

2004-1014-CD
LOREN KOVAL

VS

ROBERT SWATSWORTH

Loren Koval vs Robert Swatsworth
2004-1014-CD

COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

LOREN KOVAL

Plaintiff,

vs.

ROBERT SWATSWORTH,

Defendant.

CIVIL ACTION - LAW

04-1014-C.D

Number - 2004 C.D.

Type of Case: Civil Division

Type of Pleading: Praeclipe for Writ
of Summons

Filed on behalf of: Plaintiff

Counsel of Record for this Party:

Troy J. Harper
Supreme Court Number: 74753

DENNISON, DENNISON & HARPER
293 Main Street
Brookville, Pennsylvania 15825
(814) 849-8316

FILED *Shaw*

JUL 02 2004

William A. Shaw
Prothonotary/Clerk of Courts

LOREN KOVAL,
Plaintiff,
vs.
ROBERT SWATSWORTH,
Defendant.

* In the Court of Common Pleas of
* Clearfield County, Pennsylvania
*
*
* Civil Action - Law
*
*
* No. - 2004 C.D.

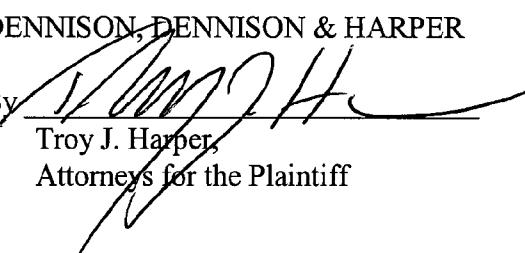
PRAECIPE FOR WRIT OF SUMMONS

TO THE PROTHONOTARY OF CLEARFIELD COUNTY:

Please issue a writ of summons in civil action in the above captioned matter in which
ROBERT SWATSWORTH, is the Defendant.

DENNISON, DENNISON & HARPER

By


Troy J. Harper,
Attorneys for the Plaintiff

FILED Aug 14 2004
M 1 d '04
JUL 16 2004
William A. Shaw
Prothonotary/Clerk of Courts
100 Court St
to Aug 14
85.00
100 Court St
to Aug 14

Copy

LOREN KOVAL,

Plaintiff,

vs.

ROBERT SWATSWORTH,

Defendant.

* In the Court of Common Pleas of
* Clearfield County, Pennsylvania

*

*

* Civil Action - Law

*

*

* No. 04-1014-C
- 2004 C.D.

WRIT OF SUMMONS

TO: ROBERT SWATSWORTH

You are hereby notified that Loren Koval has commenced an action against you.

Date: July 2, 2004

Prothonotary

Counsel for Plaintiff:

Troy J. Harper

Dennison, Dennison & Harper

293 Main Street

Brookville, Pennsylvania 15825

(814) 849-8316

Attorneys for the Plaintiff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

LOREN KOVAL,
Plaintiff

No. 04-1014-CD

-VS-

ROBERT SWATSWORTH,
Defendant

PRAECIPE TO WITHDRAW APPEARANCE

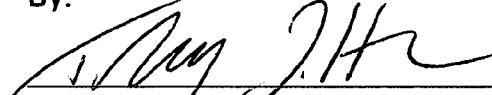
TO WILLIAM A. SHAW, PROTHONOTARY:

Please withdraw my appearance on behalf of Plaintiff, Loren Koval, in reference to the above-captioned action.

DENNISON & DENNISON

By:

Date: 11/24/04


Troy Harper, Esquire
DENNISON & DENNISON
293 Main Street
Brookville, PA 15825
(814) 849-8316

FILED 64
O 12/02/04 2005
JAN 03 2005

PRAECIPE TO ENTER APPEARANCE

William A. Shaw
Prothonotary

TO WILLIAM A. SHAW, PROTHONOTARY:

Please enter my appearance on behalf of Plaintiff, Loren Koval, in reference to the above-captioned action.

GATES & SEAMAN

By:

Date: 1/3/05


Andrew P. Gates, Esquire
Two North Front Street
Clearfield, PA 16830
(814) 765-1766

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

LOREN KOVAL, Plaintiff : No. 04- 1014-CD
vs. : Type of Case: Civil
ROBERT SWATSWORTH, Defendant : Type of Pleading: Petition to
: Compromise Action, Allow Counsel
: Fees and Expenses, and Direct
: Distribution
: Filed on behalf of:
: Plaintiff
: Counsel of Record for this Party:
: Andrew P. Gates, Esquire
: Supreme Court No.: 36604
: GATES & SEAMAN
: Attorneys at law
: Two North Front Street
: P. O. Box 846
: Clearfield, Pennsylvania 16830
: (814) 765-1766

FILED
01/20/08 7:51 AM
AUG 15 2007
Atty Gates
GK

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

LOREN KOVAL, :
Plaintiff :
: No. 04- 1014 -CD
-vs- :
ROBERT SWATSWORTH, :
Defendant :
:

**PETITION TO COMPROMISE ACTION, ALLOW COUNSEL FEES
AND EXPENSES, AND DIRECT DISTRIBUTION**

TO THE HONORABLE FREDRIC J. AMMERMAN, PRESIDENT JUDGE:

NOW COMES, Plaintiff/Petitioner, LOREN KOVAL, by his attorneys, Gates & Seaman, and hereby petitions this Honorable Court as follows:

1. Plaintiff/Petitioner, Loren Koval, (hereafter called "Petitioner"), is an adult individual (DOB: August 1, 1946) who resides at 108 Bigler Avenue, Apartment No. 5, Clearfield, Pennsylvania 16830.

2. On July 3, 2002, your Petitioner suffered serious personal injuries as a result of a fall from the bucket of a Ford Tractor being operated by Defendant, Robert Swatsworth, at Defendant's residence property situate in Bloom Township, Clearfield County, Pennsylvania.

3. As a direct result of the July 3, 2002 fall, Petitioner suffered the following personal injuries and/or developed the following medical conditions:

- (i) acute comminuted fracture of the left hip;
- (ii) acute anemia-blood loss;
- (iii) a permanent irreparable and incorrectable condition known as

a "deep vein thrombosis" of the left leg venous system;

- (iv) venous insufficiency of the left leg;
- (v) continuing and ongoing edema of the left leg; and
- (vi) peripheral vascular disease of the left leg.

4. At the time of Petitioner's July 3, 2002 fall, Defendant, Robert Swatsworth, was insured by Allstate Insurance Company under a policy of general liability that pertains to actions of negligence and/or carelessness of said Defendant and also covers potential liability for injuries incurred by any visitor, invitee or licensee to said Defendant's real estate.

5. Since Petitioner was not represented by counsel, when Allstate Insurance Company became aware (because of Petitioner's hereafter identified "disability"), that Petitioner may not have or possess sufficient mental capacity to protect his legal rights regarding this cause of action, Allstate Insurance Company, through its attorney, filed a Praecept for Issuance of a Writ of Summons to the above captioned case and number in order to toll the relevant statute of limitations, which was thereafter promptly served upon the named Defendant.

6. Following the initiation of the aforementioned law suit as set forth in Paragraph 5 herein, Petitioner consulted the undersigned attorney and the law firm of Gates and Seaman, Attorneys at Law, relative to the injuries he suffered in the July 3, 2002 fall and to otherwise represent him in pursuit of his claims.

7. Following the undersigned attorney's review of all the available medical records, including Petitioner's treating physician's opinion, which included his diagnosis and prognosis of the Petitioner's condition, and after consultation with

to take over representation of the Petitioner in this matter. A copy of said fee agreement is attached hereto and made a part hereof as Exhibit "D";

(v) the remaining sum, being \$82,222.03, to be transferred, upon receipt of said payment, by Petitioner's attorneys, to CNB Bank, Trustee, under an irrevocable trust agreement, the form of which is acceptable to the Petitioner, and CNB Bank, a copy of which is attached hereto and made a part hereof as Exhibit "E".

8. As further evidence of the tentative settlement reached by Petitioner and Allstate Insurance Company, the insurance carrier for the Defendant, attached hereto and made a part hereof as Exhibits "F" and "G" are copies of the written offer made by Allstate Insurance Company and the conditional acceptance of said offer by Petitioner's counsel. As further evidence that the proposed settlement and the disposition of the settlement proceeds are agreeable to Allstate Insurance Company, attached hereto and made a part hereof is the Joinder executed by an authorized representative of Allstate Insurance Company.

9. As further evidence that CNB Bank is willing to act as trustee under the terms of the aforementioned irrevocable trust agreement, attached hereto and made a part hereof is the Joinder executed by Calvin R. Thomas, Jr., Vice President and Trust Officer of CNB Bank.

10. Petitioner's undersigned legal counsel believes it is advisable and necessary that this Honorable Court approve the herein proposed compromise settlement and payment of counsel fees and advanced costs, etc., since after said attorneys undertook the representation of Petitioner, by virtue of their various meetings with Petitioner, it became apparent that Petitioner (although able to

reside by himself, care for himself and otherwise being able to carry out many of the necessities of everyday living), may nevertheless still fall within the meaning of an "incapacitated person" as said term is defined in Pa. R.C.P. §2051.

11. After undertaking representation of Petitioner, the undersigned legal counsel ascertained that on or about July 27, 2000 Petitioner was awarded Social Security Disability Benefits based on a petition filed with the Social Security Administration alleging that due to dyslexia, speech problems and low intellectual functioning, the Petitioner is disabled and entitled to Social Security Disability Benefits pursuant to the Social Security Disability Act and accompanying regulations. A copy of the decision issued by the Social Security Administration, Office of Hearings and Appeals, issued on or about July 27, 2000, is attached hereto and made a part hereof as Exhibit "H".

12. The undersigned attorney believes this compromise is in the best interest of Petitioner, Loren Koval, given: (i) the sizeable amount of the offer; (ii) the uncertainty of proving Defendant's liability; (iii) the difficulty which could be encountered in presenting Petitioner's case at trial due to Petitioner's speech and low intellectual functioning; and (iv) otherwise due to the additional expenses that would be incurred in taking this case to trial.

13. As of the date this Petition is being filed, no guardian or guardian ad litem has been appointed or otherwise retained to represent Petitioner in the above captioned matter.

14. Despite no guardian or guardian ad litem being appointed for the Petitioner in this matter, it is submitted this Honorable Court otherwise has the

authority to approve this Petition for Compromise/Settlement, Allowance of Counsel Fees and Expenses and Distribution under Pa. R.C.P. §2064(a), (b) and (b)(4).

WHEREFORE, Petitioner prays that this Honorable Court:

A. Approve the compromise/settlement of Petitioner's claims versus the Defendant for the total sum of \$120,000.00, with said sum to be disbursed as follows:

- (i) payment of the current Medicare lien filed for medical services paid by Medicare for or on behalf of the Petitioner, for injuries suffered by Petitioner in the July 3, 2002 fall, in the total sum of \$19,094.77;
- (ii) payment of outstanding medical bills in the sum of \$3,255.61, (as itemized on Exhibit "B" which is attached hereto and made a part hereof) which were for medical services received by Petitioner for injuries and/or conditions arising out of the July 3, 2002 fall;
- (iii) the withholding by Allstate Insurance Company of the sum of \$4,691.41 representing out of pocket medical expenses incurred by Petitioner which have already been paid for by Allstate Insurance Company;
- (iv) the sum of \$10,736.18 to be payable to Gates & Seaman, Attorneys at Law, for legal services detailed on the attached Exhibit "C" and related advanced costs and expenses, which in the opinion of said attorneys is a reasonable fee, and in compliance with the fee agreement entered by the Petitioner and said attorneys at the time said attorneys agreed to take over representation of the Petitioner in this matter;
- (v) the remaining sum, being \$82,222.03, to be transferred, upon

receipt of said payment, by Petitioner's attorneys, to CNB Bank, Trustee, under an irrevocable trust agreement, the form of which is acceptable to the Petitioner, and CNB Bank, a copy of which is attached hereto and made a part hereof as Exhibit "E".

