23 we jump into it, or the cover page, if you look 24 at the cover page, it says "Exhibit 2" and right 25 above it can you just read what that little</p>	<p>1 worried about my pet, my dog. I don't have 2 children. He's like my child. 3 My property has lost its value. I don't 4 believe anyone would want to buy my house. I'm 5 stuck in my house. I have nowhere to go. I 6 can't grow vegetables in my yard. I love to 7 garden. I can't do that anymore. It's an 8 overall inconvenience to me and it's devastating 9 because it was my dream to have a home that I 10 enjoyed. 11 Q I'm sorry. Did someone tell you -- provide you 12 with information that said it would be unsafe to 13 be in your home any longer? 14 A Prior to me moving in there -- 15 Q Now. 16 A -- or now. It says on the DNR website that this 17 carcinogen causes cancer. It's out there. 18 Q Do you have a mitigation system in your house? 19 A Not at the moment. 20 Q But you are planning to get one? 21 A We're waiting to hear back from Mike Schmoller. 22 Q And what are you waiting to hear back? 23 A That it will be installed. 24 Q And have you had a conversation with him? 25 A I sent him an email.</p>

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<p>1 Q Okay. All right. Let's go back to the bigger 2 group of documents, so Exhibit 1 at Document 3 000041. It's the next one. It's dated May 8, 4 2012. 5 MR. MANZKE: What number is that? 6 MR. BIANCHI: Oh, I'm sorry. Exhibit 1, 7 and it has the Bates number at the bottom. It's 8 000041. 9 THE WITNESS: Oh, sorry. 10 MR. BIANCHI: I apologize for all the 11 numbering. 12 BY MR. BIANCHI: 13 Q Do you recall receiving this document? 14 A Um-hum. 15 Q That's a yes? 16 A Yes. 17 Q In about the third paragraph down it talks about 18 there was no PCBs or VOCs detected in either 19 sample. Do you see that? 20 A Yes. 21 Q Okay. Did that factor change the way that you 22 felt about your concerns for the property? 23 A No. 24 Q Why is that? 25 A Because there were still chemicals in my home.</p>	<p>1 Q Just if that looks like -- I'm just trying to 2 identify the document -- that it looks like one 3 that you signed and filled out. It's a copy of 4 it? 5 A Yes. 6 Q We're going to go to No. 4 then. It will have a 7 tag 4 on it. Read that first little part again. 8 A "Class Members (Corbin and Elizabeth Reynolds) 9 Responses to Defendant Madison-Kipp Corporation's 10 First Set of Requests for Documents and Things." 11 Q And I just, again, just want to confirm that this 12 is a copy of your responses to the document 13 requests. 14 A Okay. It's interesting how my maiden name is on 15 some of these and my married name is not, just as 16 a side note. How would you like me to answer 17 this? 18 Q Just do you recognize that that's a copy of the 19 responses that you provided? 20 A Yes. 21 Q Okay. And we'll do the same thing with No. 5. 22 Please read the first part. 23 A Oh, I'm sorry. "Class Members (Corbin and 24 Elizabeth Reynolds) Responses to Defendant United 25 States Fire Insurance Company's First Set of</p>
Page 22	Page 24
<p>1 This is dated in May. There are chemicals -- As 2 I looked on the DNR website, to my knowledge many 3 of these were in the home as of September. 4 Q And is it your understanding that they are at 5 levels that will harm? 6 A Yes, some of them are. 7 Q Do you recall which ones? 8 A TCE, I believe. The other ones I don't want to 9 say because I don't know for certain the numbers 10 at this point. 11 Q I'm just going to have you -- We're going to go 12 through this little stack of documents here, 13 Exhibits 3, 4 and 5, to be able to just identify 14 them. So I'm going to ask you to do what you did 15 with Exhibit 2, and that's just read that on the 16 cover page what the first little part says. 17 A On No. 3? 18 Q Start with 3, yes, please. 19 A "Class Members (Corbin and Elizabeth Reynolds) 20 Answers to Defendant United States Fire Insurance 21 Company's First Set of Interrogatories." 22 Q I will have you look through it and just identify 23 that that looks to be a correct copy of what you 24 provided. 25 A How would you like me to answer this?</p>	<p>1 Requests for Production." 2 Q Okay. 3 A Yes, I recall receiving this document. 4 Q Okay. You said you used your basement for 5 storage. What do you store in the basement? 6 A Stuff. Things that -- 7 Q Any kind of like paint or adhesives? 8 A No, no, mostly the stuff I had to move out of my 9 parents' home. 10 Q Have you guys done any remodeling of the home 11 since you moved in? 12 A No. Just painting. 13 Q The inside of the house? 14 A The inside. 15 Q And have you, since finding out about the 16 potential contamination, have you tried to sell 17 your home? 18 A No. 19 Q Have you contacted a realtor? 20 A No. 21 Q Anybody about selling your home? 22 A No. 23 Q Any plans to get an appraisal in the works right 24 now? 25 A No.</p>

