

July 24, 2026

To: Legal Counsel for Argo Group / Argonaut Insurance Company

RE: Notice of Legal Dispute and Demand for Preservation of Evidence

Project: Metropolitan Biosolids Center (MBC) Construction Wrap-Up / OCIP (1994–2000)

To Counsel:

Please be advised that a legal dispute is anticipated and/or currently pending involving an insurance claim under the historical Owner-Controlled Insurance Program (OCIP) managed for the City of San Diego Metropolitan Wastewater Department (MWWD). This letter serves as a formal demand for the immediate preservation of all evidence, documents, and electronically stored information (ESI) within the possession, custody, or control of Argo Group, its underwriting subsidiaries, and any predecessor entities (specifically including Argonaut Insurance Company).

Pursuant to applicable rules of civil procedure and governing spoliation laws, your client has a strict legal duty to preserve all records that are or may become relevant to this matter. You are hereby directed to suspend any automatic deletion, routine document destruction, data scrubbing, or offsite file purging protocols that could affect the records identified below.

Categories of Evidence Subject to This Preservation Demand:

- 1. The Master OCIP Insurance Policy:** All original policy jackets, primary and excess general liability declarations pages, schedule of exclusions, deductibles, self-insured retentions (SIR), coverage endorsements, and any subsequent amendments or renewals bound for the Metropolitan Biosolids Center (MBC) project located at 5240 Convoy Street, San Diego, California, and related Clean Water Program projects.
- 2. Historical Corporate Authorizations:** Any policy ledger files, underwriting files, binding agreements, or related documentation generated following or relating to San Diego City Council Resolution R-284112 (Adopted June 21, 1994 / R-94-1801) authorizing the Owner-Controlled Insurance Program for the Metropolitan Wastewater Department (formerly Clean Water Program) and the agreement with Sedgwick James of California, Inc., including Amendment No. 1 (Resolution R-290979, November 24, 1998).
- 3. Enrollment and Audit Records:** All wrap-up enrollment forms, payroll audit files, monthly reporting certificates, contractor enrollment applications, and related audit workpapers submitted by the General Contractor, Prime Contractors, or any enrolled Subcontractors working on the MBC project site between 1994 and 2000.
- 4. Claims and Underwriting Notes:** All underwriting files, risk management assessments, claims handling files, loss runs, reserve worksheets, claim notes, correspondence, and internal memoranda generated by Argonaut Insurance Company or Argo Group associated with this OCIP program, including any files related to individual claims arising from the MBC project.
- 5. Broker Communications and Reports:** All electronic mail, correspondence, memoranda, meeting notes, and other communications between your client and the program brokers/administrators, including Sedgwick James of California and its successor Marsh USA. This specifically includes all Sedgwick James (and later Marsh) OCIP administration reports, safety and loss-control reports, claims summaries, loss runs, payroll audit reports, dividend or safety rebate calculations and recommendations, premium

return analyses, and any related performance or financial reports prepared for or delivered to the City of San Diego or Argonaut/Argo Group concerning the Metropolitan Wastewater Department / Clean Water Program OCIP between 1994 and approximately 2001.

Failure to maintain and preserve these files may constitute the unlawful spoliation of material evidence and can result in severe legal sanctions, including adverse jury instructions, monetary fines, or default judgment.

Please provide written confirmation within five (5) business days of receipt confirming that a litigation hold has been instituted and that the relevant historical archives have been secured.

Sincerely,

Rick Hollifield

CERTIFICATE OF SERVICE

I, Rick Hollifield, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

On July 24, 2026, I served the foregoing **Notice of Legal Dispute and Demand for Preservation of Evidence** on the following parties by the method(s) indicated below:

- ☐ U.S. Mail (first-class, postage prepaid)
- ☐ Certified Mail, Return Receipt Requested
- ☐ Overnight Courier (FedEx / UPS)
- ☐ Email (with read receipt requested)
- ☐ Personal Delivery

Served Upon:

Legal Counsel for Argo Group / Argonaut Insurance Company

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 24, 2026, at Jacksonville, North Carolina.

Rick Hollifield