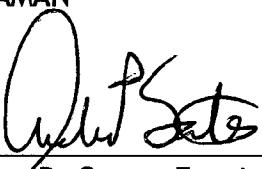
B. Approve and authorize the payment to Gates & Seaman, Attorneys at law, of remaining attorney's fees of \$10,158.75 and advanced costs and expenses of \$577.43 as itemized in greater detail on Exhibit "C", which is attached hereto and made a part hereof.

C. Direct that the total settlement amount (other than the amount to be retained by Allstate Insurance Company which represents out of pocket medical expenses of the Petitioner already paid by Allstate) be disbursed to Gates & Seaman, Attorneys at law, as the attorneys for the Petitioner, for deposit into their escrow account at CNB Bank, with said sums then to be disbursed as otherwise set forth in Subparagraph A, supra.

Respectfully submitted,

GATES & SEAMAN

By


Andrew P. Gates, Esquire

Date: August 2, 2007

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

LOREN KOVAL,
Plaintiff

No. 04- 1014 -CD

-vs-

ROBERT SWATSWORTH,
Defendant

JOINDER OF ALLSTATE INSURANCE COMPANY

Following the reading of the proposed PETITION TO COMPROMISE ACTION, ALLOW COUNSEL FEES AND EXPENSES AND DIRECT DISTRIBUTION to be filed in the above captioned proceedings, with the same properly setting forth the offer made to Petitioner by Allstate Insurance Company, with said Petition likewise setting forth Allstate Insurance Company's understanding of the allocation of the settlement proceeds, Allstate Insurance Company hereby joins in the prayer of the PETITION OF PLAINTIFF, LOREN KOVAL, TO COMPROMISE ACTION, ALLOW COUNSEL FEES AND EXPENSES AND DIRECT DISTRIBUTION to be filed in the above captioned action. The undersigned acknowledges that I am authorized to execute this Joinder on behalf of Allstate Insurance Company.

ALLSTATE INSURANCE COMPANY
By:

Date: 8/13/07

Lisa Kramer Staff Claim Service
Title Adj.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

LOREN KOVAL,
Plaintiff

...
No. 04- 1014 -CD

-VS-

ROBERT SWATSWORTH,
Defendant

JOINDER OF CNB BANK

Following the reading of the proposed PETITION TO COMPROMISE ACTION, ALLOW COUNSEL FEES AND EXPENSES AND DIRECT DISTRIBUTION, which contains as an Exhibit the proposed Irrevocable Trust Agreement between Loren Koval (Settlor) and CNB Bank (Trustee), to be filed in the above captioned proceedings, and the undersigned being satisfied that CNB Bank can provide the trust services contemplated by said proposed Irrevocable Trust Agreement, CNB Bank hereby joins in the prayer of the PETITION OF PLAINTIFF, LOREN KOVAL, TO COMPROMISE ACTION, ALLOW COUNSEL FEES AND EXPENSES AND DIRECT DISTRIBUTION to be filed in the above captioned action. The undersigned acknowledges that I am authorized to execute this Joinder on behalf of CNB Bank.

CNB BANK
By:

Date: 8-15-07

Calvin R. Thomas

Calvin R. Thomas, Jr.,
Vice President and Trust Officer



MSPRC



07/10/2007

342 1 MB 0.360
AUTOMIXED AADC 720- R:342 T:5 P:5 PC:4 F:7301
GATES & SEAMAN
PO BOX 846
CLEARFIELD PA 16830-0846

RE: Name: KOVAL, LOREN J
HIC#: 167380459A
Date of Incident: 07/03/2002
Debt Identification No.: 200526209000782
Demand Amount: \$19,094.77

Dear Sir/Madam:

Please note that if we know that you have an attorney or other individual representing you in this matter, we are sending him/her a copy of this letter. If you have an attorney or other representative for this matter and his/her name is not shown as a "cc" at the end of this letter (indicating that he/she is receiving a copy), please contact us immediately. If you have any questions regarding this letter and are represented by an attorney or other individual in this matter, you may wish to talk to your representative before contacting us.

We are writing to you because we recently learned that you have made a liability claim relating to an illness, injury or incident occurring on or about 07/03/2002 and obtained a recovery. We have determined that you are required to repay the Medicare program \$19,094.77 for the cost of medical care it paid relating to your liability recovery. (The term "recovery" includes a settlement, judgment, award or any other type of recovery.)

EXHIBIT "A" - 7 pages

We hope that you will find answers to some of the questions you may have about this letter below. Parts I and II of this letter explain the federal law that requires you to pay Medicare back and the way we determined the amount you are required to repay. We have provided instructions for repaying Medicare in Part III of this letter. You have the right to appeal our determination if you disagree with it, and you also have the right to request that the Medicare program waive recovery of the amount you owe in full or in part. Instructions for requesting waiver of recovery and appeal are provided in Part IV of this letter. Part V of this letter explains the interest charges that apply if you do not repay Medicare within sixty (60) days from the date of this letter and tells you about certain actions Medicare may decide to take if you fail to repay the amount you owe. Finally, Part VI identifies whom you should contact if you have questions about this letter.

I. Why am I required to repay Medicare?

You are required to repay Medicare because Medicare paid for medical care you received related to your liability recovery. The Medicare Secondary Payer (MSP) law allows Medicare to pay for medical care received by a Medicare beneficiary who has or may have a liability claim. However, the law also requires Medicare to recover those payments if payment of a liability settlement, judgment, recovery, or award has been or could be made. Congress passed the MSP law because it wanted to make sure that the Medicare Trust Funds would have enough money to pay for medical care that beneficiaries may need in the future. Congress decided that, if a liability recovery was available to pay for a Medicare beneficiary's medical care, then that money should be used to pay for the care and any amounts already paid by Medicare should be refunded to the Medicare Trust Funds.

If you would like to read the MSP law, you can find it in Title 42 of the United States Code, Section 1395y(b)(2). You can also find the regulations that explain how the Medicare program recovers amounts it is owed under the MSP law in Title 42 of the Code of Federal Regulations, beginning at Section 411.20. You can also learn more about how the MSP law works by contacting your local Social Security office or by visiting www.medicare.gov.

II. How did Medicare decide how much money I owe?

The Medicare program paid \$20,706.55 for medical care related to your liability recovery. We have enclosed a list of the payments Medicare made related to your recovery with this letter. The Medicare program generally reduces the amount a Medicare beneficiary is required to repay to take into account the costs (such as attorney's fees) paid by the beneficiary to obtain his or her liability recovery. You can find the formula we use to decide how much the amount of this reduction should be at 42 C.F.R., sub-section 411.37. We have applied the formula and determined that the amount you owe Medicare is \$19,094.77

This letter relates only to money paid from your current recovery. If, in the future, you receive additional money from this liability recovery, or any other liability recovery, you must let us know.

III. What do I need to do to repay Medicare the amount I owe?

You must repay Medicare \$19,094.77 within sixty (60) days of the date of this letter 07/10/2007. Please send a check or money order for \$19,094.77, made payable to **Medicare**, to us at the address listed at the end of this letter. Please make sure to include your name and Medicare number on the check or money order and include a copy of this letter with your payment.

IV. What rights do I have if I disagree with the amount this letter says I owe or think that I should not have to pay Medicare back for some other reason?

Right to Request a Waiver – You have the right to request that the Medicare program waive recovery of the amount you owe in full or in part. Your right to request a waiver is separate from your right to appeal our determination, and you may request both a waiver and an appeal at the same time. The Medicare program may waive recovery of the amount you owe if you can show that you meet both of the following conditions:

1. This overpayment (for purposes of requesting waiver of recovery, the amount you owe is considered an overpayment) was not your fault, because the information you gave us with your claims for Medicare benefits was correct and complete as far as you knew; and when the Medicare payment was made, you thought that it was the right payment;
AND
2. Paying back this money would cause financial hardship or would be unfair for some other reason.

If you believe that both of these conditions apply to you, you should send us a letter that explains why you think you should receive a waiver of the amount you owe. If you request a waiver, we will send you a form asking for more specific information about your income, assets, expenses, and the reasons why you believe you should receive a waiver. If we are unable to grant your request for a waiver, we will send you a letter that explains the reason(s) for our decision and the steps you will need to follow to appeal that decision if it is less than fully favorable to you.

Right to Appeal – You also have the right to appeal our determination if you disagree that you owe Medicare as explained in Part I of this letter, or if you disagree with the amount that you owe Medicare \$19,094.77 as explained in Part II of this letter. To file an appeal, you should send us a letter explaining why you think the amount you owe Medicare is incorrect and/or any reason(s) why you disagree with our determination. Once we receive your request for appeal, we will decide whether our determination that you must repay Medicare \$19,094.77 is correct and send you a letter that explains the reasons for our decision. Our letter will also explain the steps you will need to follow to appeal that decision if it is less than fully favorable to you.

You have 120 days from receipt of this letter 07/10/2007 to file an appeal. We must assume that you received this letter within five (5) days of the date of the letter 07/10/2007 unless you furnish us with proof to the contrary.



If you do not already have an attorney or other representative and you want help with your appeal or request for waiver, you can have a friend, lawyer, or someone else help you. Some lawyers do not charge unless you win your case. There are groups, such as lawyer referral services that can help you find a lawyer. There are also groups, such as legal aid services, that will provide free legal services if you qualify.

V. What happens if I do not repay Medicare the amount I owe?

Please note that, if you do not repay Medicare in full by 09/07/2007, you will be required to pay interest on any remaining balance, from the date of this letter, at a rate of 12.375% per year. If the debt is not fully resolved within 60 days of the date of this letter, interest is due and payable for each full 30 day period the debt remains unresolved. By law, all payments are applied to interest first, principal second. You can find the regulation that explains interest charges at 42 C.F.R., sub-section 411.24(m). To avoid having to pay interest, you should repay Medicare in full within sixty (60) days of the date of this letter, even if you decide to request a full or partial waiver of the amount you owe or decide to appeal our determination (see Part IV of this letter). If you receive a waiver of recovery or if you are successful in appealing our decision, Medicare will refund amounts you have already paid.

If you are unable to repay Medicare in one payment, you may ask us to consider whether to allow you to pay in regular installments. If you make installment payments, you should be aware that your payments will be applied to any interest due first and then to the outstanding principal amount.

You should also be aware that if you do not repay Medicare in full, it may decide to recover any amounts you owe (including accrued interest) from any Social Security or Railroad Retirement benefits to which you might otherwise be entitled, or from future Medicare payments. Your failure to respond as requested within sixty (60) days of the date of this letter may result in the initiation of additional recovery procedures **without further notice**, including referral to the Department of Justice for legal action and/or the Department of the Treasury for other collection actions. You should be aware that the Debt Collection Improvement Act of 1996 requires Federal Agencies to refer debts to the Department of the Treasury or its designated debt collection center for recovery actions including collection by offset against any monies otherwise payable to the debtor by any agency of the United States and through other collection methods. Under this and other authorities (31 U.S.C. 3720A), the Internal Revenue Service may collect this debt by offset against tax refunds owed to individuals or other entities.

