

At IAS Part 53 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 60 Centre Street, in the County, City and State of New York, on the ~~23~~ 23rd day of April, 2012.

P R E S E N T:

HON. CHARLES E. RAMOS, J.S.C

In the Matter of

Index No.: 41406/88

009040

the Conservation of the Assets
in the State of New York of

ORDER TO SHOW CAUSE

PACIFIC & GENERAL INSURANCE
COMPANY LIMITED.

Based on the verified petition ("Verified Petition") of Jonathan L. Bing, Special Deputy

Superintendent and Agent of Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York ("Superintendent") as conservator ("Conservator") of Pacific & General Insurance Company, Limited ("Pacific & General"), dated the 10th day of April, 2012, and the exhibits annexed thereto, and it appearing that the relief therein prayed for should be granted;

NOW, on motion of John Pearson Kelly, attorney for the Conservator, and after due deliberation having been had thereon;

LET all claimants and parties interested in the affairs of Pacific & General show cause before this Court at IAS Part 53 thereof, at the Courthouse located at 60 Centre Street in the County, City and State of New York, on the 15th day of May, 2012 ("Return Date") at 11 o'clock a.m., or as soon thereafter as counsel can be heard, why an order should not be made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*:
(1) approving the Conservator's final report on the status of the conservation of certain assets held in trust in the State of New York ("Trust Assets") established by Pacific & General

(“Conservation Proceeding”) and financial transactions delineated therein; (2) terminating and closing the Conservation Proceeding; (3) releasing and discharging the Conservator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts and omissions in connection with the Conservation Proceeding; (4) authorizing and directing the Conservator, in his discretion, to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Pacific & General, without further order of this Court; and (5) providing for such other and further relief as this Court may deem just and proper;

AND, sufficient cause having been alleged therefore, and this Court having found the form and method of notice specified herein to be the best notice practicable, it is hereby

ORDERED, that service of the Verified Petition and this Order to Show Cause shall be made by: (i) first class mail to David Steinberg, Esq, Clifford Chance LLP., attorneys representing the joint liquidators of Pacific & General, at 10 Upper Bank Street, London, E14 5JJ; (ii) first class mail to Jennifer DeMarco, Esq., Clifford Chance LLP, 31 West 52nd Street, New York, New York 10019-6131; and (iii) posting on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least 15 days before the Return Date; and it is hereby

ORDERED, that the form and methods of service specified herein are hereby approved as in accordance with the law and as the best notice practicable and shall therefore constitute due and sufficient notice of this Order to Show Cause and scheduled Return Date herein and the Verified Petition and the relief sought therein to all persons and entities entitled to receive such notice; and it is further

ORDERED, that all answering papers and supporting "documentation" ("Answering Papers") be served on the Superintendent so as to be received at least seven days prior to the Return Date, and that service on the Superintendent shall be made by first class mail at the following address

The Superintendent of Financial Services of the State of New York
as Conservator of Pacific & General Insurance Company Limited
110 William Street
New York, New York 10038
Attention: John Pearson Kelly
General Counsel

and by submitting copies of the Answering Papers, with affidavit of service on the Superintendent as above, to this Court at IAS Part 57 at the Courthouse located at Lo Centre Street, in the County, City and State of New York, seven days before the Return Date; and it is further

ORDERED, that in the absence of Answering Papers, filed pursuant to the previous paragraph on or prior to the date specified, the Court may enter relief without hearing and no party shall be entitled to be heard thereon; and it is further

ORDERED, that any person or entity that fails to serve Answering Papers as provided herein shall be deemed to have waived any objections to the relief sought in the Verified Petition and shall be barred from raising objections in this or any other proceeding concerning the matters set forth herein; and it is further

ORDERED, that any person or entity that has served Answering Papers as provided herein shall be deemed to have waived any objections that are not set forth in the Answering Papers.

