

REQUEST FOR STATEMENT OF INTEREST – Securities Broker/Dealer
May 29, 2009

I. INTRODUCTION/BACKGROUND

The New York Liquidation Bureau (“Bureau”) carries out the responsibilities of the Superintendent of Insurance in his capacity as liquidator, rehabilitator, conservator or ancillary receiver of all entities under his receivership pursuant to Articles 74, 75, 76 and 77 of the New York Insurance Law and Article 6A of the Workers’ Compensation Law (“Receiver”). The Bureau acts on the Receiver’s behalf in discharging his duties to protect policyholders and creditors of insurance companies that have been placed into his receivership (“Estates”). The Bureau's ultimate objective is to maximize the assets and resolve the liabilities of such companies in an effort to return rehabilitated companies to the marketplace or to distribute the assets of liquidating companies to claimants and creditors. A current list of Estates may be found at <http://www.nylb.org/Estates.htm>.

The Bureau also administers claims which meet the criteria for coverage under the Property/Casualty Insurance Security Fund, the Public Motor Vehicle Liability Security Fund and the Workers’ Compensation Security Fund.

The Bureau is now seeking to constitute a panel of qualified brokers for securities (the "Panel") that conform to its applicable written investment policies, as amended from time to time (the “Policy”). The Bureau is interested in placing on the Panel experienced and highly skilled broker/dealer firms ("Firms") who can provide market access to such securities. Upon specific request, Firms will identify and offer securities for sale and bid on securities offered by the Bureau.

II. DESCRIPTION OF SERVICES

The Bureau manages an investment portfolio of approximately \$800 million, which comprises U.S. Treasury and Agency obligations as well as other investment instruments selected in conformity with the Bureau’s Policy.

The Bureau may, from time to time, seek to purchase Fixed Income and/or other types of securities (the “Securities”) in conformity with the Policy through the primary and secondary markets (the “Services”). While the Bureau anticipates that specific purchase instructions will be provided to the Firms in each instance, the Bureau may, among other things, solicit the advice of members of the Panel concerning the purchase of certain types of securities.

Services requested may include the provision of, without limitation:

- 1) information on market prices and tradeability of securities, as needed;
- 2) market reports, research and analysis prepared by the Firm;
- 3) information about new securities offerings that conform to the Policy; and
- 4) the occasional trading of equity and other non-fixed income securities.

Firms may indicate their interest in any or all of the Services.

REQUEST FOR STATEMENT OF INTEREST – Securities Broker/Dealer
May 29, 2009

III. RULES AND INSTRUCTIONS

In order to be considered for placement on the Panel, an interested Firm must submit to the Bureau a Statement of Interest that strictly adheres to the requirements outlined in this Request for Statements of Interest (“RSI”). From all compliant Statements of Interest submitted, the Bureau in its sole discretion will select the Firms that will sit on the Panel. All Statements of Interest will be reviewed by a committee which will, under the supervision of the Bureau's Chief Compliance Officer, select Firms for the Panel based on the Statements of Interest submitted, any subsequent interviews and any additional information.

THE STATEMENT OF INTEREST SHALL SPECIFICALLY SUPPLY ALL ITEMS OF INFORMATION REQUESTED IN SECTION IV BELOW IN THE FORMAT SET FORTH IN SECTION IV. MATERIAL DEVIATIONS FROM THIS FORMAT WILL LIKELY RESULT IN DISQUALIFICATION OF THE FIRM'S STATEMENT OF INTEREST. For any items that do not apply to the Firm, specifically indicate that the items are not applicable. Firms may not satisfy an item of requested information by submission of or reference to a firm brochure, promotional or descriptive literature, or any other document, unless the request expressly permits such submission or reference.

Deadline for Statement of Interest: Statements of Interest must be formatted in 12-point or larger font. One original and four copies of the Statement of Interest must be received by the Chief Compliance Officer at the address listed below, **no later than 5:00 p.m., EDT, on Friday, June 19, 2009**, unless such deadline is extended in writing by, and at the sole discretion of, the Bureau. The Statement of Interest must be signed and dated by a partner or other such principal of the Firm. By signing a Statement of Interest, the Firm is certifying that the information in the Statement of Interest is materially complete, truthful and accurate. The terms defined herein shall apply to, and be used where appropriate in, the Statement of Interest and all documents submitted therewith.

All inquiries and submissions must be addressed to:

New York Liquidation Bureau
123 William Street
New York, New York 10038-3889
Attn: John Pearson Kelly
Chief Compliance Officer
RSI: Securities Broker-Dealer

Firms intending to file a Statement of Interest may submit written questions to the Bureau until 5:00 p.m., EDT, on Wednesday, June 17, 2009. Questions should be sent via e-mail to Chief Compliance Officer **John Pearson Kelly** at jpkelley@nylb.org or via mail to John Pearson Kelly at the address listed above.

Except as provided in this RSI and as otherwise necessary for the conduct of a business relationship previously established with the Bureau, a Firm submitting a Statement of Interest ("Applicant"), including its attorneys, may not communicate with Bureau personnel who are involved in the review, evaluation or selection of Applicants. Applicants (including their attorneys) may not directly or through an intermediary attempt to influence the process of evaluating and selecting Panel members, except through the submission of a Statement of Interest and any subsequent interview that may be scheduled by the Bureau.

**REQUEST FOR STATEMENT OF INTEREST –Securities Broker/Dealer
May 30, 2009**

THE BUREAU WILL DISQUALIFY FROM CONSIDERATION ANY APPLICANTS THAT ENGAGE IN SUCH PROHIBITED COMMUNICATIONS.