VI. Who should I contact if I have questions about this letter?

This office is the Medicare contractor responsible for handling your case. If you have any questions about this letter, or questions about Medicare's recovery rights in general, please contact **MSPRC Liability** at **1-866-677-7220** (TTY/TDD: 1-866-677-7294 for the hearing and speech impaired) or the address listed below. Please also make sure that any letters you send us include your name, your Medicare Health Insurance Claim Number (this is the number found on your red, white and blue Medicare card), and the date of the illness, injury or incident. Providing us with this information will help us respond more quickly to any questions you may have.

Sincerely,

Medicare Secondary Payer Recovery Contractor
MSPRC Liability
PO Box 33828
Detroit, MI 48232-3828

cc: GATES & SEAMAN
Enclosure: Payment Summary Form



Payment Summary Form

REPORT NUMBER: RMCAN-55
CONTRACTOR: MSPRC LIABILITY

BENEFICIARY NAME: KOVAL, LOREN J
BENEFICIARY HICN: 167380459A

DATE: 07/10/2007

CASE ID: 200526209000782
CASE TYPE: LIABILITY
DATE OF INCIDENT: 07/03/2002

TOS	ICN	LINE	PROCESSING CONTRACTOR	PROVIDER NAME	DIAGNOSIS CODE	FROM DATE	TO DATE	TOTAL CHARGES	REIMBURSED AMOUNT	CONDITIONAL PAYMENT
82	02326713415000	1	811	AMERICAN HOMEPATIENT INC & SUBS	8208	08/31/2002	08/31/2002	\$76.48	\$61.18	\$61.18
71	871102351707610	1	865	POLINTAN, RODOLFO	82021	12/10/2002	12/10/2002	\$40.00	\$27.59	\$27.59
60	2022030114680101	0	363	CLEARFIELD HOSPITAL	82021	07/03/2002	07/09/2002	\$13,447.71	\$4,331.68	\$4,331.68
30	2031360107340101	0	363	390U52	82021, V5849	07/09/2002	07/28/2002	\$21,007.99	\$5,538.69	\$5,538.69
20	202224031565020	0	450	MOUNTAIN LAUREL NRC	82021	07/28/2002	07/31/2002	\$1,550.00	\$1,365.28	\$1,365.28
20	202253033856020	0	450	MOUNTAIN LAUREL NRC	82021	08/01/2002	08/29/2002	\$9,170.00	\$8,278.70	\$8,278.70
40	2022270165240101	0	363	CLEARFIELD HOSPITAL	V548, 82021	08/07/2002	08/07/2002	\$107.00	\$15.19	\$15.19
71	871102199287910	1	865	BOLDEN, RICHARD O	82021, V7282, 71945	07/03/2002	07/05/2002	\$34.00	\$0.00	\$0.00
71	871102199287910	2	865	BOLDEN, RICHARD O	71945, V7282	07/03/2002	07/05/2002	\$24.00	\$0.00	\$0.00
71	871102199287910	3	865	BOLDEN, RICHARD O	V7282, 71945	07/03/2002	07/05/2002	\$29.00	\$0.00	\$0.00
71	871102199287910	4	865	BOLDEN, RICHARD O	82021, V7282, 71945	07/03/2002	07/05/2002	\$55.00	\$0.00	\$0.00
71	871102199287910	5	865	BOLDEN, RICHARD O	82021, V7282, 71945	07/03/2002	07/05/2002	\$58.00	\$6.16	\$6.16
71	871102199287910	6	865	BOLDEN, RICHARD O	82021, V7282, 71945	07/03/2002	07/05/2002	\$34.00	\$8.34	\$8.34
71	871102213567550	1	865	RUBIANO, REMIGI	82021	07/03/2002	07/03/2002	\$9950.00	\$101.89	\$101.89

Payment Summary Form

REPORT NUMBER: RMCAN-55
CONTRACTOR: MSPRC LIABILITY

BENEFICIARY NAME: KOVAL, LOREN J
BENEFICIARY HICN: 167380459A

DATE: 07/10/2007

CASE ID: 200526209000782
CASE TYPE: LIABILITY
DATE OF INCIDENT: 07/03/2002

TOS	ICN	LINE	PROCESSING CONTRACTOR	PROVIDER NAME	DIAGNOSIS CODE	FROM DATE	TO DATE	TOTAL CHARGES	REIMBURSED AMOUNT	CONDITIONAL PAYMENT
71	871102213567840	1	865	O C RUBIANO, REMIGI	82021	07/03/2002	07/03/2002	\$480.00	\$101.89	\$101.89
71	871102213569350	1	865	O C CARDAMONE, RALP	V7281,82100	07/03/2002	07/03/2002	\$30.00	\$6.98	\$6.98
71	871102255856950	1	865	H A POLINTAN, RODOL	82021	07/03/2002	07/03/2002	\$3,100.00	\$862.98	\$862.98

SUM OF TOTAL CHARGES: \$50,203.18
TOTAL CONDITIONAL PAYMENT: \$20,706.55

**2002, 2003, 2004, 2005 and 2006 HOSPITAL, DOCTOR AND RELATED
MEDICAL BILLS NOT YET PAID**

<u>SERVICE DATE</u>	<u>SERVICE</u>	<u>AMOUNT DUE</u>	<u>ACCOUNT #</u>
7/09/02	Clearfield Hospital	\$ 1,928.50	2546984
8/23/05	Clearfield Hospital	\$ 96.03	53352647
6/28/05	Clearfield Hospital	\$ 912.00	2670693
9/8/05	S. R. Strauss, DO	\$ 163.89	792
7/1/05	R.S. Polintan,MD	\$ 45.14	kovalo-03
6/15/05	R.S. Polintan,MD	\$ 72.00	kovalo-06
8/2/05	Clear Med Providers\$	3.54	10854
10/20/05	Clear Med Providers\$	<u>34.51</u>	10854
	TOTAL	\$ 3,255.61	

LAURANCE B. SEAMAN
ANDREW P. GATES

LAW OFFICES
GATES & SEAMAN
TWO NORTH FRONT STREET
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CLEARFIELD, PA. 16830
—
(814) 765-1766
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JOHN B. GATES
(1917-1984)

August 2, 2007

Loren J. Koval

Re: Personal Injury Matter

FOR PROFESSIONAL SERVICES RENDERED from 10-13-2004 through 8-2-2007

Laurance B. Seaman, Esquire:	<u>Hours</u>
10-13-2004 Conference with Attorney Gates	.25
10-27-2004 Conference with Attorney Gates	.25
10-28-2004 Conference with Attorney Gates	.25
10-29-2004 Review of and partial revisions to Conflict letters to client and Swatsworth	n/c
11-1-2004 Additional revisions to Conflict letters to client and Swatsworth and client; review of and revisions to letters to Allstate Insurance Co. and Attorney Harper	1.75
2-23-2006 Conferences with Attorney Gates	.50
9-5-2006 Conference with Attorney Gates	.25
9-8-2006 Conference with Attorney Gates	.25
9-11-2006 Revisions to letters to Allstate and Medicare	.25
11-10-2006 Conference with Attorney Gates	.25
11-17-2006 Conference with Attorney Gates re: Settlement Options obtaining Court Approval and Medicare Subrogation Claim	.25
12-25-2006 Conference with Attorney Gates	.25
1-3-2007 Review and revisions to proposed Irrevocable Deed of Trust and proposed Petition to Compromise Action, etc.	.75

GATES & SEAMAN

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Laurance B. Seaman, Esquire: (continued)

1-5-2007	Conference with Attorney Gates	.25
1-9-2007	Review Medicare Reimbursement Claim; telephone conference with Jackie (Medicare Secondary Payer Recovery Contract Center); conference with Attorney Gates	.50
1-17-2007	Telephone conference with Melissa (Medicare Secondary Payer Recovery Contractor); conference with Attorney Gates	.50
2-1-2007	Conference with Attorney Gates regarding Medicare reimbursement procedure	.25
2-2-2007	Conference with Attorney Gates regarding content of proposed Petition to Compromise, etc	.25
2-5-2007	Revisions to letter to Medicare Secondary Payment Recovery Center and conference with Attorney Gates	.75
2-8-2007	Additional Revisions to Letter to Medicare Secondary Payment Recovery Center, review of letter client received from Medicare Secondary Payment Recovery Center, and documentation and medical bills for treatment Mr. Koval received following 5/11/05 Motor Vehicle Accident	<u>1.0</u>
Total hours - Attorney Seaman		8.75 =
Total fees - Attorney Seaman		\$1,531.25

Andrew P. Gates, Esquire:

Hours

10-25-2004	Telephone call to InfoLink [left message] Preparation of Praeclipe to enter Appearance	n/c
	Preparation of letter to Allstate Claims Adjuster and preparation of Authorizations to release medical information	.75
10-26-2004	Revisions to Medical Records Authorizations and letter to Allstate Insurance Co. Adjuster	.50
10-27-2004	Conference with Attorney Seaman	.25
10-28-2004	Preparation of Release of Medical Records authorization for Doctors Politan and Strauss; telephone conference with client, Troy Harper, Esq.; preparation of letter to Attorney Harper; revision to letter to Lisa Kramer, Allstate Adjuster	1.75

GATES & SEAMAN

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 Loren Koval
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Andrew P. Gates, Esquire: (continued)

11-1-2004	Conference with client; revision to letter to Attorney Harper and Allstate Insurance Co.; preparation of Authorization to Release prescription records	2.50
11-2-2004	Conference with Loren and Mr. and Mrs. Robert Swatsworth(.25)	N/C
11-19-2004	Conference with client	.25
11-29-2004	Review letters from Attorney Harper and Lisa Kramer, Claims Agent, Allstate Insurance Co.	.25
12-22-2004	Telephone call to Allstate, Claims Representative, Lisa Kramer [left detailed message]	.25
12-27-2004	Telephone conference with Lisa Shaffer, Allstate Adjuster	.25
3-3-2005	Review Medical Records received from Allstate Insurance Co.	3.25
3-10-2005	Review Medical Records; review Claim of Medicare/itemized payments to providers; preparation of letters to Clearfield Pharmacy, Clearfield Hospital and Dr. Strauss	1.75
3-11-2005	Revision to letter to Dr. Strauss	.25
3-15-2005	Revision to letter to Clearfield Hospital, Clearfield Pharmacy and Dr. Strauss; preparation of letter to client	.75
3-17-2005	Telephone conference with client re: status of case	.25
4-6-2005	Review Itemization of Hospital Bills sent out by Clearfield Hospital	.25
5-2-2005	Preparation of letter to Lisa Kramer, Allstate Insurance; conference with client re: PI Claim/Allstate Insurance	.50
9-2-2005	Conference with client; preparation of letters to Dr. Scott Strauss and Clearfield Hospital; review file	1.50
2-2-2006	Review Dr. Strauss Supplemental Report and Records; review Clearfield Hospital Supplemental Records; review Summaries of Prescription Medicine	4.00
2-3-2006	Review file; preparation of draft of Demand Letter	1.75
2-6-2006	Review Medical Records; preparation of Demand Letter	2.50
2-15-2006	Review Medical Records; revisions to Demand Letter	3.00