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<p>1 Q Have you talked with any of your neighbors about 2 the home once you found out about potential 3 contamination? 4 A Yes. 5 Q Did you speak specifically about the value of 6 your home with anyone? 7 A Yes. 8 Q And you noted that the home had lost its value. 9 Where did you find that information? 10 A Who would want to buy a home that was 11 contaminated and, I mean, it's public knowledge. 12 I'm not going to be able to sell that home for 13 what I bought it for. 14 Q Solely because of the contamination? 15 A Absolutely. 16 Q Has anyone told you that your home is more or 17 less contaminated than any other home? 18 A As opposed to the rest of the block? 19 Q Yes. 20 A Just from what I have seen on the DNR website 21 that actually the closer the homes are to the 22 bike path had larger amounts, some in the middle 23 had larger amounts, and some towards the end of 24 Atwood had no detections. 25 Q And you also noted about gardening. Did anyone</p>	<p>1 results, did you call anyone at DNR to ask 2 questions? 3 A No, I did not call them. 4 Q Did you call anyone to explain the sample results 5 at all? 6 A No. 7 MR. BIANCHI: I'd like to take a minute 8 and talk to my colleagues. Let's take a little 9 break. 10 (A recess was taken.) 11 BY MR. BIANCHI: 12 Q I just have a couple more questions. 13 A Okay. 14 Q Have you ever had your home tested for radon? 15 A No. 16 Q And you had noted that you smoke. Do you smoke 17 in your home? 18 A No. 19 MR. BIANCHI: I have no further 20 questions. 21 EXAMINATION 22 BY MR. WHITE: 23 Q Good afternoon. My name is Chris White. I 24 represent two of Madison-Kipp's insurance 25 companies --</p>
Page 26	Page 28
<p>1 tell you to stop gardening? 2 A No one told me to stop gardening. 3 Q You just decided to stop gardening? 4 A Yes, anything that's edible. 5 Q Do you still plant flowers? 6 A I plant flowers. 7 Q And if you obtain this mitigation system, will 8 that change how you feel about your home or make 9 you feel any better? 10 A I feel like it's a short-term fix. No. 11 Q Do you know how the mitigation system -- what 12 it's supposed to do? 13 A It's supposed to filter air out of your home that 14 is considered toxic. 15 Q And do you know if the levels that they detected 16 were above or below what the DNR considers safe? 17 A Some of them were. The Department of Health had 18 also come in and they were testing our sub-slabs 19 and released a document that suggested we could 20 get one or should get one due to the levels of 21 the vapors, contaminants. 22 Q And did you talk to anyone about that or that was 23 just from reading the documents? 24 A Reading the documents that were sent to us. 25 Q And when you received the different sample</p>	<p>1 A Okay. 2 Q -- Continental Casualty Company and Columbia 3 Casualty Company. I just have a few additional 4 questions. 5 A Okay. 6 Q First of all, could you tell me your birth date? 7 A November 23, 1981. 8 Q And where were you born? 9 A Evanston, Illinois. 10 Q And how long did you continue to live in 11 Evanston, Illinois, after 1981? 12 A Eighteen years. I lived there for a summer after 13 my freshman year. 14 Q So when you say you lived there for 18 years, you 15 lived there continuously from 1981 until 1999? 16 A 2000. That's when I graduated. 17 Q And at no time in that period did you ever live 18 in Madison? 19 A Not during that period, no. 20 Q Do you know if your home contains any asbestos? 21 A No, not to my knowledge. 22 Q Have you made any efforts to have your home 23 inspected for asbestos? 24 A No. 25 Q Have you ever noticed any chipping or peeling</p>