IV. STATEMENT OF INTEREST

The Statement of Interest shall set forth the following information:

A. Applicant's General Information.

1. Set forth Applicant's name.
2. Set forth the address of the Applicant's offices that will provide Services to the Bureau. Include the Applicant's website address, if applicable.
3. List a primary and alternate contact person, including such person's specific contact information.
4. List Applicant's general telephone and fax number.
5. Set forth Applicant's tax identification number.
6. List the names of Applicant's parent, subsidiary or affiliate companies, if any.
7. List all relevant licenses held by Applicant.
8. State whether the Applicant is examined by and/or subject to the rules and regulations of regulatory agencies, e.g. FDIC, SEC, NYSE, Comptroller of Currency, Federal Reserve System, etc.
9. Set forth a general overview of the history of the Applicant, including without limitation the number of years in business, total number of employees, organizational form (e.g., partnership, professional corporation, etc.) and brief description of Applicant's organization. Include the address of the Applicant's website, if applicable.

B. Reputation and Integrity.

1. Set forth a brief statement regarding the integrity and reputation of Applicant and its employees, including whether in the last ten years Applicant or any of its partners or senior officers has been the subject of any criminal conviction or any final, non-appealable civil judgment for malfeasance (including actions or proceedings by governmental authorities).
2. Set forth a statement regarding whether Applicant has been the subject of any investigation by any governmental or regulatory authority, licensing

**REQUEST FOR STATEMENT OF INTEREST –Securities Broker/Dealer
May 30, 2009**

body or trade group or association, within the last ten years. If yes, provide a brief description of the circumstances of each investigation, including the name of the investigating authority, the nature of the investigation, the date on which the investigation was commenced, and the status or disposition of the investigation.

3. Set forth a statement regarding whether Applicant has ever been disciplined, fined or sanctioned by any governmental or regulatory authority, licensing body, trade group or association, or disciplinary or ethics panel(s), within the last ten years. Provide a description of the underlying complaint and a summary of the findings.

C. Expertise.

1. Set forth a statement of Applicant's qualifications and experience in performing the requested Services. State the Applicant's organizational structure - *e.g.*, specialization by issuer, credit quality, primary/secondary market, etc.
2. State whether the Services would be handled by the institutional desk or the retail desk.
3. Set forth the Firm's market share of annual trading volume or its average annual trading volume in secondary and new issuance markets for each of the securities as sought through this RSI, for each of the past five years.
4. Please indicate whether in any of the following instruments you make an active market (both buy and sell):
 - US Government securities
 - US Agency securities
 - Municipal bonds (issued by New York State entities)
 - Investment Grade Corporate Debt
 - Commercial Paper
 - CDs
 - BA's

If the Firm specializes in any of the foregoing instruments, please specify which ones.

5. State the Applicant's procedures in the event of a mistrade.
6. Indicate whether the Bureau will have an assigned account representative or team for the Services.

**REQUEST FOR STATEMENT OF INTEREST –Securities Broker/Dealer
May 30, 2009**

7. Attach resumes of all professional personnel who will be providing substantial Services to the Bureau. Please include information about the individual's employment history as it relates to the securities industry, official licenses and certificates.
8. State the approximate number and average length of active client relationships of the representatives listed under question 7 - particularly with reference to governmental clients.

D. Potential Conflicts of Interest.

Identify any known potential conflicts of interest (in fact or appearance) with the Bureau, including but not limited to:

1. Any employees of Applicant who are related by blood or marriage to any Bureau employees or who live in the same household as any Bureau employee.
2. Any employees of Applicant who were previously employed by the Bureau.
3. Whether Applicant has been involved as a party in litigation against the Receiver, the Bureau and/or any of the Estates under receivership within the last 10 years.
4. Whether Applicant has previously provided any services to the Bureau, including a brief statement of the nature of such services and the dates when rendered.

E. Miscellaneous.

1. Set forth the Applicant's indicative fee schedule, including transactional fees and charges, for the Services requested.
2. State the governing jurisdiction of the Applicant's brokerage agreement and other documents that require execution for the Services to be provided.
3. Describe liability insurance coverage arrangements showing that the Applicant is adequately insured to cover claims.
4. Set forth a brief statement demonstrating that Applicant is an equal opportunity employer and complies with all relevant federal, state and municipal equal employment opportunity and non-discrimination laws, regulations and executive orders. Applicant may attach hard copies of any

**REQUEST FOR STATEMENT OF INTEREST –Securities Broker/Dealer
May 30, 2009**

equal employment opportunity policy statements or other relevant official firm documents.

5. Set forth any additional pertinent information not already provided in the Statement of Interest.

V. ADDITIONAL TERMS AND INFORMATION

The information contained herein shall be used for the sole purpose of responding to this RSI. The Bureau will not, and is not under any obligation to, pay the costs, in whole or in part, incurred during the preparation of a Statement of Interest.

The Bureau, in its sole discretion, reserves the right to accept or reject any or all Statements of Interest, to utilize any or all ideas expressed within the Statements of Interest, and/or to adopt any or all parts of the Statements of Interest submitted. All Statements of Interest shall, upon receipt by the Bureau, become the property of the Bureau.

The Bureau may in its sole discretion: (a) request additional information or clarification from any Applicant; and/or (b) invite any Applicant to appear for an interview.

The Bureau may, in its sole discretion, rescind, modify or provide an addendum to this RSI and, in connection therewith, allow Applicants to revise their responses or supply additional information.

Upon completion of the selection process, the Bureau will notify in writing all Applicants that have been selected for the Panel. The Bureau will endeavor to notify all Applicants that have not been selected for the Panel.