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 Loren Koval
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Andrew P. Gates, Esquire: (continued)

2-20-2006	Revision to Demand Letter	.75
3-1-2006	Review medical bills yet unpaid and bills paid out of pocket by Mr. Koval; conference with Loren	.75
3-3-2006	Review Medical bill paid by client and those still owed	.75
3-6-2006	Conference with Sharon (Legal Assistant) regarding Mr. Koval's out of pocket expense and Clearfield Hospital bills; revision to Demand Letter; review unpaid medical bills and bill paid out of pocket	1.75
3-8-2006	Revision to Demand Letter; review assembled records	.50
5-18-2006	Telephone conference with Lisa Shaffer, Claims Representative at Allstate Insurance Company	.25
7-20-2006	Preparation of letter to Lisa Kramer, Allstate Insurance; preparation of draft of Complaint	1.50
7-21-2006	Revision to letter to Lisa Kramer, Allstate Insurance Co.	.25
7-26-2006	Revision to Complaint	.50
8-1-2006	Telephone conference with Lisa Shaffer, Allstate Adjuster	.25
8-16-2006	Review file and Allstate's Offer; conference with Loren	1.00
9-2-2006	Telephone conference with DuBois Office of Social Security Administration	.25
9-5-2006	Conference with Attorney Seaman	.25
9-7-2006	Review of Medicare Claim and Itemization of Services paid; preparation of letter to Allstate Insurance Company; preparation of letter to Mutual of Omaha	.50
10-12-2006	Review file; telephone call to Lisa Kramer, Allstate Ins. Co. [left detailed message]	.50
10-23-2006	Telephone conference with Lisa Kramer, Allstate Adjuster; preparation of 2 nd letter to Mutual of Omaha re: Medicare Claim/Lien	.50
11-8-2006	Telephone call to Lisa Shaffer, Allstate Claims [left message].(25)	N/C
11-10-2006	Telephone conference with Lisa Shaffer, Allstate Ins. Co.	.25

GATES & SEAMAN

Page Five
 Loren Koval
 August 2, 2007

Andrew P. Gates, Esquire: (continued)

11-13-2006	Telephone conference with client Preparation of letter to client	N/C .25
11-14-2006	Telephone conference with client	.25
11-15-2006	Legal research re: Rule of Civil Procedure (re: Incapacitated Persons Plaintiff); legal research re: Petition for Approval of Settlement; conference with client	1.75
11-17-2006	Telephone conference with Robin Foor, Esquire, MidPenn Legal Services; conference with Attorney Seaman; telephone call to Lisa Shaffer, Allstate [left detailed message]; preparation of letter to Attorney Foor; preparation of Authorization to Release Social Security Disability File	1.00
11-20-2006	Review new medical bills for services from 2005 and 2006; telephone conference with Lisa Shaffer, Allstate Ins. Co.	.50
11-29-2006	Review SSA Disability Determination for award of benefits to Loren in June 2000	.25
11-30-2006	Telephone conference with Kim Schleede, FMW Settlements; preparation of letter to Loren and Lisa Shaffer, Allstate	.50
12-5-2006	Telephone conference with Calvin Thomas, CNB Trust Officer; preparation of letter to Calvin Thomas; review structured settlement info received from FMW Settlements	.50
12-14-2006	Telephone conference with Calvin Thomas, CNB Trust Dept.	.25
12-20-2006	Legal research re: Irrevocable Trusts and Special Needs Trusts; preparation of draft of Trust	2.50
12-27-2006	Revision to Irrevocable Trust Agreement; preparation of Petition/ Rule and Order To Compromise Action and direct payment of attorney fees/costs and direct distribution	1.50
12-28-2006	Revision to Petition to Compromise Action	.50
1-2-2007	Revision to Petition to Compromise Action, etc.; conference with Legal Assistant regarding outstanding unpaid medical bills	.25
1-4-2007	Revision to Petition to Compromise; preparation of Joinder to Petition by CNB; preparation of letter to Calvin Thomas, Trust Officer	.50

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Page Six
 Loren Koval
 August 2, 2007

Andrew P. Gates, Esquire: (continued)

1-12-2007	Telephone conference with Calvin Thomas (CNB); preparation of revisions to Trust	.50
1-17-2007	Review change to Irrevocable Trust language sought by CNB; preparation of additional revisions to Trust	.50
1-18-2007	Telephone conference with client; preparation of letter to Medicare Contract Provider	.50
1-31-2007	Review "Conditional Demand Letter" sent to Mr. Koval by MSPRC	.25
2-1-2007	Review information secretary obtained about client's July 2005 "swing bed bill" from Clearfield Hospital, revision to letter to Medicare Secondary Payment Recovery Center; conference with Attorney Seaman	.75
2-5-2007	Conference with Attorney Seaman about Medicare Reimbursement and Petition to Compromise	.25
2-9-2007	Revision to Irrevocable Trust Agreement between client and CNB Bank, letter to Calvin Thomas, Jr., CNB Bank Trust Officer	.50
3-9-2007	Letter to Lisa Kramer, Allstate Insurance Co., Phone conference with Calvin Thomas, Jr., Trust Officer (Left detailed voice mail message)	.25
3-19-2007	Conference with Mr. Koval, Robert and Rosemary Swatsworth to review proposed Petition to Compromise, etc., Irrevocable Trust Agreement and reasons Court approval required	1.0
5-23-2007	Phone conference with Natasha at Medicare Secondary Payment Recover Center	.25
6-15-2007	Phone conference with Medicare Secondary Payment Recovery Center (Re: status of Demand/Medicare Recovery Calculation letter)	.25
7-3-2007	Phone conference with Medicare Secondary Payment Recovery Center (Re: Status of Medicare Secondary Payment Recovery Center Calculation letter); letter to Lisa Kramer, Allstate Ins. Co.	.25
7-12-2007	Phone conference with client	.25

GATES & SEAMAN

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 Loren Koval
 August 2, 2007

Andrew P. Gates, Esquire: (continued)

7-27-2007	Review of Medicare "Demand/Recovery Calculation Letter"; Preparation of revisions to Petition to Compromise, etc.	1.0
7-31-2007	Revisions to Irrevocable Trust Agreement; phone conference with Calvin Thomas, Jr., Trust Officer, CNB Bank	.50
8-1-2007	letter to Calvin Thomas, Jr., Trust Officer, CNB Bank; letter to Lisa Kramer, Allstate Insurance Co.; phone conference with Rosemary Swatsworth	.75
8-2-2007	Conference with Mr. Koval and Mr. and Mrs. Robert Swatsworth to go over final form of Petition to Compromise etc. and Irrevocable Trust Agreement	1.0
8- -2007	Conference with Mr. Koval and Calvin Thomas, Jr., CNB Bank Trust Officer	1.0
8- -2007	Preparation for and Appearance at Court Hearing on Plaintiff's Petition to Compromise, etc.	1.0
8- -2007	Letters to CNB Bank to deliver escrow check constituting "corpus" of Irrevocable Trust Agreement; letters to Medical Providers with checks for payment of client's unpaid medical bills	<u>.50</u>

Total hours - Attorney Gates 58.75 =

Total fees - Attorney Gates \$ 8,812.50

Legal Assistant:

3-7- and 3-8-2006	Photocopying and Assembling Demand Letter to Allstate Ins.	7.50 hrs.
1-2-2007	Review of additional bills; telephone calls to various doctors' offices	1.00 hr.
8-2-2007	assembling and photocopying documents for filing	<u>.50</u> hr.

Total hours - Legal Assistant 9.0 hrs. \$ 315.00

Total fees \$10,658.75

CONTINUED TO NEXT PAGE

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 Loren Koval
 August 2, 2007

ADVANCED COSTS:

11-2-2004	photocopies (9 @ \$.20 cents)	\$ 1.80
	postage	\$ 1.20
1-10-2005	photocopies at Prothonotary's Office on 10/25/04	\$.75
3-30-2005	to Clearfield Pharmacy (3/21/05 invoice)	\$ 15.15
	to Clearfield Hospital, Inv. #275.24	\$ 90.24
5-2-2005	photocopies, Loren's Bank statement (24 @ \$.20)	\$ 4.80
	postage	\$ 2.86
9-12-2005	photocopies (6 @ \$.20 cents)	\$ 1.20
	postage	\$ 2.54
11-2-2005	to Clearfield Hospital	\$168.36
12-21-2005	to Scott R. Strauss, D.O., letter and records	\$ 20.75
3-7 and	photocopies (972 @ \$.20 cents)	\$194.40
3-8-2006	postage	\$ 6.54
12-7-2006	photocopies to Calvin Thomas (14 @ \$.20 cents)	\$ 2.80
1-5-2007	photocopies to Calvin Thomas (24 @ \$.20 cents)	\$ 4.80
8-1-2007	photocopies to Calvin Thomas (23 @ \$.20 cents).....	\$ 4.60
8-2-2007	photocopies of Petition for client, Allstate Ins. Co., Attorney Troy J. Harper, and CNB (196 @ \$.20 cents)....	\$ 39.20
and	postage (to Allstate and Attorney Harper.....	\$ 3.64
8- -2007	photocopies - Petition for filing (49 @ \$.20 cents).....	\$ 9.80
8- -2007	photocopies of Final Order of Court (10 @ \$.20 cents)....	<u>\$ 2.00</u>
		<u>\$ 577.43</u>

Total fees & costs \$11,236.18

Less: advanced retainer paid 11/04 \$ 500.00

AMOUNT DUE \$10,736.18

LAURANCE B. SEAMAN
ANDREW P. GATES

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JOHN B. GATES
(1917-1984)

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FAX (814) 765-1488

November 1, 2004

Loren J. Koval
260 West Pauline Drive
Clearfield, PA 16830

Re: Loren Koval vs. Robert Swatsworth
No. 04-1014-CD (Injuries suffered in fall from loader bucket on July 3, 2002)

Dear Mr. Koval:

Thank you for your confidence in asking us to represent you with respect to your claim against Robert Swatsworth for injuries you suffered as a result of the fall from Mr. Swatsworth's machinery which took place on Mr. Swatsworth's farm in Bloom Township, Clearfield County, Pennsylvania, on July 3, 2002. We look forward to working with you.

As we have made you aware in the past, this office has also represented Robert and Rose Mary Swatsworth on other matters unrelated to your July 3, 2002 accident, and we continue to represent them on other unrelated matters. Although I do not presently foresee that this conflict of interest will adversely affect our relationship with you or Mr. and Mrs. Swatsworth, in order for this office to represent you on this personal injury matter and also continue representing Mr. and Mrs. Swatsworth on these unrelated matters, we must disclose to you this representation and obtain your consent. Should for any reason our representation of you in this matter at some later point adversely affect our representation of you and/or Mr. and Mrs. Swatsworth, it will be necessary that we withdraw from our representation of you and Mr. and Mrs. Swatsworth. If so, arrangements will be made to obtain substitute counsel for you so your personal injury matter may be concluded to your satisfaction. Also, we must advise that you have the right to seek consultation with an independent disinterested lawyer. With this understanding, I have provided a space at the bottom of this letter for your acknowledgment that you understand these circumstances and consent to this office representing you in this matter, while we still represent Mr. and Mrs. Swatsworth in unrelated matters.