ENTER

J. S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
In the Matter of

Index No.: 41406/88

the Conservation of the Assets
in the State of New York of

VERIFIED PETITION

PACIFIC & GENERAL INSURANCE COMPANY LIMITED.
-----X

The Verified Petition of Jonathan L. Bing, Special Deputy Superintendent and Agent of Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York ("Superintendent") as conservator ("Conservator") of Pacific & General Insurance Company Limited ("Pacific & General") respectfully petitions this Court upon information and belief as follows:

1. On October 14, 1984, Pacific & General, an insurer that was organized under the laws of Great Britain, was placed into provisional liquidation in England ("Liquidation Proceeding"). Subsequently, Ipe Jacob and Richard Graham White of Grant Thornton UK LLP were appointed joint liquidators of Pacific & General ("Joint Liquidators").

2. On October 3, 1988, this Court entered an order ("Conservation Order") commencing this proceeding and appointing the then-Superintendent of Insurance of the State of New York and his successors in office as Conservator of Pacific & General pursuant to Article 74 of the New York Insurance Law ("Insurance Law"). The Superintendent has now succeeded the Superintendent of Insurance as Conservator of Pacific & General. See Exhibit A of the Conservator's final report ("Final Report") on the status of the conservation of certain assets held in trust in the State of New York ("Trust Fund") established by Pacific & General ("Conservation Proceeding"), attached hereto as Exhibit 1.

3. An agreement was subsequently entered into between the Joint Liquidators and the Conservator ("Conservation Agreement"), which was approved by the order of this Court, entered on October 24, 2011 ("Conservation Agreement Order"). The Conservation Agreement Order authorizes the Conservator to distribute the Trust Fund to the Joint Liquidators in accordance with the terms of the Conservation Agreement. *See* Final Report Exhibits B and C.

4. As set forth in the Final Report, the Conservator has remitted the Trust Fund to the Joint Liquidators, in accordance with the Conservation Agreement, fulfilling the sole purpose of the Conservation Proceeding. The Conservation Proceeding is now complete and should therefore be terminated and closed.

5. It is respectfully requested that the Conservator, his predecessors and successors in office, and their agents, attorneys and employees, be released and discharged from any and all liability arising from their acts and omissions in connection with the Conservation Proceeding.

6. The Conservator requests permission of this Court to destroy, transfer or otherwise dispose, in his discretion, of any and all of the books, files, records and other property of Pacific & General, upon termination of the Conservation Proceeding, without further order of this Court.

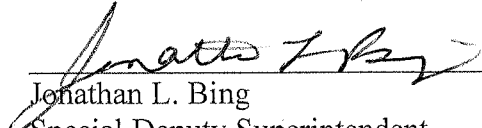
7. No previous application has been made for the relief requested to this or any other court.

WHEREFORE, it is respectfully requested that this Court enter an order:

- a) Approving the Final Report and financial transactions delineated therein;
- b) Terminating and closing the Conservation Proceeding;
- c) Releasing and discharging the Conservator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts and omissions in connection with the Conservation Proceeding;

- d) Authorizing and directing the Conservator, in his discretion, to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Pacific & General, without further order of this Court; and
- e) Providing for such other and further relief as this Court may deem just and proper.

Dated: New York, New York
April 10, 2012


Jonathan L. Bing
Special Deputy Superintendent
and Agent of Benjamin M. Lawskey
Superintendent of Financial Services
of the State of New York as Conservator of
Pacific & General Insurance Company
Limited

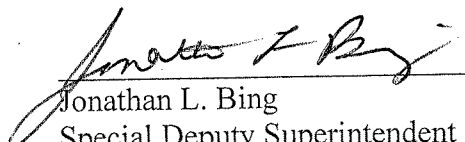
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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Jonathan L. Bing, being duly sworn, deposes and says:

That he has read the foregoing Verified Petition and that the same is true to his knowledge except as to the matters therein stated to be alleged on information and belief, and as to those matters he believes them to be true; that the reason the petition is verified by this deponent rather than by the Superintendent of Financial Services of the State of New York is that deponent is the duly appointed Special Deputy Superintendent and Agent of the Superintendent of Financial Services of the State of New York as Conservator of Pacific & General Insurance Company Limited, and as such is acquainted with the facts alleged therein.

