

**IN THE MATTER OF THE REHABILITATION OF  
LION INSURANCE COMPANY  
Supreme Court County of New York  
Index No.: 405446/07**

**NOTICE**

Pursuant to an order of the Supreme Court of the State of New York, County of New York (“Court”), entered on September 6, 2007 (“Rehabilitation Order”), the then-Superintendent of Insurance of the State of New York and his successors in office were appointed as rehabilitator (“Rehabilitator”) of Lion Insurance Company (“Lion”) and, as such, have been directed to take possession of Lion’s property, to conduct Lion’s business and to take steps toward the removal of the causes and conditions that made the rehabilitation proceeding (“Rehabilitation Proceeding”) necessary pursuant to Article 74 of the New York Insurance Law (“Insurance Law”). The Superintendent of Financial Services of the State of New York (“Superintendent”) has now succeeded the Superintendent of Insurance as Rehabilitator of Lion. The Rehabilitator has, pursuant to Insurance Law Article 74, appointed Scott D. Fischer, Acting Special Deputy Superintendent (“Acting Special Deputy”), as his agent to rehabilitate the business of Lion. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau (“NYLB”), 110 William Street, New York, New York 10038.

The Superintendent has submitted to the Court a verified petition (“Verified Petition”) seeking an order: (i) converting the existing Rehabilitation Proceeding to a liquidation proceeding (“Liquidation Proceeding”); (ii) appointing the Superintendent and his successors in office as liquidator of Lion (“Liquidator”); (iii) vesting title to all of Lion’s property, contracts and rights of action with the Liquidator; (iv) continuing and granting the permanent injunctions provided for in the Rehabilitation Order, including the enjoinder and restraint of all persons from wasting Lion’s property, transacting Lion’s business, disposing of Lion’s property, interfering with the Liquidator or the Liquidation Proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Lion, its assets or any part thereof, or commencing or prosecuting any actions or proceedings against Lion, the Liquidator or the NYLB; (v) extending judicial immunity to the Superintendent in his capacity as Liquidator of Lion and his predecessors and successors in office and their agents and employees for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74; (vi) authorizing the continued payment of administrative expenses, including such expenses pertaining to the closing of the Liquidation Proceeding; (vii) authorizing the Liquidator to distribute the entirety of Lion’s assets to its parent corporation and sole remaining claimant, Eagle Insurance Company (“Eagle”), consistent with the priorities of Insurance Law Section 7434; (viii) terminating and closing the Liquidation Proceeding upon distribution of Lion’s assets to Eagle; (ix) authorizing the Liquidator, without further application to this Court, to continue, after the termination of the Liquidation Proceeding, to receive and disburse assets to Eagle pursuant to Insurance Law Article 74, and to pay administrative expenses incurred in connection with the collection and disbursement of such assets; (x) authorizing and directing the Liquidator, in his discretion, to destroy or otherwise dispose of any and all of the books, files, records and other property of Lion without further order of this

Court; (xi) releasing and discharging the Liquidator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding upon the termination and closing of the Liquidation Proceeding; and (xii) providing for such other and further relief as the Court deems appropriate and just.

The Order to Show Cause recognizes that the permanent injunctions provided for in the Rehabilitation Order remain in effect, including the injunctive provision enjoining and restraining all persons from commencing or prosecuting any actions, lawsuits, or proceedings against Lion, the Rehabilitator, or the NYLB, its employees, attorneys or agents.

A hearing is scheduled on the Verified Petition on the 17th day of December, 2014, at 3:00 p.m., before the Honorable Peter Moulton, JSC, New York Supreme Court at the Courthouse, IAS Part 57, 111 Centre Street, Room 623, in the County, City and State of New York, 10013. If you wish to object to the Verified Petition, you must serve a written statement setting forth your objections and all supporting documentation upon the Superintendent at least seven (7) business days prior to the hearing and upon the Court at IAS Part 57, Room 623 at the Courthouse located at 111 Centre Street in the County, City and State of New York, by the day of the hearing. Service on the Rehabilitator shall be made by first class mail at the following address:

Superintendent of Financial Services of the State of New York  
c/o Attorney General Eric T. Schneiderman  
Office of the Attorney General  
120 Broadway  
New York, New York 10271-0332  
Attention: Assistant Attorney General Rosalie J. Hronsky

New York Liquidation Bureau  
110 William Street  
New York, New York 10038  
Attention: General Counsel

The Verified Petition and all supporting documents are available for inspection at the above address. In the event of any discrepancy between this notice and the documents submitted to Court, the documents control.

Requests for further information should be directed to the NYLB, Creditor and Ancillary Operations Division, at (212) 341-6857.

Dated: November 5, 2014

Benjamin M. Lawsky  
Superintendent of Financial Services of the  
State of New York as Rehabilitator of  
Lion Insurance Company