Many years of experience have taught us that the attorney-client relationship functions best when both parties are fully aware of the scope of the representation and their respective obligations. The purpose of this letter

Page Two
November 1, 2004

is to set forth, in writing, the arrangements concerning our services and our fees, so that we may avoid any misunderstandings. As I discussed with you on November 1, 2004, you will be billed for my services at the rate of \$150.00 per hour, plus all out-of-pocket expenses. Any services performed by my partner, Laurance B. Seaman, Esquire, will be at the rate of \$175.00 per hour. Paralegal services will be at the rate of \$85.00 per hour and legal assistant services at the rate of \$35.00 per hour. We ordinarily handle personal injury actions on a contingent fee basis. Since Allstate Insurance Company has already made a substantial offer to you, such circumstances make it more appropriate to proceed to represent you on an hourly fee basis. In addition, we have agreed that you will pay a \$500.00 advanced retainer which you will deliver to this office within ten (10) days of the date of this letter. During the course of my representation of you in the aforementioned matter, you will be billed on a periodic basis for the worked performed with your payments to be made within thirty (30) days of your receipt of our statement. If possible, we will wait to bill you when the case has been completed.

The retainer paid is neither a minimum fee nor a maximum fee. Thus, if we conclude your case before the total hourly charges and out-of-pocket expenses equal the amount of the retainer, you will receive a refund of the difference. On the other hand, if the total hourly charges exceed the amount of the retainer before our work is completed, which I expect will be the case in this matter, you may be asked to provide an additional retainer based on the likely amount of future services still to be provided.

Our fee will include the hours expended in undertaking the following: Meetings with you and court appearances; drafting and reviewing pleadings and correspondence; negotiations with Allstate Insurance Company; reviewing medical records, hospital records and doctor's reports; discovery; preparation of necessary Authorizations so the hospital and medical records will be released to this office for our review; telephone conversations with you, medical care providers, Allstate Insurance Company, opposing legal counsel, and, if necessary, witnesses to be called for any future hearings; and representation at trial, if necessary. Furthermore, given the fact that you are currently receiving Social Security Disability, the Pennsylvania Rules of Civil Procedure most likely will require that we file a Petition to either have a guardian ad litem or guardian appointed for you to oversee the litigation. Likewise, if a settlement is reached with Allstate Insurance Company, we most likely will need to file a Petition with the Court to obtain approval of said settlement. Finally, our services may also include time expended on legal research and preparation of brief(s), should this matter proceed to trial.

Additionally, it is my understanding that there is currently an approximate \$32,000.00 Medicare subrogation claim for the medical services you were

GATES & SEAMAN

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November 1, 2004

provided for the injuries you received in the July 3, 2002 fall. Medicare has a right to recover from any settlement you reach with Mr. Swatsworth's insurance company the amount it has paid for these medical services. If this office negotiates a settlement on your behalf from which Medicare's claim is paid, this office may be paid by Medicare a percentage of the amount of its claim. These fees will not be charged to you but will come out of the total amount of the Medicare claim.

Finally, this agreement will continue in effect until the work is completed or until either party cancels by giving at least twenty (20) days' prior written notice to the other at the address stated above or at another address chosen subsequent to the execution of this agreement which is duly communicated to the party giving notice.

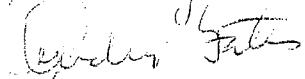
I hope this letter correctly confirms our agreement concerning our services, fees and costs. Assuming it does, please date and sign the enclosed copy of this letter and return the same to this office.

In the event you should have any other questions in the meantime, please do not hesitate to contact me.

Very truly yours,

GATES & SEAMAN

By:



Andrew P. Gates

APG/sjb
enclosure

I, Loren Koval, agree that Andrew P. Gates, Esquire, and the Law Offices of Gates & Seaman, are hereby authorized to perform the requested legal services set forth herein and at the rates specified, I consent to this representation after disclosure by Mr. Gates of his prior and continuing representation of Mr. and Mrs. Swatsworth, on unrelated matters, fully understanding that if such representation adversely affects the relationship with me and/or Mr. and Mrs. Swatsworth, then, in that circumstance, said attorneys will have to withdraw from all such representation.

Reviewed by and Agreed to on this 2nd day of November, 2004.



Loren J. Koval

IRREVOCABLE TRUST

THIS AGREEMENT made this ____ day of _____, 2007, by LOREN KOVAL, of 108 Bigler Avenue, Apt No. 5, Clearfield, Pennsylvania 16830, as the SETTLOR, and CNB BANK of Clearfield, Pennsylvania, whose mailing address is P. O. Box 42, Clearfield, Pennsylvania 16830, a national banking association authorized to engage in trust business in the Commonwealth of Pennsylvania, as the TRUSTEE,

WHEREAS, this Trust be known as the "Loren Koval Irrevocable Trust"; and

WHEREAS, the herein-described irrevocable trust is to be funded with a portion of the settlement proceeds to be received by the Settlor from Allstate Insurance Company in regards to personal injuries received by Settlor as a result of a fall he suffered on July 3, 2002 and which fall and injuries serve as the basis for the lawsuit instituted in the Court of Common Pleas of Clearfield County, Pennsylvania to Case No. 04-1014-CD having the caption of Loren Koval vs. Robert Swatsorth; and

WHEREAS, prior to the July 3, 2002 accident, Settlor had been awarded Social Security Disability Benefits on or about July 27, 2000 by virtue of an Administrative Law Judge finding under the Mental Retardation/Autism Sympton Regulations that although Settlor was able to take care of his personal needs such as bathing, shopping and driving a motor vehicle, his impairments still supported the finding that Settlor was "disabled" under the Social Security Act and accompanying regulations; and

WHEREAS, although declared "disabled" for Social Security Disability purposes, since the Settlor is otherwise able to meet his daily needs, able to live independently, pay his own monthly bills from his Social Security Disability monthly

benefits and otherwise be a licensed driver in the Commonwealth of Pennsylvania, the question arises as to whether Settlor falls within the definition of a "incapacitated person" as said term is defined in the Pennsylvania Rules of Civil Procedure (Rule 2051); and

WHEREAS, Settlor through counsel has otherwise negotiated a settlement of his personal injury claim with Allstate Insurance Company in the total sum of \$120,000.00, from which is to be paid: (i) the existing Medicare lien of \$19,094.77, (ii) potential other moneys expended by Medicare on his behalf for medical treatment, (iii) certain medical bills and related expenses previously paid by Allstate Insurance Company, (iv) additional outstanding medical bills and (v) attorneys fees and costs, with the remaining settlement proceeds to be paid over to the Trustee herein for funding of the Loren Koval Irrevocable Trust;

WHEREAS, a Petition will be presented to the Court of Common Pleas of Clearfield County, Pennsylvania, in the proceedings filed to Case No. 04-1014-CD for approval of the above settlement, with the proposed Court Order directing that the balance of said settlement proceeds be paid over to the Trustee herein for funding of this Irrevocable Trust.

AND NOW, the parties hereto, intending to be legally bound hereby agree and covenant as follows:

ITEM I. Upon the Court of Common Pleas of Clearfield County, Pennsylvania approving, pursuant to Pennsylvania Rule of Civil Procedure 2064, Settlor's Petition to Compromise his personal injury action pending in the Court of Common Pleas of Clearfield County, Pennsylvania in the matter of Loren Koval versus Robert Swatsworth, Case No. 04-1014-CD, which will result in a Court Order

directing that the projected sum of \$_____ be deposited with CNB Bank, Trustee, under the terms of an Irrevocable Trust Agreement, Settlor through his attorneys, Gates & Seaman, hereby transfers and delivers to Trustee the lump sum of money described in Exhibit "A", which is attached hereto and made a part hereof, with a copy of the Court Order of the Court of Common Pleas of Clearfield County, Pennsylvania, previously referred to, being attached hereto and made a part hereof as Exhibit "B". Trustee shall hold said property, together with any additions thereto, as the Trust Estate and shall invest and reinvest the same and shall distribute or pay over on a monthly basis either to or on behalf of the Settlor, the net income of the Trust and so much of the principal as the Trustee, in its sole discretion, may deem necessary for the Settlor's maintenance, support, medical expenses, best interest, education, vocational training and welfare that the Trustee deems appropriate. To be specifically included in the monthly distributions is the monthly amount Settlor pays for rent for his apartment, his monthly utility expenses, and any expenses Settlor may have for motor vehicle insurance. Likewise, the Trustee is hereby authorized to pay from the principal up to the sum of \$10,000.00 for Settlor to acquire a residence property.

ITEM II: Upon the Settlor's death, the Trust shall terminate, and the then principal and any accrued or undistributed income shall be transferred and delivered to the personal representative of the Settlor's estate.

ITEM III: It is my desire that the Trustee, in carrying out the powers granted herein and otherwise by law, consider that of the utmost concern is the security of the assets of this Trust and that any investment made by the Trustee are to be made with this in mind.

ITEM IV: The Trustee shall also have the following powers with respect to the Trust Estate held under this instrument, exercisable in the discretion of the Trustee, in addition to and not in limitation of those granted by law:

(A) In addition to and not in limitation of those powers granted by law: to accept and retain assets in kind; to sell assets and to invest and reinvest the proceeds and any other cash in any kind of property, real or personal, or part interest therein, located in the United States, including interest-bearing accounts in or certificates issued by its own banking department and securities underwritten by syndicates of which the Trustee is a member but not purchased from the Trustee, all statutory and other limitations as to the investment of funds, now or hereafter enacted or in force, being waived; to hold income and cash uninvested until the next regular payment date, without liability for interest thereon; to compromise claims, to vote shares of corporate stock, in person or by proxy, in favor of or against management proposals; to carry securities in the name of a nominee, including that of a clearing corporation or depository, or in book entry form or unregistered or in such other form as will pass by delivery; and to make distribution either in cash or in kind; in cases where the exigencies of the situation are such that immediate action, by way of a sale or purchase, are deemed necessary by the Trustee, in either of which events the Trustee is authorized to proceed as it deems advisable, notifying the Settlor of the action taken. The Trustee shall have no liability for any mistake or error of judgment made in good faith. Likewise, the Trustee may exercise any and all powers available under the Prudent Investor Rule, as set forth in 20 Pa. C.S.A. §7201, et seq.

(B) To pay the Settlor's periodic expenses, including those incurred in the administration of this Trust, including reasonable compensation to attorneys at

law, consultants, accountants, attorneys-in-fact, and agents (with or without discretionary powers).

(C) To deal with the fiduciary or fiduciaries of any other trust or estate, even though the Trustee is also the fiduciary or one of the fiduciaries of the other trust or estate.

(D) To execute instruments of any kind, including instruments containing covenants and warranties binding upon and creating a charge against the trust property and continuing provisions excluding personal liability.

(E) The Trustee shall furnish to the Settlor quarter-annual statements of income, principal and investments, and, on or before April first of each year, a report of the income for the preceding calendar year for Federal and State income tax purposes. The Trustee shall prepare all income tax returns for the Trust and Settlor, individually.

(F) The Trustee may resign at any time by petitioning the Court of Common Pleas, Clearfield County, Pennsylvania, Orphans Court Division for the appointment of a successor corporate trustee and the court appointing said successor trustee. In case of the merger or consolidation of the Trustee, the resultant company shall become successor Trustee hereunder without notice to any party. Furthermore, should the proposed amount being held in trust under this indenture ever fall below the total of \$5,000.00, then in that event the Trustee is specifically authorized to resign, if it chooses to do so. In the event the Trustee chooses to resign in accordance with the preceding sentence, the Trustee will transfer all remaining amounts then being held in trust into a restricted bank account at CNB Bank, which account will be governed by the provisions of Pennsylvania Rule of Civil Procedure 2064(b)(2).