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<p>1 paint in your house?                  2 A No.                  3 Q You mentioned in the basement that you have a hot                  4 tub down there?                  5 A Yes.                  6 Q And that you use that hot tub less frequently now                  7 than you have in the past?                  8 A Yes.                  9 Q Is that related to the contamination issues that                  10 bring us here today?                  11 A Yes.                  12 Q Why do you use your hot tub less often?                  13 A Because I don't want to be in my basement over an                  14 extended period of time.                  15 Q Has anyone told you not to be in your basement                  16 for extended periods of time?                  17 A No.                  18 Q Have you talked to anyone at the DNR about                  19 whether or not it is safe for you to be in your                  20 basement?                  21 A No, I have not.                  22 Q Have you talked to anyone at the Department of                  23 Health about whether it's safe for you to be in                  24 your basement?                  25 A No, I have not.</p>	<p>1 your budget that were smaller than the house you                  2 ended up buying?                  3 A Yes.                  4 Q Did you look at other properties that were the                  5 same size as the house you ended up buying that                  6 cost more money?                  7 A No.                  8 Q Did you just not look at any houses that were                  9 over your budget?                  10 A We stayed within our budget. The Marquette house                  11 was at the top of our budget.                  12 Q How many other homes did you look at that were                  13 located directly adjacent to manufacturing                  14 facilities?                  15 A None.                  16 Q Is it fair to say that one of the reasons that                  17 the -- that you were able to purchase a house as                  18 nice as you were able to purchase within your                  19 budget was because the house was located directly                  20 adjacent to a manufacturing facility?                  21 A Is it fair?                  22 MR. MANZKE: I will object to                  23 foundation, she's not a real estate expert, but                  24 you can answer his question to the extent you                  25 understand it.</p>
Page 30	Page 32
<p>1 Q Have you talked to anyone at ARCADIS or any other                  2 environmental contracting firm about whether it's                  3 safe for you to be in your basement?                  4 A No.                  5 Q Have you talked to anyone about the general                  6 matter whether there are health risks to you from                  7 living in your house?                  8 A Can you say that again, please.                  9 Q Have you talked to anyone as to whether there are                  10 any health risks to you about living in your                  11 house given the contamination issues?                  12 A Just my neighbors.                  13 Q Are any of your neighbors -- Do any of your                  14 neighbors have any particular expertise in this                  15 field?                  16 A In contamination, not to my knowledge.                  17 Q You said when you were searching for your home                  18 that you fell in love with the house and it was                  19 within your budget?                  20 A Yes.                  21 Q When you were looking at homes to buy, did your                  22 realtor take you around Madison and show you                  23 other properties?                  24 A Yes.                  25 Q Did you look at other properties that were within</p>	<p>1 THE WITNESS: Can you say that again?                  2 BY MR. WHITE:                  3 Q Is it fair to say one of the reasons you were                  4 able to purchase a house as nice as you were able                  5 to purchase that was within your budget was that                  6 it was located next to Madison-Kipp's                  7 manufacturing facility?                  8 A It's a possibility.                  9 MR. MANZKE: Same objections.                  10 THE WITNESS: It's a possibility. As                  11 you get closer to the lake, east side homes are                  12 more expensive as opposed to the other side of                  13 Atwood.                  14 MR. WHITE: That's all I have. Thank                  15 you.                  16 EXAMINATION                  17 BY MR. CONDON:                  18 Q Ms. Reynolds, my name is Jacques Condon. I just                  19 have a few follow-up questions. Okay?                  20 A Okay.                  21 Q Your maiden name is Bally?                  22 A Yes.                  23 Q Can you spell that, please?                  24 A B-A-L-L-Y.                  25 Q I think you said before that you do not have a</p>



