



STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

PAUL R. LEPAGE
GOVERNOR

PATRICIA W. AHO
COMMISSIONER

July 23, 2015

Mr. David B. Van Slyke,
Preti - Flaherty
P.O. Box 9546
Portland, ME 04112-9546

Re: Rebuttal to defenses raised by Atlantic Holdings and ATL Holdings to PRP status at the Beal's Linen Site in Auburn, Maine

Dear Mr. Van Slyke:

We have reviewed your response dated May 12, 2015 to our request for information relating to Atlantic Holdings, LLC's and ATL Holdings LLC's (Atlantic Holdings) status as a Potential Responsible Party (PRP) for hazardous substance contamination at the former Beal's Linen site in Auburn Maine. Before making a final determination as to who the Responsible Parties are at the site and taking formal enforcement action against them, the Department wishes to discuss the matter with all PRPs at the site. To this end, the Department is attempting to schedule a mutually convenient time for such a meeting. However, your client has expressed reluctance to expend more resources on this effort without a written position by the Department on your client's submissions to date.

One of the Department's findings at this time is that Atlantic Holdings did not issue a loan to Sultan Corporation around the time that Atlantic Holdings owned the site. Rather, Atlantic National Trust LLC issued the loan. Even if Atlantic Holdings LLC was a wholly owned subsidiary of Atlantic National Trust LLC at the time, our position is that the lender defense does not transfer to the subsidiary, Atlantic Holdings. Since Atlantic Holdings owned the property after hazardous substances came to be located at the site, it is a PRP for this site.

Furthermore, the Department, or other PRPs filing a contribution suit, may make other arguments as to why Atlantic Holdings should be considered a PRP at this site. We have found in similar situations that a host of *potential* Responsible Parties will have various defenses that are hotly contested in court until a settlement is reached. You may find that it makes more

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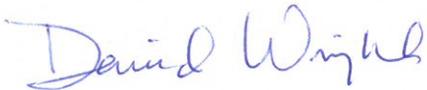
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financial sense to see if an acceptable agreement between all of the PRPs can be reached before undertaking the costly court battles. To this end, we hope that you will participate in a meeting that the DEP hopes to convene in August.

Sincerely,

A handwritten signature in blue ink that reads "David Wright". The signature is written in a cursive, slightly slanted style.

David Wright, Director
Division of Remediation

CC: Peter LaFond, AAG