(G) The Trustee shall be entitled to receive annual compensation for its services hereunder in accordance with its schedule in effect when the services are performed, but not in excess of such compensation as would be approved by a court of competent jurisdiction. Such compensation shall be charged wholly against income, unless the Court of Common Pleas of Clearfield County, Pennsylvania, shall by Court order direct otherwise in writing.

(H) The powers granted in this Item shall be in addition to those granted by law and may be exercised even after termination of this trust until actual distribution of all principal, but not beyond the period permitted by any applicable rule of law relating to perpetuities.

(I) To the extent that such requirements can legally be waived, no Trustee hereunder shall ever be required to give bond or security as Trustee or to obtain the order or approval of any court before exercising any power or discretion granted in this instrument.

(J) The Trustee, in its sole discretion, may establish from the principal a reasonable irrevocable burial account for the Settlor.

(K) The Trustee's exercise or nonexercise of powers and discretions in good faith shall be conclusive on all other persons. No person paying money or delivering property to any trust hereunder shall be required or privileged to see to its application. The certificate of the Trustee that the Trustee is acting in compliance with this instrument shall fully protect all persons dealing with the Trustee.

ITEM V. No interest of any beneficiary under this Trust, or any amendment hereto, while undistributed and in possession of the Trustee shall be

subject to anticipation, attachment, execution, sequestration or voluntary or involuntary alienation.

ITEM VI. The Settlor or any person or entity may add hereto cash or such property in kind as is acceptable to the Trustee.

ITEM VII. If at any time during the administration of this trust, the Settlor would be in need of benefits provided by any federal, state or local organizations or agencies for monetary support, healthcare, educational assistance, housing assistance etc. and the Settlor would otherwise be eligible for such benefits if the trust were not in existence in its present form, the trustee is hereby authorized and directed to seek court authorization to reform the trust provisions in order to qualify as a "Special Needs Trust".

Trustee is authorized to expend such sums from the trust for legal fees and filing fees and other related costs as it deems is necessary and appropriate under the circumstances and may not be held liable by the Settlor or his successors and assigns if such attempt to reform the trust fails to qualify the Settlor for such benefits.

ITEM VIII. This Trust shall be irrevocable, and Settlor shall not have the right to alter, amend or revoke this Trust Agreement, or any provisions hereto without the approval of the Orphans' Court Division of the Court of Common Pleas of Clearfield County, Pennsylvania. The Settlor and Trustee hereby acknowledge that this Trust is expressly subject to the continuing jurisdiction of the Orphans' Court Division of the Court of Common Pleas of Clearfield County, Pennsylvania, as authorized by Pa.R.C.P. §2064(b)(4)(iii).

ITEM IX. Unless required by the aforementioned Orphans' Court Division or other Court of competent jurisdiction, the Trustee shall not be required to post a bond.

ITEM X. The situs of this Trust shall be the Commonwealth of Pennsylvania and all questions as to the validity or effect of this instrument or the administration of the Trust hereunder shall be governed by the laws of the Commonwealth of Pennsylvania.

ITEM XI. The Trustee hereby accepts the Trust created by this agreement and agrees to carry out the provisions hereof according to the best of the Trustee's ability.

IN WITNESS WHEREOF, Loren Koval, Settlor herein, and CNB Bank, through an authorized officer thereof, as Trustee herein, have set their hands and seals the month, day and year first above written.

Witness

(SEAL)
Loren Koval

SETTLOR

ATTEST:

CNB BANK
By:

Secretary

Calvin R. Thomas, Jr.,
Vice President and Trust Officer

TRUSTEE

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF CLEARFIELD : SS:

On this, the _____ day of _____, 2007, before me, the undersigned officer, personally appeared LOREN KOVAL, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within document, and acknowledged that he executed the same as Settlor for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF CLEARFIELD : SS:

On this, the _____ day of _____, 2007, before me, the undersigned officer, personally appeared CALVIN R. THOMAS, Jr., who acknowledged himself to be the Vice President and Trust Officer of CNB BANK, the foregoing corporation, and that as such, he, being authorized by such corporation to do so, executed the foregoing document for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.



GATES & SEAMAN
2 N FRONT ST
CLEARFIELD PA 16830-2411

November 22, 2006

INSURED: ROBERT SWATSWORTH
DATE OF LOSS: July 03, 2002
CLAIM NUMBER: 5131953191 B52
Your client: Loren Koval

PHONE NUMBER: 800-726-8990
FAX NUMBER: 412-306-7375
OFFICE HOURS: Mon - Fri 8:00am - 5:30pm

Dear Mr. Gates,

As pursuant to our recent telephone conversation regarding the above captioned claim. Our offer to you on behalf of your client is \$120,000.00. This amount includes the Medicare lien of \$25,980.94, the unpaid medical bills of \$2,482.94 and the out of pocket expenses Mr. Koval incurred in the amount of \$4,691.41.

As we discussed if you are interested in obtaining some proposals for a structure, please contact Kim Schleede from JMW Settlements at 1-800-544-5533 and she will be glad to assist you.

If you have any questions, please contact me.

Sincerely,

LISA KRAMER

LISA KRAMER
412-572-7242
Allstate Insurance Company

EXHIBIT "F"

GENI001

5131953191 B52

LAURANCE B. SEAMAN
ANDREW P. GATES

LAW OFFICES
GATES & SEAMAN
TWO NORTH FRONT STREET
P. O. BOX 846
CLEARFIELD, PA. 16830
—
(814) 765-1766
FAX (814) 765-1488

JOHN B. GATES
(1917-1984)

November 30, 2006

Lisa Kramer
ALLSTATE INSURANCE COMPANY
1721 Cochran Road
Pittsburgh, PA 15220

Re: My Client/Claimant: Loren J. Koval
Your Insured: Robert Swatsworth
Date of Loss: July 3, 2002
Claim No. 5131953191 B52

Dear Ms. Kramer:

This letter is in response to Allstate's offer to my client in the amount of \$120,000.00 which is set forth in greater detail in your letter to me of November 22, 2006. As I advised in our telephone conversation of November 20, 2006, my client, Loren Koval, is willing to accept said settlement, provided we are able to secure court approval, which I believe is necessary because of my client's disability. It is my plan to seek said approval in the Court of Common Pleas of Clearfield County, Pennsylvania, in accordance with the procedure set forth in the Pennsylvania Rules of Civil Procedure beginning at Rule 2051 et seq.

I am in the process of discussing with JMW Settlements and other possible fiduciaries, a structured settlement arrangement which will be most beneficial to Mr. Koval. Once I have completed my investigation and presented the various proposals to Mr. Koval, it will then be my intent to file a Petition with the Court seeking approval for the \$120,000.00 settlement distribution to be made in accordance with your letter and with the proposed settlement order to be attached to the Petition. Said request will also provide for the payment of my counsel fees and out-of-pocket costs, with the balance to be paid to or on behalf of my client through some sort of structured settlement distribution scheme. Once I am in a position to prepare this Petition, I will share the same with you to make sure Allstate has no difficulty with the proposed resolution.

In the meantime, should you have any further questions, please do not hesitate to contact me.

Very truly yours,

GATES & SEAMAN
BY:



Andrew P. Gates

APG/sjb
xc: Loren J. Koval

EXHIBIT "G"

SOCIAL SECURITY ADMINISTRATION
Office of Hearings and Appeals

DECISION

IN THE CASE OF

Loren J. Koval
(Claimant)

CLAIM FOR

Period of Disability and
Disability Insurance Benefits

(Wage Earner)

167-38-0459
(Social Security Number)

PROCEDURAL HISTORY

The claimant protectively applied for disability insurance benefits on November 22, 1999, alleging disability due dyslexia, speech problems and low intellectual functioning. Following a denial of the claim, the claimant filed a timely request for a hearing on March 9, 2000, which is presently before the undersigned.

A hearing was held in this matter on June 21, 2000, in DuBois, Pennsylvania, at which the claimant appeared and testified. Also appearing and testifying were Mr. and Mrs. Swatsworth, acquaintances of the claimant, and Tanya Williams, an impartial vocational expert. The claimant's representative of record is Lois Kenepp. At the hearing, the claimant amended the date he allegedly became disabled to April 1, 1995 (Exhibit 3D).

ISSUES

The general issue in this case is whether the claimant is entitled to a period of disability and disability insurance benefits under Sections 216(i) and 223, respectively, of the Social Security Act, as amended.

The specific issue is whether the claimant has been under a "disability" and, if so, when such disability commenced and the duration thereof. The Social Security Act defines "disability" as the inability to engage in any substantial gainful activity by reason of an impairment or combination of impairments expected to either result in death or last for a continuous period of at least 12 months.

An additional issue is whether the disability insured status requirements of the Act are met for the purpose of entitlement to a period of disability and disability insurance benefits. Information contained in the claimant's earnings record reveals he met the special requirements of the Act on April 1, 1995, the date he allegedly became disabled, and acquired sufficient quarters of coverage to remain insured through December 31, 2000.

EVALUATION OF THE EVIDENCE

After reviewing the documentary evidence and testimony, the Administrative Law Judge finds the claimant "disabled" within the meaning of the Social Security Act.

Under the authority of the Social Security Act, the Social Security Administration has established a sequential evaluation process in determining disability (20 CFR 404.1520(a)). This process will be followed in this case.

The evidence shows the claimant has performed some work as a temporary fair grounds laborer since allegedly becoming disabled on April 1, 1995. However, after considering the testimony and the claimant's earnings record, the Administrative Law Judge has determined the claimant has not engaged in substantial gainful activity.

The medical evidence shows the claimant has borderline intellectual functioning. Although "severe," as discussed below, the claimant has no impairment or combination of impairments which meet or equal the criteria of any listed impairment set forth in Appendix 1, Subpart P, of Regulations No. 4. In reaching this conclusion, the Administrative Law Judge has considered the opinions of the state agency medical consultants who evaluated this issue at the administrative review process and reached the same conclusions (20 CFR 404.1527(f) and Social Security Ruling 96-6p).

The Administrative Law Judge must next determine the claimant's "residual functional capacity," a term which describes the range of work activities the claimant can perform considering his medical impairment. In adjudicating this case, the Administrative Law Judge must consider any mental or physical impairment which would interfere with the claimant's ability to perform work on a sustained basis. After reviewing all the evidence, the Administrative Law Judge finds no significant physical impairment which would preclude her from performing jobs at all levels of exertion as found in the national economy including sedentary, light, medium and heavy work activity.

The medical evidence shows the claimant was enrolled in special education throughout his school years (Exhibits 2E and 1F). The claimant participated in intelligence testing during a consultative examination in January of 2000 and was provided a verbal IQ of 79, performance IQ of 70 and a full scale IQ of 71 using the Wechsler Adult Intelligence Scale, 3rd Edition (WAIS-III) indicating the claimant is performing at the lower range of borderline intellectual functioning (Exhibit 1F).