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1 TV?  
 2 A We have a TV. We don't have any kind of cable or  
 3 anything. I don't have any access to movies or  
 4 anything.  
 5 Q So is it hooked up?  
 6 A The TV is hooked up. There's a TV. There's an  
 7 actual television in there.  
 8 Q Say that again?  
 9 A There's a television there, but we just don't  
 10 have cable or any basic cable.  
 11 Q Do you have it hooked up with -- Can you get the  
 12 local stations?  
 13 A No, we don't have any basic cable or anything.  
 14 Q And we used to be able to use rabbit ears, but  
 15 now they have a different setup to obtain the  
 16 local stations. You don't have that setup?  
 17 A No.  
 18 Q Let's talk about the dead dog issue.  
 19 A Okay.  
 20 Q The people you bought your home from told you  
 21 that their dog died, right?  
 22 A Yes.  
 23 Q What did they say?  
 24 A They said that an employee from Madison-Kipp had  
 25 dumped a container that, you know, may have had

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1 some residual -- it was like Liquid Heat or  
 2 something and the dog ate it and it killed the  
 3 dog.  
 4 Q All right. Did they say that employee may have  
 5 dumped or they actually saw an employee dump?  
 6 A I don't know if they saw the employee dump it.  
 7 They said that a Madison-Kipp employee dumped it.  
 8 Q Do you have a fence in your back yard?  
 9 A Yes, we do.  
 10 Q Did they have a fence then?  
 11 A Yes.  
 12 Q Do you know how long that was before you  
 13 purchased the home?  
 14 A I do not.  
 15 Q When you had this discussion, was it prior to  
 16 your purchase? Was it after you purchased it?  
 17 When was it?  
 18 A It was after we purchased.  
 19 Q On what occasion did you have to speak with them  
 20 then?  
 21 A Because we told them we were getting a dog, and  
 22 he loved his dog and it was just sort of  
 23 conferring with me about how that was hard for  
 24 him.  
 25 Q Did you know the person? Sometimes I get

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1 confused. This is the person you bought the home  
 2 from, right?  
 3 A Yes.  
 4 Q All right. Did you know that person prior to  
 5 purchasing it?  
 6 A No.  
 7 Q Do you still keep in touch with that person?  
 8 A He will come by occasionally to clip my bonsai  
 9 tree. They moved down to Florida. They come up  
 10 during the summer sometimes.  
 11 Q Were they from here, I take it?  
 12 A I believe they were from here, yes. He was a big  
 13 bonsai guy, and there was one tree that he loved,  
 14 so he will come and clip it.  
 15 Q Did you have any discussions with the former  
 16 owner about any problems with Madison-Kipp?  
 17 A No.  
 18 Q Since these issues came about with the WDNR and  
 19 everything that we are here for today, have you  
 20 had any other discussions with that former owner  
 21 about issues with Madison-Kipp?  
 22 A No.  
 23 Q You said you talked to your neighbor a little bit  
 24 about some of your issues and the house value,  
 25 right?

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1 A Yes, um-hum.  
 2 Q What neighbor do you normally -- or have you  
 3 talked with about this?  
 4 A My closest neighbors.  
 5 Q The Hannons?  
 6 A Yes.  
 7 Q They are the ones you are referring to?  
 8 A The Hannons and Neil Stalzer and Judy James.  
 9 Q Do you know whether they have done any  
 10 appraisals, done anything in their home regarding  
 11 value?  
 12 A Not to my knowledge.  
 13 MR. CONDON: Those are all the questions  
 14 I have. Thank you.  
 15 EXAMINATION  
 16 BY MR. COHEN:  
 17 Q Ma'am, my name is Mike Cohen. I represent one of  
 18 the other insurers. I just didn't understand  
 19 part of your testimony. I want to be able to  
 20 understand it. I thought you said, and please  
 21 correct me if I'm wrong, that you believed that  
 22 there were harmful chemicals in your home that  
 23 you are exposed to right now, right?  
 24 A Um-hum.  
 25 Q Yes?