Deponent further says that the sources of his information and the grounds of his belief as to the matters to be alleged on information and belief are from or were derived from the records, books and papers of Pacific & General Insurance Company Limited in the possession of the Conservator and communications made to deponent by employees of the Conservator.


Jonathan L. Bing
Special Deputy Superintendent
and Agent of Benjamin M. Lawsky
Superintendent of Financial Services
of the State of New York as Conservator of
Pacific & General Insurance Company
Limited

Sworn to before me this
10th day of April, 2012



Notary Public
IRINA GASTON
Commissioner of Deeds
City of New York No. 2-12204
Certificate Filed in Richmond County
Commission Expires July 1, 2013

EXHIBIT 1

**FINAL REPORT ON THE STATUS OF THE CONSERVATION PROCEEDING OF
PACIFIC & GENERAL INSURANCE COMPANY LIMITED**

INTRODUCTION

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York ("Superintendent") as conservator ("Conservator") of Pacific & General Insurance Company Limited ("Pacific & General") has appointed Jonathan L. Bing, as Special Deputy Superintendent and agent of the Conservator ("Special Deputy") to carry out, through the New York Liquidation Bureau ("Bureau"), the responsibilities of the Conservator. The Conservator, by the Special Deputy, hereby submits the Conservator's final report ("Final Report") on the status of the conservation of certain assets held in trust in the State of New York ("Trust Fund") established by Pacific & General ("Conservation Proceeding").

This Final Report sets forth a history of Pacific & General, a summary of the activities that the Conservator has performed pursuant to Article 74 of the New York Insurance Law ("Insurance Law") and the basis for the Conservator's recommendations to: (i) approve this Final Report and financial transactions delineated herein; (ii) terminate and close the Conservation Proceeding; (iii) release and discharge the Conservator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts and omissions in connection with the Conservation Proceeding; (iv) authorize and direct the Conservator, in his discretion, to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Pacific & General, without further order of this Court; and (v) provide for such other and further relief as this Court may deem just and proper.

BACKGROUND

Pacific & General, an insurer that was organized under the laws of England, sought to write excess and surplus line insurance policies in the United States. As a condition of doing business in the United States, 11 N.Y.C.R.R. §§27.13 and 27.14 ("Regulation 41") required that Pacific & General establish a trust fund for the protection and benefit of the United States excess line policyholders (i.e., American Policyholders).

On October 14, 1984, Pacific & General was placed into provisional liquidation in England. At that time, the English High Court of Justice appointed the then-Office Holders provisional liquidators ("Provisional Liquidators") and directed them to take possession of Pacific & General's books, records, property and assets, and carry on Pacific & General's business. On November 15, 1985, an order for the winding-up of Pacific & General was made, the then Office Holders continued as Provisional Liquidator until January 29, 1986 when Maurice Withall then a partner at Grant Thornton UK LLP ("Grant Thornton") was appointed liquidator of Pacific & General. Following Maurice Withall's retirement from practice, Michael Jervis, also then of Grant Thornton, was appointed liquidator on February 5, 1999. Beth Rees then of Grant Thornton was thereafter appointed joint liquidator on July 27, 2001 and she was subsequently replaced by Ipe Jacob on July 8, 2003. On July 31, 2003, Richard Graham White of Grant Thornton was appointed as joint liquidator in place of Michael Jervis (collectively, "Joint Liquidators").

On October 3, 1988 ("Conservation Order Date"), this Court entered an order ("Conservation Order"), commencing the Conservation Proceeding and appointing the then-Superintendent of Insurance of the State of New York and his successors in office as Conservator of Pacific & General. The Superintendent has now succeeded the Superintendent of

Insurance of the State of New York as Conservator of Pacific & General. The Conservator, pursuant to the Conservation Order, was directed to conserve the Trust Fund established by Pacific & General with Bankers Trust Company ("Trustee"). A copy of the Conservation Order is attached hereto as Exhibit A.