In evaluating this impairment in a longitudinal fashion as is required by the Social Security Regulations, the Administrative Law Judge finds it appropriate to classify the claimant's signs and symptoms under 12.05 Mental Retardation and Autism in Appendix 1, Subpart P, Regulations No. 4. Consequently, the Administrative Law Judge must evaluate these impairments within the parameters of the "B" criteria namely the claimant's ability to perform activities of daily living, function in a social setting, concentrate, persist and maintain pace at work-related job tasks, and whether the claimant has experienced any episodes of deterioration or decompensation in work or work-related settings causing an exacerbation of his symptoms (See the attached Psychiatric Review Technique Form).

The evidence in this case shows the claimant has slight restrictions with activities of daily living and is able to take care of his personal needs, clean, shop and drive a car (Exhibits 4E and 1F and testimony). As to social functioning, the evidence shows the claimant has moderate limitations. The consultative examining psychologist reported the claimant's speech is circumstantial and a bit loud, he has difficulty completing thoughts and he takes longer than usual to explain himself (Exhibit 1F). He also reported the claimant's social responsibility is in the low range, he has limited interest and participation in group activities and his social maturity is below average (Exhibit 1F). Considering this evidence, the Administrative Law Judge has determined the claimant should have no more than occasional interaction with the public or coworkers.

As to third "B" criteria, the claimant experiences problems with concentration, persistence and pace frequently resulting in a failure to complete tasks in a timely manner. The consultative examining psychologist reported the claimant's ability to understand, retain and follow instructions, sustain attention and perform simple, repetitive tasks is fairly impaired (Exhibit 1F). He also reported the claimant would work at a very slow pace, would require clarification and simple instructions, would have difficulty performing activities within a schedule, his ability to make decisions is impaired and his ability to perform at a consistent pace is poor (Exhibit 1F). Mr. Swatsworth stated he hired the claimant to perform a job with special accommodations but he was not able to follow directions, he endangered others and lacked concentration and the claimant cannot be left alone. Considering this evidence, the Administrative Law Judge has determined the claimant requires special supervision to complete an ordinary routine at a consistent pace. Finally, as to the fourth "B" criteria, the claimant has not experienced any episodes of deterioration or decompensation in work or work-related settings which have caused him to withdraw from the situation or caused an exacerbation of his signs and symptoms.

The Administrative Law Judge has evaluated the claimant's subjective complaints in accordance with 20 CFR 404.1529 and Social Security Ruling 96-7p and has determined the claimant's statements concerning his impairments and their impact on his ability to perform work activities are credible in light of his activities of daily living, report of the examining mental health professional, testimony of the claimant's acquaintances and the other evidence in the record.

Considering the record in its entirety, the Administrative Law Judge has determined the claimant has the residual functional capacity to perform simple, routine and repetitive work at all exertional levels but must have no more than occasional interaction with the public or coworkers and requires special supervision to complete an ordinary routine at a consistent pace.

The Administrative Law Judge must next determine whether the claimant can perform his past relevant work considering the above stated residual functional capacity. The claimant has past relevant work experience as a construction laborer and baker's helper (Exhibits 2E and 3E and testimony). The vocational expert testified the construction laborer job is performed at the very heavy exertional level and is unskilled in nature and the baker's helper job is performed at the medium exertional level and is unskilled in nature. Considering the above stated residual functional capacity, the claimant is unable to perform his past relevant work. Therefore, the burden shifts to the Social Security Administration to show that other jobs exist in significant numbers in the national economy which the claimant can perform considering his age, education, work experience and residual functional capacity.

The claimant was born on August 1, 1946, and was 49 years old when he allegedly became disabled, a "younger individual," and is currently 53 years old, an individual "closely approaching advanced age" as defined in the Regulations. The claimant is a high school graduate in special education classes and, as stated above, has unskilled work experience (Exhibits 2E and 3E and testimony).

To assist in the task of determining whether jobs exist in significant numbers in the national economy which the claimant can perform considering the above mentioned factors, the Commissioner has taken notice of a wide range of occupations of an unskilled nature existing in all levels of work and has promulgated the medical-vocational guidelines found in Appendix 2 to Subpart P of Regulations No. 4. The guidelines are consulted in an effort to determine whether a finding of disability may be based solely on exertional and vocational criteria. Considering the claimant's age, education and past relevant work experience, and assuming a residual functional capacity for work at all levels of exertion, Vocational Rule 204.00, Appendix 2, Subpart P, Regulations No. 4, directs a conclusion of "not disabled."

However, where one is unable to perform a full range of work at the all levels of exertion due to non-exertional limitations the guidelines are useful only as a framework for decisionmaking. For this reason testimony was received from an impartial vocational expert. The vocational expert testified that a hypothetical individual with the same vocational profile as the claimant and a residual functional capacity to perform simple, routine and repetitive work at all exertional levels but must have no more than occasional interaction with the public or coworkers and requires special supervision to complete an ordinary routine at a consistent pace would not be able to perform any jobs.

The Administrative Law Judge finds the claimant's non-exertional limitations substantially erode the occupational base. Therefore, the undersigned Administrative Law Judge finds the claimant "disabled" utilizing Vocational Rule 204.00 as a framework for decisionmaking.

In reaching this conclusion, the undersigned carefully considered the guidelines of Social Security Ruling 96-6p. In accordance with the referenced ruling, the residual functional capacity assessments completed by the state agency medical consultants who evaluated the evidence of record at the administrative review process have been considered expert medical opinions of non-treating, non-examining sources. Greater weight has been accorded to the clinical findings, opinions and assessments of the examining medical source. The Administrative Law Judge also

notes the medical consultants did not have the opportunity to observe the claimant at the hearing or listen to the testimony of the other witnesses. Consequently, the opinions rendered by the State Agency medical consultants, who have neither treated nor examined the claimant, are afforded no controlling weight (20 CFR 404.1512 and 404.1527; and Social Security Rulings 96-5p and 96-6p).

FINDINGS

After careful consideration of the entire record, the Administrative Law Judge makes the following findings:

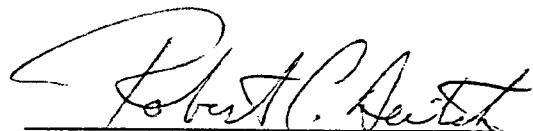
1. The claimant met the disability insured status requirements of the Act on April 1, 1995, the date he allegedly became disabled, and acquired sufficient quarters of coverage to remain insured through December 31, 2000.
2. The claimant has not engaged in substantial gainful activity since allegedly becoming disabled on April 1, 1995.
3. The medical evidence establishes the claimant has the "severe" impairment of borderline intellectual functioning, but he does not have an impairment or combination of impairments listed in or medically equal to one listed in Appendix 1, Subpart P, Regulations No. 4.
4. The claimant's statements concerning his impairment and its impact on his ability to perform work activities are credible in light of his activities of daily living, the report of the examining mental health professional, testimony of the witnesses and the other evidence in the record.
5. The claimant has the residual functional capacity to perform simple, routine and repetitive work at all exertional levels but must have no more than occasional interaction with the public or coworkers and requires special supervision to complete an ordinary routine at a consistent pace.
6. The claimant is unable to perform his past relevant work as a construction laborer or baker's helper.
7. The claimant's residual functional capacity for the full range of work at all levels of exertional is reduced by the limitations set forth in Finding No. 5.
8. The claimant was 49 years old when he allegedly became disabled, a "younger individual," and is currently 53 years old, an individual "closely approaching advanced age."
9. The claimant is a high school in special education classes.
10. The claimant has unskilled work experience.

11. Based on an exertional capacity for work at all levels of exertion and the claimant's age, education and past relevant work experience, section 404.1569 and Rule 204.00, Appendix 2, Subpart P, Regulations No. 4, would direct a conclusion of "not disabled."
12. The claimant's non-exertional limitations severely compromise his ability to perform work. This finding is based on the framework of Vocational Rule 204.00 and vocational expert testimony.
13. The claimant has been under a "disability," as defined in the Social Security Act, since April 1, 1995.
14. The evidence in the record suggests that the claimant is not capable of managing his funds.

DECISION

It is the decision of the Administrative Law Judge that, based on the application protectively filed November 22, 1999, the claimant is entitled to a period of disability commencing April 1, 1995, and to disability insurance benefits under sections 216(i) and 223, respectively, of the Social Security Act.

Because evidence exists the claimant may have difficulty in managing his benefits, the undersigned recommends that the component responsible for effectuating this decision determine whether the appointment of a representative payee is warranted.



Robert C. Deitch
Administrative Law Judge
JUL 27 2000

Date

VERIFICATION

I, ANDREW P. GATES, the undersigned, verify that I am the Attorney for Petitioner in the within action, and that the statements made in the foregoing Petition are true and correct to the best of my knowledge, information and belief. I the undersigned understand that false statements made herein are subject to the penalties of 18 Pa. C.S.A. § 4904 relating to unsworn falsification to authorities.



Andrew P. Gates

Date: August 2, 2007

VERIFICATION

I, LOREN KOVAL, the undersigned, verify that I am the Petitioner in the within action, and that the terms of the Petition to Compromise Action, Allow Counsel Fees and Expenses, And Direct Distribution have been explained to me by my attorneys, and that said terms are true and correct to the best of my knowledge, information and belief. I the undersigned understand that false statements made herein are subject to the penalties of 18 Pa. C.S.A. § 4904 relating to unsworn falsification to authorities.

Loren Koval
Loren Koval

Date: August 2, 2007

Petitioner in the July 3, 2002 fall, in the total sum of \$19,094.77;

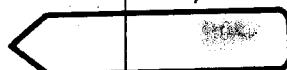
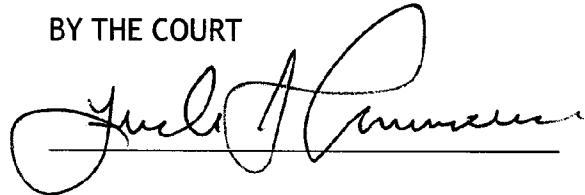
(ii) payment of outstanding medical bills in the sum of \$3,255.61, (as itemized on Exhibit "B" which is attached hereto and made a part hereof) which were for medical services received by Petitioner for injuries and/or conditions arising out of the July 3, 2002 fall;

(iii) the sum of \$10,736.18 to be payable to Gates & Seaman, Attorneys at law, for legal services detailed on the attached Exhibit "C" and related advanced costs and expenses, which in the opinion of said attorneys is a reasonable fee, and in compliance with the fee agreement entered by the Petitioner and said attorneys at the time said attorneys agreed to take over representation of the Petitioner in this matter; and

(iv) the balance thereafter remaining (\$82,222.03) is to be paid to CNB Bank, as Trustee, under the Loren Koval Irrevocable Trust Instrument which is to be promptly executed, in triplicate, by the Petitioner, and an authorized officer of CNB Bank.

3. This Court reserves jurisdiction over the aforementioned Loren Koval Irrevocable Trust in accordance with Pa. R.C.P. §2064(b)(4)(iii).

BY THE COURT



DATE: 8/20/07

You are responsible for serving all appropriate parties.