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1 A Yes.	1 Q Okay. And in the second paragraph it says,
2 Q And I thought you said you thought it was TCE.	2 "Specifically the sampling was completed to test
3 Is that right?	3 for the presence of," and then it lists several
4 A Yeah, it could be TCE. I don't know, to be	4 chemicals. Do you see that?
5 honest with you.	5 A I do.
6 Q And it's your understanding that the level of	6 Q And one of them is PCE, the acronym for it, the
7 this contaminant that you think is in your house	7 next one is TCE and then some others there. Do
8 is at a level that it could cause harm to you?	8 you see that?
9 A I'm not particularly sure if it's that chemical	9 A Yes.
10 that's above.	10 Q So it's telling you the range of chemicals, the
11 Q Okay. But as you sit here today, you have some	11 suite of chemicals that they are testing for. Do
12 reason to believe that there is some chemical in	12 you see that?
13 your home, whether it's TCE or some other	13 A Yep.
14 chemical, that's at a level that could cause harm	14 Q Okay. And then it goes on to explain when the
15 to your health?	15 sub-slab samples and the indoor air basement
16 A Yes.	16 samples and first floor samples were collected,
17 Q Right?	17 right?
18 A Yes.	18 A Um-hum.
19 Q And did you receive a letter from the DNR or	19 Q That's a yes?
20 Madison-Kipp or its consultants that said that	20 A Yes.
21 specific to your home?	21 Q Okay. And then it goes on to explain that to
22 A The Department of Health.	22 you, and it says, "Based on the laboratory
23 Q Sent you a letter?	23 results below, only PCE was detected in these
24 A Yes, because they came in and did testing along	24 samples. The levels of PCE in the collected
25 with ARCADIS.	25 samples were below the sub-slab soil gas and
Page 38	Page 40
1 Q Okay. Let's go back to 000005. It's in	1 indoor air residential action levels provided by
2 Exhibit 1.	2 the WDNR. The WDNR residential action level is
3 A Yes.	3 based on the U. S. Environmental Protection
4 Q This is the April 2, 2012 letter that was sent to	4 Agency's residential air screening levels that
5 you by Madison-Kipp, and it's talking about	5 represent health-protective concentrations an
6 indoor air and sub-slab vapor sampling activities	6 individual can be exposed to for 30 years for 24
7 that were taken at your house on March 15th and	7 hours a day." Do you see that?
8 16th, 2012, right?	8 A Yes.
9 A Um-hum.	9 Q So this letter, you would agree with me, is
10 Q That's a yes?	10 telling you that there are no chemicals in your
11 A Yes.	11 home that have been tested that would represent a
12 Q Okay. That's the only indoor air and sub-slab	12 health exposure to you, correct?
13 vapor sampling activities that occurred at your	13 A That's what I'm seeing here.
14 home, right?	14 Q Okay. Are you thinking of some other letter
15 A Okay.	15 about this same sampling that gives you --
16 Q Yes?	16 A I am.
17 A Yes. It would have been through ARCADIS, yes.	17 Q You are?
18 Q So we are talking about the same thing, there was	18 A Because the Department of Health released
19 only one occasion on these two days that you had	19 something that recommended we install a
20 testing done at your home, right?	20 mitigation system.
21 A In the home? In the home?	21 Q Okay.
22 Q Correct. Well, the sub-slab is underneath the	22 A And I do not have that document.
23 home and then there's indoor air sampling in your	23 Q And I think what you are thinking about is any
24 basement, right?	24 property where there was any detection, even if
25 A Okay. Yes.	25 it was below the direct -- the residential action