In accordance with a trust agreement, dated November 22, 1978 ("Trust Agreement"), Pacific & General deposited \$1,500,000 with the Trustee for the benefit of American Policyholders. The Trust Agreement, pursuant to Regulation 41 and Insurance Law Article 74, is subject to the jurisdiction of the New York court supervising the Conservation Proceeding. American Policyholders possessing valid claims for losses or return of unearned premiums with respect to Pacific & General policies are entitled to payment pursuant to the Scheme of Arrangement.¹ American Policyholders are also entitled to payment out of the Trust Fund pursuant to the Trust Agreement.

Pursuant to the Conservation Order, Regulation 41 and Insurance Law Article 74, the Conservator was directed to take possession of the Trust Fund, and any other fund subject to Regulation 41, for the protection of Pacific & General policyholders and beneficiaries. The assets of the Trust Fund were thereafter delivered to the Conservator and deposited with the Bank of New York.

An agreement was subsequently entered into between the Joint Liquidators and the Conservator ("Conservation Agreement"), which was approved by the order of this Court, entered on October 24, 2011 ("Conservation Agreement Order"). The Conservation Agreement Order authorizes the Conservator to distribute the Trust Fund to the Joint Liquidators in

¹ Under Section 425 of the Corporate Act 1985 of Great Britain the Office Holders proposed a Scheme of Arrangement. A Scheme of Arrangement is a binding set of rules that governs the winding-up of an insurance company's business. The Joint Liquidators, as scheme administrators have the fiduciary obligations to fix and determine all claims against Pacific & General, including claims by American Policyholders.

accordance with the terms of the Conservation Agreement. Copies of the Conservation Agreement without exhibits and the Conservation Agreement Order are attached hereto, respectively, as Exhibits B and C.

Paragraph 3.1 of the Conservation Agreement requires the Conservator to distribute the Trust Fund, net of incurred expenses, to the Joint Liquidators for general distribution if the Joint Liquidators determine that all creditors in the same class as the Pacific & General Policyholders, including the Pacific & General Policyholders, would receive a greater *pro-rata* distribution on their claims out of the general assets than they would receive from the Trust Fund alone. Conversely, Paragraph 3.2 of the Conservation Agreement requires the Conservator to distribute the Trust Fund to the Pacific & General Policyholders through the Joint Liquidators if the Pacific & General Policyholders would receive a greater *pro-rata* distribution from the Trust Fund alone. Additionally, the Conservation Agreement requires the Joint Liquidators to provide the Conservator with an affidavit ("Affidavit") sufficient to establish the distribution of Trust Fund pursuant to either Paragraph 3.1 or Paragraph 3.2.

In accordance with the Conservation Agreement, the Joint Liquidators provided the Conservator with an affidavit stating that the Pacific & General Policyholders will receive a greater *pro-rata* distribution out of the general assets of Pacific & General, than out of the Trust Fund, and sought a distribution of the Trust Fund to the Joint Liquidators.

Accordingly, pursuant to the Conservation Agreement and Conservation Agreement Order, the Conservator remitted to the Joint Liquidators the remainder of the Trust Fund after the payment of administrative expenses. The transferred amount consisted of cash in the total amount of \$2,493,965.

**FINANCIAL CONDITION OF PACIFIC & GENERAL
AS OF DECEMBER 31, 2011**

Upon the commencement of this Conservation Proceeding, the Trust Fund consisted of cash and invested assets in the total amount of \$1,500,000. Net investment income on the Trust Fund totaled \$1,146,503 and miscellaneous receipts totaled \$108 from the Conservation Order Date through December 31, 2011, the date selected by the Conservator for closing its books ("Closing Date"). For the period between the Conservation Order Date and the Closing Date, the Conservator paid administrative expenses in the amount of \$152,646, which includes \$51,085 for the salaries of the Conservator's staff; \$14,881 for employee benefits; \$13,688 for rent and related expenses; \$1,331 for professional fees (*e.g.*, accountants to prepare financial statements and other consultants for litigation support); \$3,835 for overhead expenses (*e.g.*, insurance, office equipment and supplies, printing, postage and telephone service); and \$ 67,826 for other miscellaneous expenses. On November 3, 2011, after the Conservator's administrative expenses were paid in the amount of \$152,646, the Conservator remitted to the Joint Liquidators, via wire transfer, the remainder of the Trust Fund, which amounted to \$2,493,965. Pacific & General's comparative balance sheet as of the Conservation Order Date and the Closing Date, and statement of changes in cash and invested assets for the period between the Conservation Order Date and the Closing Date (collectively, "Financial Statements") are attached hereto as Exhibit D. The Financial Statements detail the receipts collected and disbursements made by the Conservator from the Conservation Order Date through the Closing Date.