The Prothonotary's office has provided service to the following parties:

Plaintiff(s) Plaintiff(s) Attorney Other

Defendant(s) Defendant(s) Attorney

Special Instructions:

FILED

AUG 20 2007

William A. Sliaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS
OF CLEARFIELD COUNTY, PENNA.
CIVIL ACTION - LAW

LOREN KOVAL, Plaintiff

-VS-

ROBERT SWATSWORTH, Defendant

PETITION TO COMPROMISE ACTION,
ALLOW COUNSEL FEES AND
EXPENSES, AND DIRECT
DISTRIBUTION

1/20/1986 1:25 PM 10000000

LAW OFFICES
GATES & SEAMAN
2 NORTH FRONT STREET
P.O. BOX 846
CLEARFIELD, PA. 16830

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

LOREN KOVAL, Plaintiff : No. 04-1014-CD
vs. : Type of Pleading: Praeclipe to Discontinue
: Filed on behalf of: Plaintiff
ROBERT SWATSWORTH, Defendant : Counsel of Record for this Party:
: Andrew P. Gates, Esquire
: Supreme Court No.: 36604
: GATES & SEAMAN
: Attorneys at law
: Two North Front Street
: P. O. Box 846
: Clearfield, Pennsylvania 16830
: (814) 765-1766

FILED No CC
08/16/04
AUG 23 2004 Cert. of
disc to
William A. Shaw
Prothonotary/Clerk of Courts
Atty
ER

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

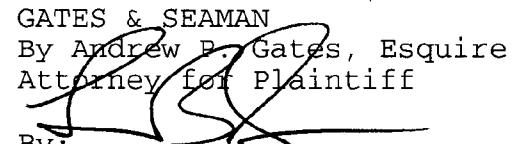
LOREN KOVAL, :
Plaintiff :
vs. : No. 04-1014-CD
ROBERT SWATSWORTH, :
Defendant :
:

PRAECIPE

TO WILLIAM A. SHAW, PROTHONOTARY:

Kindly mark the above-captioned case as "discontinued,
settled and ended".

GATES & SEAMAN
By Andrew P. Gates, Esquire
Attorney for Plaintiff


By: 
Laurance B. Seaman, Partner

Date: August 23, 2007.

FILED

AUG 23 2007

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION

COPY

Loren Koval

Vs.
Robert Swatsworth

No. 2004-01014-CD

CERTIFICATE OF DISCONTINUATION

Commonwealth of PA
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on August 23, 2007, marked:

Discontinued, Settled, and Ended

Record costs in the sum of \$85.00 have been paid in full by Troy Harper, Esq.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 23rd day of August A.D. 2007.



William A. Shaw, Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

FILED
0 3:34 p.m. 6K
SEP 24 2007 NO cc

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

LOREN KOVAL, :
Plaintiff :
: No. 04-1014-CD
vs. :
: ROBERT SWATSWORTH, :
Defendant :
:

**AFFIDAVIT OF RECEIPT OF SETTLEMENT PROCEEDS AND
DISBURSEMENT THEREOF IN ACCORDANCE WITH COURT ORDER**

NOW COMES, Andrew P. Gates, Esquire, Attorney of Record for Plaintiff, Loren Koval, in the above-captioned action, and makes the within Affidavit as to his receipt of the settlement proceeds and the disposition made thereof as directed by this Court's Order of August 20, 2007, and in support thereof states the following:

1. The Settlement check from Allstate Insurance Company in the amount of \$115,308.59 was received by the undersigned by regular mail on August 29, 2007 and was immediately deposited by said attorney in his office escrow account at CNB Bank on the same date. Attached hereto and made a part hereof, collectively, as Exhibit "A" is a copy of the settlement check received from Allstate Insurance Company, which contains the endorsements of the undersigned attorney and Plaintiff, Loren Koval, along with the deposit slip provided to CNB Bank at the time said check was deposited in the undersigned attorney's escrow account and the deposit receipt received from CNB Bank.

2. Thereafter, distribution of the settlement proceeds as directed by this Honorable Court's Order of August 20, 2007, was made as follows:

(i) To Medicare - By escrow check No. 3796, in the amount of \$19,094.77, dated September 4, 2007, and mailed by overnight mail available through United States Postal Service on September 4, 2007. Attached hereto and made a part hereof, as Exhibit "B", is a copy of Escrow Check No. 3796;

(ii) To CNB Bank, as Trustee of the Loren Koval Irrevocable Trust - By escrow check No. 3795, in the amount of \$82,222.03, dated September 4, 2007 and personally delivered September 4, 2007 to CNB Bank Trust Department. Attached hereto and made a part hereof, as Exhibit "C", is a copy of Escrow Check No. 3795;

(iii) To Clearfield Hospital - By escrow check No. 3797, in the amount of \$1,928.50, dated September 5, 2007 and mailed by regular U. S. Mail to the payee. Attached hereto and made a part hereof, as Exhibit "D", is a copy of Escrow Check No. 3797;

(iv) To Clearfield Hospital - By escrow check No. 3799, in the amount of \$912.00, dated September 5, 2007 and mailed by regular U. S. Mail to the payee. Attached hereto and made a part hereof, as Exhibit "E", is a copy of Escrow Check No. 3799;

(v) To Clearfield Hospital - By escrow check No. 3798, in the amount of \$96.03, dated September 5, 2007 and mailed by regular U. S. Mail to the payee. Attached hereto and made a part hereof, as Exhibit "F", is a copy of Escrow Check No. 3798;

(vi) To R. S. Polintan, M. D. - By escrow check No. 3801, in the amount of \$45.14, dated September 5, 2007 and mailed by regular U. S. Mail to the payee. Attached hereto and made a part hereof, as Exhibit "G", is a copy of Escrow Check No. 3801;

(vii) To R. S. Polintan, M. D. - By escrow check No. 3802, in the amount of \$72.00, dated September 5, 2007 and mailed by regular U. S. Mail to the payee. Attached hereto and made a part hereof, as Exhibit "H", is a copy of Escrow Check No. 3802;

(viii) To Clear Med Providers - By escrow check No. 3803, in the amount of \$3.54, dated September 5, 2007 and mailed by regular U. S. Mail to the payee. Attached hereto and made a part hereof, as Exhibit "I", is a copy of Escrow Check No. 3803;

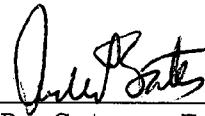
(ix) To Clear Med Providers - By escrow check No. 3804, in the amount of \$34.51, dated September 5, 2007 and mailed by regular U. S. Mail to the payee. Attached hereto and made a part hereof, as Exhibit "J", is a copy of Escrow Check No. 3804;

(x) To Scott R. Strauss, D. O. - By escrow check No. 3800, in the amount of \$163.89, dated September 5, 2007 and mailed by regular U. S. Mail to the payee. Attached hereto and made a part hereof, as Exhibit "K", is a copy of Escrow Check No. 3800; and

(xi) To Gates & Seaman, Attorneys at Law - By escrow check No. 3805, in the amount of \$10,736.18, dated

September 5, 2007. Attached hereto and made a part hereof,
as Exhibit "L", is a copy of Escrow Check No. 3805.

GATES & SEAMAN
By:


Andrew P. Gates, Esquire
Attorney for Plaintiff

Sworn to and subscribed before me
this 20th day of September, 2007.


NOTARIAL SEAL
SHARON J. BAILEY, Notary Public
Bradford Twp., Clearfield County
My Commission Expires June 23, 2009

GATES & SEAMAN ATTYS. AT LAW
ESCROW ACCOUNTCNB
COUNTY NATIONAL BANK
MAIN OFFICE, CLEARFIELD, PA

DATE	DOLLARS	CENTS
8/29/07	115,308	59
CURRENCY		
COIN		
CHECKS (LIST EACH SEPARATELY)		
1	137154709	59
2	Loren Koval	
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
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TOTAL FROM OTHER SIDE OR ATTACHED LIST		
115,308	59	
PLEASE RE-ENTER TOTAL HERE		TOTAL 115,308 59

103130627881 10128550110 600

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE COLLECTION AGREEMENT.

INSURED: ROBERT SWATSWORTH
CLAIMANT: LOREN KOVAL
IN PAYMENT OF: CLAIM FOR BODILY INJURY ARISING FROM ACCIDENT ON
07/03/02

PAY: ONE HUNDRED FIFTEEN THOUSAND THREE HUNDRED EIGHT DOLLARS AND FIFTY-NINE CENTS

POLICY NUMBER	CLAIM NUMBER
001487344	5131953 91
TAX ID	DESK LOC EMPLOYEE ID
40115	B52
Bank of America NA Atlanta, Georgia GA	Bank of America Customer Connection 641278
115,308.59	
INVOICE NUMBER	MCO
	2420
COMPANY NAME	DATE ISSUED
ALLSTATE INSURANCE COMPANY	137154709

TO THE
ATTORNEY
OF
LOREN KOVAL AND GATES & SEAMAN, HIS
108 BIGLER AVE #4
CLEARFIELD PA 16830

VOID IF NOT PRESENTED WITHIN THREE HUNDRED, SIXTY-FIVE DAYS OF DATE OF ISSUE

AUTHORIZED SIGNATURES

SIGNATURE
REENTER
TOTAL HEREJohn M. Crockett
Samuel H. Pilk

THE ORIGINAL DOCUMENT HAS REFLECTIVE WATERMARK ON THE BACK.

DO NOT CASH IF WATERMARK IS NOT VISIBLE.

103130627881 10128550110 600

EXHIBIT "A" - 2 pages

SW8089599

Loren Koval

Gates and Seaman

By: *Andrew Gates*

Andrew P. Gates, Esquire



CNB BANK

THIS IS YOUR RECEIPT
BANK SYMBOL, DATE, TRANSACTION NUMBER,
AMOUNT OF DEPOSIT AND ACCOUNT NUMBER
ARE SHOWN BELOW

TR51 10:1-123 08/29/07 11:00 AM
12345678910 CLK Deposit \$115,308.59

Please tell your friends about **CNB**!
See You Later

ALL ITEMS ARE RECEIVED SUBJECT TO CONDITIONS AND TERMS STATED ON SIGNATURE CARDS CURRENTLY USED.

EXHIBIT "B"

EXHIBIT "C"

EXHIBIT "D"

EXHIBIT "E"

EXHIBIT "F"

EXHIBIT "G"

EXHIBIT "H"

THIS CHECK IS DRAWN IN CONNECTION WITH THE FOLLOWING IN	
DATE <u>9-5-07</u> AMOUNT <u>\$ 3.54</u>	
PAY TO THE <u>Clear Med Providers</u> ORDER OF <u>John Koval</u>	
Three and <u>54/100</u> DOLLARS	
CNB COUNTY NATIONAL BANK MAIN OFFICE, CLEARFIELD, PA	
FOR Loren Koval - Acct. 10854	
100 380 3 103 106 2781 1 28 550 1	

CHARLAND STYLES XIC

60-6277313

SECURITY
FEDERAL
BANK

EXHIBIT "I"

3804	
GATES & SEAMAN ATTYS AT LAW ESCROW ACCOUNT	
2 NORTH FRONT ST. P. O. BOX 846 CLEARFIELD, PA 16830	
DATE	60-627/313
DATE	9-5-07
PAY TO THE ORDER OF <u>Clear Med Providers</u>	
\$ 34.51	
Thirty-four and <u>51</u> /100--- DOLLARS 1	
 COUNTY NATIONAL BANK <small>MAIN OFFICE, CLEARFIELD, PA</small>	
<u><i>John Gates</i></u> <u><i>John Gates</i></u>	
FOR Loren Koval-Acct. 10854	
#00 3804# 4031306278# 1# 28550#	

EXHIBIT "J"

EXHIBIT "K"

EXHIBIT "L"

FILED

SEP 24 2007

**William A. Shaw
Prothonotary/Clerk of Courts**