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<p>1 level, you could get a mitigation system. Is</p> <p>2 that what you are thinking of?</p> <p>3 A It's possible.</p> <p>4 Q Okay. You don't remember any letter that said</p> <p>5 that the levels inside your house are above the</p> <p>6 residential action level, do you?</p> <p>7 A I don't know.</p> <p>8 Q You don't know one way or the other?</p> <p>9 A No.</p> <p>10 Q Let's talk about your opinion with respect to the</p> <p>11 value of your home. The only appraisal that you</p> <p>12 have of your home was from 2009, correct?</p> <p>13 A Yes.</p> <p>14 Q And that was the amount of the purchase price of</p> <p>15 the property, correct?</p> <p>16 A Yes.</p> <p>17 Q Which was \$215,000?</p> <p>18 A Yes, I think it was 214, 215, somewhere around</p> <p>19 there.</p> <p>20 Q Okay. And for purposes of the appraised value</p> <p>21 for your property taxes, that hasn't changed at</p> <p>22 all?</p> <p>23 A Can you say that again?</p> <p>24 Q Sure. You know you get taxed for property taxes</p> <p>25 based on the assessed value of your home?</p>	<p>1 Q No. No real estate professional has ever told</p> <p>2 you you can't sell your house, correct?</p> <p>3 A No.</p> <p>4 Q No real estate professional has ever told you</p> <p>5 that the value of your house is different than</p> <p>6 what you bought it for, correct?</p> <p>7 A No.</p> <p>8 Q That's correct?</p> <p>9 A Yes, that's correct.</p> <p>10 Q The only thing you can offer to us is your own</p> <p>11 opinion that you think the property is not worth</p> <p>12 anything, right?</p> <p>13 A Yes.</p> <p>14 MR. COHEN: That's all I have.</p> <p>15 MR. BIANCHI: I just have one last</p> <p>16 question.</p> <p>17 EXAMINATION</p> <p>18 BY MR. BIANCHI:</p> <p>19 Q In the time that you have been living there, have</p> <p>20 you seen or observed with your own eyes</p> <p>21 Madison-Kipp do anything illegal?</p> <p>22 A No.</p> <p>23 Q And have you seen or observed Madison-Kipp act in</p> <p>24 any way to harm your property since you have</p> <p>25 lived there?</p>
Page 42	Page 44
<p>1 A Um-hum.</p> <p>2 Q Correct?</p> <p>3 A Yes.</p> <p>4 Q And that number hasn't changed, right? It hasn't</p> <p>5 been reduced?</p> <p>6 A I'm not sure.</p> <p>7 Q Okay. You haven't received a letter from the</p> <p>8 city saying the assessed value of your home has</p> <p>9 dropped to a different number?</p> <p>10 A My husband looks at those documents. I'm not</p> <p>11 sure.</p> <p>12 Q He didn't tell you that?</p> <p>13 A He didn't tell me that.</p> <p>14 Q So sitting here today, though, while you are</p> <p>15 under oath the only assessed value that you know</p> <p>16 of is your purchase price?</p> <p>17 A Okay. Yes.</p> <p>18 Q Right?</p> <p>19 A Yes.</p> <p>20 Q And you have never put your house up for sale,</p> <p>21 correct?</p> <p>22 A I've never put my house up for sale, no.</p> <p>23 Q A broker has never told you that you can't sell</p> <p>24 your house, correct?</p> <p>25 A No.</p>	<p>1 A No.</p> <p>2 MR. BIANCHI: That's all I have.</p> <p>3 MR. MANZKE: Okay. We will reserve.</p> <p>4 (At 4:01 p.m. the deposition concluded.)</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

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1 CERTIFICATE OF WITNESS  
2  
3  
4 I, ELIZABETH R. REYNOLDS, have read the  
5 foregoing page and the corrections, if any, having been  
6 noted. The same is now a true and correct transcript  
7 of my testimony.  
8  
9  
10 \_\_\_\_\_  
11 ELIZABETH R. REYNOLDS  
12  
13 STATE OF WISCONSIN )  
14 \_\_\_\_\_ COUNTY)  
15  
16 Subscribed and sworn to before me this  
17 \_\_\_\_\_ day of \_\_\_\_\_, 2013.  
18  
19  
20 \_\_\_\_\_  
21 Notary Public  
22 In and for the State of Wisconsin  
23 My commission expires \_\_\_\_\_, \_\_\_\_.  
24  
25