THE CONSERVATION PROCEEDING MAY BE TERMINATED

The Conservator has remitted the Trust Fund to the Joint Liquidators, in accordance with the Conservation Agreement, fulfilling the sole purpose of the Conservation Proceeding. The Conservation Proceeding is now complete and should therefore be terminated and closed.

RELIEF SOUGHT

The Conservator submits this Final Report in order to describe to this Court the status of the Conservation Proceeding. In support of the Conservator's recommendations stated herein, the Conservator has submitted to this Court the Verified Petition of the Special Deputy. Based on the facts set forth in the Verified Petition and herein, the Conservator requests in the Verified Petition that this Court issue an order, which:

- (i) Approves the Final Report and the financial transactions delineated herein;
- (ii) Terminates and closes the Conservation Proceeding;
- (iii) Releases and discharges the Conservator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts and omissions in connection with the Conservation Proceeding;
- (iv) Authorizes and directs the Conservator, in his discretion, to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Pacific & General, without further order of this Court; and
- (v) Provides for such other and further relief as this Court may deem just and proper.

Dated: New York, New York

April 10, 2012

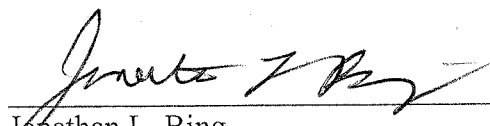

Jonathan L. Bing
Special Deputy Superintendent and Agent of
Benjamin M. Lawskey, Superintendent of
Financial Services of the State of New York
as Conservator of Pacific & General
Insurance Company Limited

EXHIBIT A

At the Trial Part 31 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 60 Centre Street, in the Borough of Manhattan, City and State of New York, on the 27th day of September, 1988.

P R E S E N T :

HON. ALFRED M. ASCIONE

JUSTICE.

-----X

In the Matter of

Index No: 41406/1988

the Application of

ORDER OF CONSERVATION

JAMES P. CORCORAN, as Superintendent of Insurance of the State of New York, for an order to take possession of the property and to conserve the assets of

PACIFIC AND GENERAL INSURANCE COMPANY LIMITED

-----X

The petitioner, JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, having moved this Court for an order to take possession of and conserve the Trust Fund of PACIFIC AND GENERAL INSURANCE COMPANY LIMITED ("PACIFIC"), in the State of New York and such motion having come on before this Court on the 19th day of September, 1988;

NOW, upon reading and filing the Order to Show Cause made on the 21st day of April, 1988 by Mr. Justice ALFRED M. ASCIONE, one of the Justices of the Supreme Court of the State of New York in the First Judicial District, and the petition of

JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, verified the 18th day of April, 1988 with exhibits thereto, and proof of service thereof by Registered Mail Return Receipt Requested on PACIFIC AND GENERAL INSURANCE COMPANY LTD., Maurice Charles Whittall, Esq., Liquidator of PACIFIC, by affidavit of BURTON GARRICK sworn to the 25th day of April, 1988, and due proof of service upon Miller, Singer, Raives & Brandes, P.C. Attorneys for the Liquidator by affidavit of BURTON GARRICK sworn to the 25th day of April, 1988, and due proof of service upon BANKERS TRUST COMPANY by affidavit of BURTON GARRICK ~~BARRY LESSER~~ sworn to the 25th day of April, 1988, in support thereof and it appearing to my satisfaction that PACIFIC, is a corporation organized and existing under the Laws of the United Kingdom and licensed in the United Kingdom to conduct the business of insurance; that it was not licensed to conduct such business in the State of New York; that PACIFIC issued insurance policies on an excess and surplus lines basis to citizens of New York State and has funds on deposit in New York State in a Trust Fund with BANKERS TRUST COMPANY as Trustee, for the benefit of policyholders and others in the United States; that said Trust Fund in the State of New York is subject to the jurisdiction of this Court pursuant to article 74 of the Insurance Law of the State of New York; that said corporation is unable to meet its insurance obligations in the State of New York and that it is to the best interests of all persons concerned that the Superintendent of Insurance of the

