

Managing Radon's Radioactive Liability

*Proposed Conference/Forum
To Address Radon Gas via Risk
Management
within the Housing Sector*

Why a Conference

- Evidence exists that bankers and Builders are beginning to avoid
 - radon's long term and significant liabilities in the future,
 - i.e., economic motivator
 - Prevention as risk management technique.
- Large Settlements Out of Court
 - Lack of Case Documentation

Conference or Forum

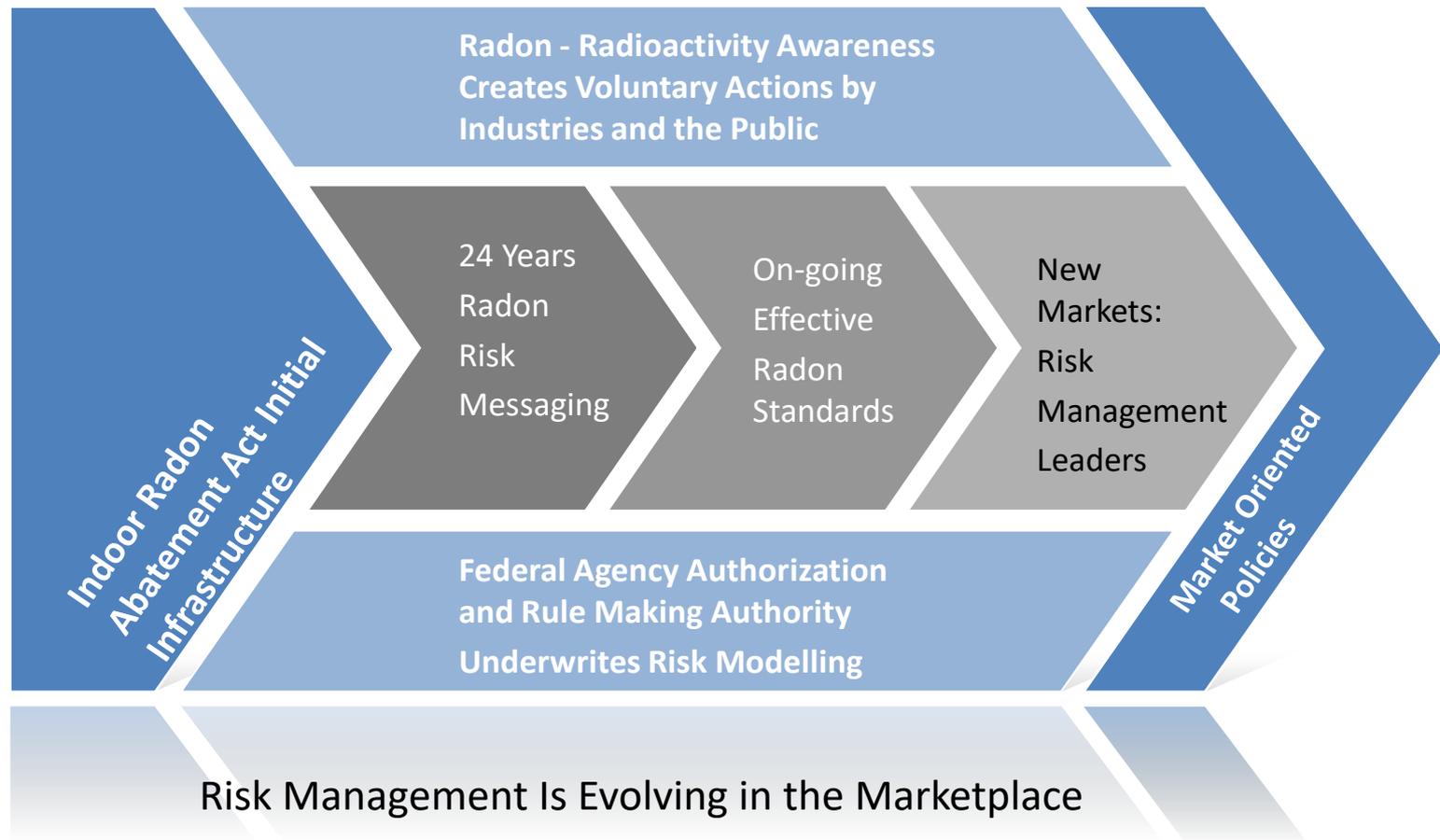
- **Date: To Be Determined**
 - (One day Conference or Forum at a Conference)
- **Official Host: To Be Determined – within the Housing/Finance Sector (Public or Private)**
- **Associate Sponsors (Logistics and funding): AARST and others**

Radon and Risk Management

Review of Concepts

Federal Radon Action Planning

Radon Policies and Risk Analysis Are Evolving...