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1 STATE OF WISCONSIN )  
2 MILWAUKEE COUNTY )  
3 I, KATHY A. HALMA, Registered  
4 Professional Reporter and Notary Public in and for the  
5 State of Wisconsin, do hereby certify that the  
6 deposition of ELIZABETH R. REYNOLDS, was taken before  
7 me at the Goodman Community Center, 149 Waubesa Street,  
8 Madison, Wisconsin, on the 17th day of December, 2012,  
9 commencing at 3:00 o'clock in the afternoon.  
10 That it was taken at the instance of the  
11 Defendants upon verbal interrogatories.  
12 That said statement was taken to be used  
13 in an action now pending in the UNITED STATES DISTRICT  
14 COURT FOR THE WESTERN DISTRICT OF WISCONSIN, in which  
15 KATHLEEN MC HUGH, et al., are the Plaintiffs and  
16 MADISON-KIPP, et al., are the Defendants and  
17 MADISON-KIPP CORPORATION is the Cross-Claimant and  
18 CONTINENTAL CASUALTY COMPANY, et al., are the  
19 Cross-Complainants and LUMBERMENS MUTUAL CASUALTY  
20 COMPANY are the Third-Party Defendants.  
21 A P P E A R A N C E S  
22 THE COLLINS LAW FIRM, P.C, 1770 North  
23 Park Street, Suite 200, Naperville, Illinois, 60563, by  
24 MR. EDWARD J. MANZKE, ejmanzke@collinslaw.com, appeared  
25 on behalf of the Plaintiffs.  
  
VARGA, BERGER, LEDSKY, HAYES & CASEY,  
125 South Wacker Drive, Suite 1250, Chicago, Illinois,

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1 60606-4473, by MR. MICHAEL D. HAYES, mhayes@vblhc.com,  
2 appeared on behalf of the Plaintiffs.  
3  
4 MICHAEL, BEST & FRIEDRICH, LLP, 100 East  
5 Wisconsin Avenue, Milwaukee, Wisconsin, 53202, by MR.  
6 JOHN A. BUSCH, jabusch@michaelbest.com, appeared on  
7 behalf of Madison-Kipp Corporation.  
8 MICHAEL, BEST & FRIEDRICH, LLP, One  
9 South Pinckney Street, Suite 700, Madison, Wisconsin,  
10 53703, by MS. LEAH H. ZIEMBA and MR. ALBERT BIANCHI,  
11 JR., lhziemba@michaelbest.com and  
12 abianchi@michaelbest.com, appeared on behalf of  
13 Madison-Kipp Corporation.  
14  
15 TROUTMAN SANDERS, LLP, 55 West Monroe  
16 Street, Suite 3000, Chicago, Illinois, 60603-5758, by  
17 MR. CHRISTOPHER H. WHITE,  
18 christopher.white@troutmansanders.com, appeared on  
19 behalf of the Defendant Continental Casualty Company.  
20  
21 MEISSNER, TIERNEY, FISHER & NICHOLS,  
22 S.C., 111 East Kilbourn Avenue, 19th Floor, Milwaukee,  
23 Wisconsin, 53202-6622, by MR. MICHAEL J. COHEN,  
24 mjcohen@mtfn.com, appeared on behalf of United States Fire  
25 Insurance Company.  
  
HALE & WAGNER, S.C., 839 North Jefferson  
Street, Suite 400, Milwaukee, Wisconsin, 53202, by MR.  
JACQUES C. CONDON, jcc@halewagner.com, appeared on  
behalf of American Motorists Insurance Company.  
That said deponent, before examination,  
was sworn to testify the truth, the whole truth, and  
nothing but the truth relative to said cause.  
That the foregoing is a full, true and  
correct record of all the proceedings had in the matter  
of the taking of said deposition, as reflected by my  
original machine shorthand notes taken at said time and  
place.

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7 \_\_\_\_\_  
8 Notary Public in and  
9 for the State of Wisconsin  
10  
11 Dated this 30th day of December, 2012,  
12 Milwaukee, Wisconsin.  
13  
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