

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

PEERLESS INSURANCE COMPANY,

Plaintiff,

vs.

**SUNLIFE SYSTEMS INTERNATIONAL,
INC.**

Defendant.

No. 3:12-cv-00251-MOC-DCK

JUDGMENT

This matter having been commenced by the filing of Plaintiff Peerless Insurance Company's ("Peerless") Complaint in this Court on April 24, 2012, and the Defendant Sunlife Systems International, Inc. ("Sunlife") having been served with the complaint on April 25, 2012 and Sunlife having failed to appear or answer the complaint; and

This action having proceeded and this Court having granted Peerless' Motion for Default Judgment based on Fed. R. Civ. P. 55(b)(2);

NOW THEREFORE, Judgment shall enter in favor of Peerless and against Sunlife, in the following form:

Peerless is awarded judgment that:

(a) there is no coverage under the insurance policy issued by Peerless to Sunlife (the "Policy") for the lawsuit filed in the Circuit Court of Buena Vista City, Virginia, captioned *Munters Corp. v. Sunlife Systems International, Inc.* (the "Underlying Action") because: (i) the Underlying Action does not seek damages because of "property damage," as that term is defined

in the relevant Policy issued by Peerless to Sunlife; (ii) the Underlying Action does not seek damages because of "property damage" that is caused by an "occurrence," as that term is defined in the Policy; (iii) the Your Product Exclusion in the Policy bars coverage for the Underlying Action; (iv) the Impaired Property Exclusion in the Policy bars coverage for the Underlying Action; and (v) the Recall of Products Exclusion in the Policy bars coverage for the Underlying Action;

(b) because there is no coverage under the Policy for the claim asserted against Sunlife by Munters Corporation, Peerless has no obligation under the Policy to defend or indemnify Sunlife in connection with the Underlying Action; and

(c) Peerless may withdraw from providing any defense to Sunlife in connection with the Underlying Action.

WHEREFORE IT IS ORDERED AND ADJUDGED THAT final judgment is entered herein for Peerless against Sunlife.

Dated this 27th day of August, 2012.


UNITED STATES DISTRICT JUDGE