

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

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October 7, 2005

**VIA U. S. MAIL - CERTIFIED RETURN RECEIPT
AND IN CARE OF STAN HAFFERMAN, BUSINESS AGENT, ASEA**

Robert L. Farmer
2707 Klamath Drive
Anchorage, AK 99517

Re: Robert L. Farmer
Our file: 221-03-0830

NOTICE OF INTENT TO WITHDRAW SETTLEMENT OFFER

Dear Mr. Farmer:

This letter is intended to notify you of the state's intention to withdraw any and all outstanding settlement offers effective 4:30 p.m., Friday, October 28, 2005. After that time and date, the state will proceed to litigate or arbitrate, as appropriate, any and all disputes between yourself and it.

By way of background, you, the NRC, the U.S. Department of Labor, the Alaska State Employees' Association, and the State of Alaska, Department of Transportation and Public Facilities agreed to participate in global mediation conducted by Ninth Circuit mediator, Roxane Ashe. The mediation occurred on July 12th, 13th, and 14th. After several days of mediation, Ms. Ashe requested that the state make a formal written settlement offer to you. Subsequently, after further negotiations, on July 14, 2005, a tentative agreement was signed by you, your attorney, Billie Garde, your union's business agent, Stan Hafferman, and undersigned counsel, Gary Gantz, on behalf of the State of Alaska.

A final settlement agreement and release document was contemplated. Therefore, the parties continued negotiations for several weeks and finally, by August 9, had created a settlement document that appeared to be acceptable to the NRC, your union, your attorneys, the State of Alaska, and, presumably, to you. Based on informal discussions with the Department of Labor attorneys, there was every reason to believe the U.S.

Department of Labor would likely approve the agreement once it was signed by the other parties.

The final settlement document was signed by your attorneys, and your union representative, but when the final document was presented to you for signature, you refused to proceed to execute the settlement agreement. Despite repeated efforts by your attorneys and the mediator to convince you to proceed with the settlement and execute the agreement, you have refused to do so.

The agreement included a promise by you to produce to the state by September 30, 2005, copies of any and all documents to be submitted to the NRC for its further consideration. You were to allow the state to copy the documents and return them to you afterwards. That date has passed with no documents having been produced to the state as agreed.

Your refusal to sign the release agreement and failure to produce the documents, leads the state to the conclusion that you have already rejected the settlement and have breached the July 14, 2005 agreement. Nevertheless, to give you one last opportunity to settle, the state is willing at this time to proceed with the settlement as set out in the written agreement signed by your attorneys and your union's business representatives and presented to you by them. The State of Alaska will no longer be willing to proceed with the contemplated settlement after 4:30 p.m., on Friday October 28, 2005. That is the final deadline for accepting the contemplated settlement.

Several of the dates contained in the original settlement document signed by your attorneys and the union business agent should be changed because some of the dates have come and gone. Moreover, clarification of your duties to apply for health insurance and to make a Military Service Claim seems necessary now that you are without counsel. Therefore I am including with this letter an updated settlement agreement for your signature. It changes paragraph I. C; paragraph II. B. 1. b.; paragraph II. B. 2; and paragraph II. C. 6.

I have also included with this letter an electronic payment agreement (with two accompanying instruction pages) which you should execute, allowing the state to make the direct deposits. There are also included with this letter, three dismissal documents for your signature: One for the Superior Court action; one for the Ninth Circuit Appeal of the Administrative Appeals Board decision; and one for the Ninth Circuit Appeal of the NRC decision. You must sign the enclosed settlement agreement as well as these other four documents by the deadline if you wish to enter into the global settlement of all claims.

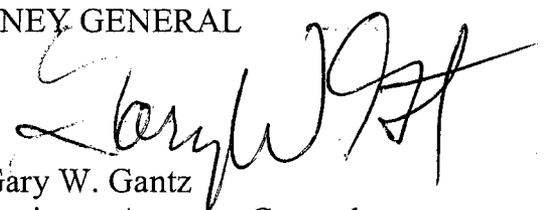
Please remember that if you accept this settlement it is your responsibility to apply for your Military Service Indebtedness **prior** to your date of retirement. (Refer to paragraphs I. C. and II. B. 2 of the new agreement enclosed; note that these two provisions have been changed for clarification.) Your contact for making this Military Service Claim application is the Alaska Division of Retirement and Benefits in Anchorage. Their phone number is 269-0333. The office is located in the Atwood Building, Suite 540, 550 W 7th Avenue, Anchorage, AK 99501.

In summary, on October 28, 2005, at 4:30 p.m. the global settlement offer is withdrawn.

Sincerely,

DAVID W. MÁRQUEZ
ATTORNEY GENERAL

By:


Gary W. Gantz
Assistant Attorney General

GWG:eg

Enclosures

Settlement Agreement – revised 10/7/05
Stipulation for Dismissal – Superior Court Action
Stipulation for Dismissal – 9th Cir. Appeal of the Admin. Appeals board decision
Stipulation for Dismissal – 9th Cir. Appeal of the NRC decision
Electronic Payment Agreement

cc (with enclosures):

Stan Hafferman
Billie Garde
Lee Holen
Jared Heck
Mary Rieser
Roxanne Ashe