State of New York be directed to take possession of the Trust Fund of said corporation deposited with BANKERS TRUST COMPANY within the State of New York and to conserve said trust to protect United States policyholders, beneficiaries thereof and claimants against policyholders involving policies written in States where PACIFIC did business as unauthorized insurer subject to the further direction of this Court under and pursuant to the provisions of the Insurance Law of the State of New York and after hearing the Hon. ROBERT ABRAMS, Attorney General of the State of New York in support of said motion and the Liquidator of PACIFIC AND GENERAL INSURANCE COMPANY LIMITED, United Kingdom having appeared by the law firm of Miller, Singer, Raives & Brandes, but not in opposition thereto and due deliberation having been had thereon and upon the decision of this Court;

NOW, on motion of Hon. ROBERT ABRAMS, Attorney General of the State of New York, it is

ORDERED, that the petition of JAMES P. CORCORAN, as Superintendent of Insurance of the State of New York and his successors in office, as Superintendent of Insurance of the State of New York, is hereby granted and he is and they are hereby authorized forthwith to take possession of and to conserve the Trust Fund deposited by PACIFIC, held by BANKERS TRUST COMPANY, and to retain such possession and to conserve said Trust Fund until the further order of this Court; and it is further

ORDERED, that PACIFIC, hereby transfers to the Superintendent of Insurance of the State of New York the Trust Fund now in possession of BANKERS TRUST COMPANY, to be held in trust by the Superintendent of Insurance of the State of New York, until such time that the Liquidator adjudicate all claims in the States where PACIFIC did business as an unauthorized insurer and forward a certified list of said claimants whose claims have been allowed in the liquidation proceeding at which time the Superintendent of Insurance will make a distribution of the corpus to said claimants pursuant to Article 74 of the Insurance Law of the State of New York subject to the further order of this Court; and it is further

ORDERED, that the administration of the Trust Fund on deposit with BANKERS TRUST COMPANY shall be governed by the Agreement dated September 9, 1988 duly filed, between the Liquidator and the Superintendent of Insurance of the State of New York; and it is further

ORDERED, that formal notice of the making and entry of this Order be given by the Superintendent of Insurance, as Conservator, by mail to the Commissioners, Superintendents, or Directors of Insurance of each State, District of Columbia and Puerto Rico, and BANKERS TRUST COMPANY, as Trustee; and it is further

ORDERED, that since the Liquidator is to notify all policyholders and claimants of PACIFIC of the order of insolvency and direct all persons having claims against

respondent to file proof of claims with the Liquidator, the Conservator is relieved of notifying all claimants and policyholders of this Order; and it is further

ORDERED, that the notice hereinabove prescribed is sufficient notice to all person interested in the Trust Fund deposited with BANKERS TRUST COMPANY by PACIFIC; and it is further

ORDERED, that all persons who are United States policyholders, beneficiaries and claimants against policyholders involving policies written in States where PACIFIC did business as an unauthorized insurer who have claims against PACIFIC to present proof of claims with the Liquidator in charge of the liquidation proceeding at a place specified in liquidator's notice, and such filing shall be deemed a timely proof of claim in the conservation proceeding; and it is further