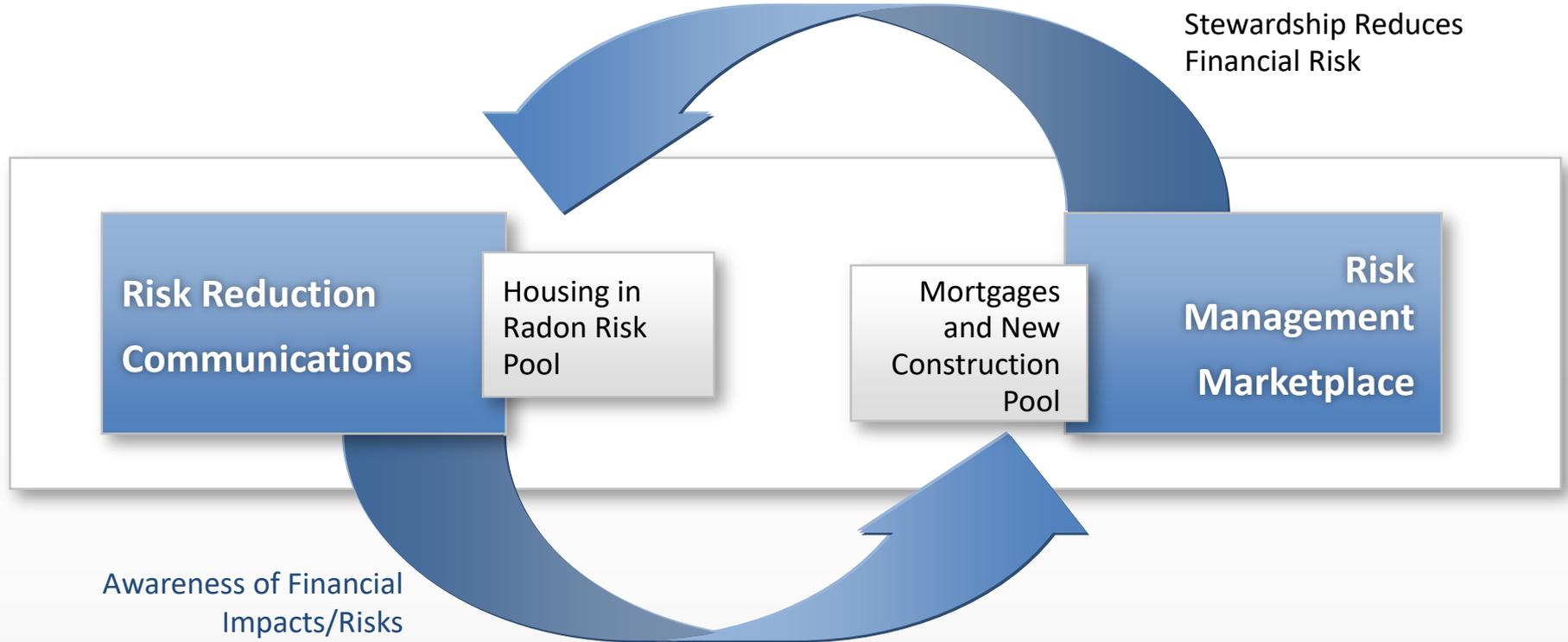


Radon and Risk Management – Two Cases & a Paradigm Shift

- **JOY, BAUER, SALIBA AND THORIN CASES V. A NATIONAL HOME BUILDER**
 - West Virginia Class Action Lawsuits – 2010/2011
 - Parent Company Reserves \$27.4 Million (Form 10-Q, 6/30/2011)
 - Private Settlement Does Not Exceed Reserves
 - Builder Becomes Active In Radon Standards, RRNC, and Certification
- ***CASALE & HUTCHINSON v. SEGAL & MOREL AT LOPATCONG and...***
 - M/F Testing and Mitigation case involving builder/agent/mitigation company
- Legal Liabilities Are Seeing Substantial Increases in Cost of Defense and Settlement

Radon Risk Fully Defined

A Synergistic Loop – Risk Reduction & Risk Management



Premise: A Buyer's Informed Consent Limits Liability

- A Buyer's Informed Radon Decision Limits Liability
 - Finance/Real Estate/Builders/Service Professionals/Asset Manages
- Radon's Risk Management Marketplace Friendly Actions
 - Radon Testing Reduces Long Term Liability
 - Buyers Opting-Out On Mitigation Reduces Liability
 - Notification and Disclosure Reduces Liability
 - Buyers Opting-Out On Testing Reduces Liability

Objective of Effort

- Document (through official Proceedings) via a one day conference (or a forum at a conference) through presentations by experts/ business leaders
 - The ongoing activity of proactive risk management approach, by bankers, builders and others, to eliminate the recognized liabilities of radon in the single family home.
 - Use the documented proceedings to educate the housing market stakeholders and policy makers.

Rationale

- Known that...
 - In the absence of official policy, builders, and bankers in certain regions, and a growing body of housing management and environmental assessors, are proactively:
 - 1) requiring testing and in some cases mitigation;
 - 2) using both passive and active radon systems as a primary part of new home build outs.

Anecdotal Evidence

- increased awareness of radon gas as hazard
- increased awareness of potential legal liabilities (builders are training their employees properly)
- Reasoning appears based on avoiding long term and possibly significant liabilities in the future, i.e., economic motivator or risk management.

Preliminary Organizing

- Needed: Official Host -
 - NRAP Section 1.1 2018 priority Peter Hendrick
 - Environmental Banker Association, Mortgage Bankers Association or Private National Bank (Wells Fargo)
- Presenters/Panelists:
 - Green High End Builders, Bankers, Environmental Assessors, A Objective Facilitator , Pro-Active Realtors; Others.
 - Exploratory Conversations Underway.
- Observer Participants:
 - EPA; HUD Officials; FHFA; GSEs: Environmental Banker Association; Wells Fargo; Banker and Tradesmen and other Banking/Housing Media.

Post Forum Efforts

- Document
- Communicate
- Additional Forums – Agencies and Congressional Oversight Committees