ORDERED, that PACIFIC, its officers, directors, stockholders, depositories, trustees, attorneys, managers, agents, servants, employees, policyholders and creditors, and all other persons having in the State of New York any property or records belonging to said PACIFIC pertaining to the Trust Fund on deposit with BANKERS TRUST COMPANY, as Trustee, are hereby directed to assign, transfer and deliver to the Superintendent of Insurance, as Conservator, and his successors in office, all of such property in whosoever name the same may be, and that any persons, firms or corporations having any books, papers or

records relating to the said Trust Fund shall preserve the same and submit them to the Superintendent of Insurance as Conservator, or his agents, for examination at all reasonable times; and it is further

ORDERED, that PACIFIC, its officers, directors, stockholders, depositories, trustees, attorneys, managers, agents, servants, employees, policyholders and creditors, and all other persons, be and they are hereby restrained from the further transaction of business on behalf of said corporation within the State of New York or from dealing with or disposing of the Trust Fund on deposit with BANKERS TRUST COMPANY within the State of New York, or from doing or permitting to be done any act or thing which might waste the trust or allow or suffer the obtaining of preferences, judgments, attachments, garnishments or other liens, or the making of any levy against said trust while in the possession or control of the Superintendent of Insurance, as Conservator; and it is further

ORDERED, that the officers, directors, stockholders, depositories, trustees, attorneys, managers, agents, servants, employees, policyholders and creditors of said PACIFIC, and all other persons be and they hereby are enjoined and restrained from bringing or further prosecuting in the State of New York any action at law, suit in equity, special or other proceedings, against its depositories, trustees or the Trust Fund on deposit with BANKERS TRUST COMPANY in the State of New York or the Superintendent of Insurance of the State of New York,

individually or as Conservator, or from making or executing any levy or legal process within the State of New York upon said trust or from in any way interfering with the Superintendent of Insurance of the State of New York or his successors in office in his or their possession, control, conservation and management of the Trust Fund held by BANKERS TRUST COMPANY, or in the discharge of the Insurance Law of the State of New York and any other provision of the Insurance Law of the State of New York; and it is further

ORDERED, that JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, as Conservator, and his successors in office as Superintendents of Insurance of the State of New York, he and he is and they are hereby authorized, permitted and allowed to sell, assign and transfer any and all of the stocks, bonds and securities in his possession or which may hereafter come into his possession belonging to PACIFIC, in conservation, at market price or better, or when there is no market price, at the best price obtainable, at private sale and at such times and upon such terms and conditions as in his discretion he deems for the best interest of the policyholders, and creditors of PACIFIC, in conservation, and in furtherance of the conservation of the Trust Fund on deposit with BANKERS TRUST COMPANY and that he be authorized, permitted and allowed to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments; and it is further

ORDERED, that all further papers in this proceeding shall bear the caption and be entitled:

"SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the Matter of

the Conservation of
the Assets in the State of New York of

PACIFIC AND GENERAL INSURANCE COMPANY LIMITED"

in place and stead of the caption as heretofore used; and it is further

ORDERED, that the Superintendent of Insurance, as Conservator, may at any time make further application at the foot of this Order for such further and different relief as he sees fit.


E N D

S/A.M.A.

J. S. C.
ALFRED M. ASCIONE

The undersigned hereby waives notice of settlement and consents to the entry of the foregoing order.

MILLER, SINGER, BAIVES & BRANDES, P.C.
Attorneys for the Liquidator of PACIFIC
AND GENERAL INSURANCE COMPANY LIMITED
(United Kingdom)

By: 
STEVEN S. HONIGMAN, ESQ.

Filed
10/3/88
N.Y. Co.

Sir: Please take notice that the within is a true copy of
duly filed and entered in the office of the Clerk
of
the
day of
County, on
19

Yours, etc.,
ROBERT ABRAMS,
Attorney General,

Attorney For
Office and Post Office Address
120 Broadway, New York, N.Y. 10271
To
Esq.

Attorney for

Sir: Please take notice that the within

will be presented for settlement and signature herein
to the Hon.
one of the judges of the within named Court, at
in the Borough of
City of New York, on the
day of
19 at M.
Dated, N.Y.,
Yours, etc.

ROBERT ABRAMS,
Attorney General,
Attorney For
Office and Post Office Address
120 Broadway, New York, N.Y. 10271
To
Esq.

Attorney for

SUPREME COURT : NEW YORK COUNTY

In the Matter of
the Application of

JAMES P. CORCORAN, as Superin-
tendent of Insurance of the
State of New York, for an order
to take possession of the
property and to conserve the
assets of

**PACIFIC AND GENERAL INSURANCE
COMPANY LIMITED**

ORDER OF CONSERVATION

ROBERT ABRAMS,
Attorney General

Attorney for **Superintendent of
Insurance**

Office and Post Office Address
120 Broadway, New York, N.Y. 10271
Tel. (212) 341-6400

Personal service of a copy of

within
is admitted this..... day of

..... 19

EXHIBIT B

PACIFIC & GENERAL INSURANCE COMPANY LIMITED

Ipe Jacob and Richard Graham White
as Liquidators of Pacific & General Insurance Company Limited

James J. Wrynn
Superintendent of Insurance of the State of New York
as Conservator of Pacific & General Insurance Company Limited

CONSERVATION AGREEMENT

CONSERVATION AGREEMENT

Dated _____, 2010

BETWEEN:

PACIFIC & GENERAL INSURANCE COMPANY LIMITED (the "Company"),
acting by

- (1) IPE JACOB and RICHARD GRAHAM WHITE, Liquidators of Pacific & General Insurance Company Limited (the "Office Holders"); and
- (2) JAMES J. WRYNN, Superintendent of Insurance of the State of New York as conservator of the Trust Fund deposited in New York by the Company (the "Conservator").

WHEREAS:

- (A) It is intended that the Office Holders and the Conservator shall coordinate the distribution of the Trust Fund (as hereinafter defined) deposited in New York which is being conserved by the Conservator;
- (B) On October 14, 1984, upon petition of the English Secretary of State for Trade and Industry to the English High Court of Justice, the Company was placed in provisional liquidation, the Official Receiver being appointed as provisional liquidator ("Provisional Liquidator"). On November 15, 1985, an order for the winding-up of the Company was made, the Official Receiver continuing as Provisional Liquidator until January 29, 1986 when Maurice Withall (then a partner at Grant Thornton UK LLP ("Grant Thornton") was appointed liquidator of the Company. Following Maurice Withall's retirement from practice, Michael Jervis, also then of Grant Thornton, was appointed liquidator on February 5, 1999. Beth Rees then of Grant Thornton was appointed as joint liquidator on July 27, 2001 and she was subsequently replaced by Ipe Jacob on July 8, 2003. On July 31, 2003, Richard Graham White of Grant Thornton was appointed as joint liquidator in place of Michael Jervis.
- (C) By order of the Supreme Court of the State of New York entered on September 27, 1988 ("the Conservation Order") a copy of which is annexed hereto as Exhibit A, the Superintendent of Insurance of the State of New York was appointed Conservator was appointed and directed to conserve funds in a trust established by the Company and

Bankers Trust Company ("the Trustee") in accordance with a Trust Agreement dated November 22, 1978 between the Company and the Trustee (the "Trust Agreement");

- (D) On March 25, 2008, the Company proposed a Scheme of Arrangement ("the Scheme of Arrangement") to its Scheme Creditors (as defined in the Scheme of Arrangement) pursuant to Section 425 of the Companies Act 1985 of Great Britain. The Scheme of Arrangement was approved by the Scheme Creditors at a meeting June 9, 2008 and by virtue of an order of the English High Court of Justice dated June 26, 2008, an office copy of which was delivered for registration to the Registrar of Companies on July 7, 2008, the Scheme of Arrangement became effective on July 7, 2008;
- (E) The Company, pursuant to 11 NYCRR Sec. 27.5 (now 11 NYCRR Sections 27.13 and 27.14), deposited the Trust Fund, which is made up of a letter of credit in the amount of US\$1,500,000 for the benefit of policyholders of American policies ("American Policies"), as defined in the Trust Agreement ("American Policyholders"), in order to sell surplus and excess lines insurance in New York and other states as an unauthorized insurer;
- (F) The Trust Agreement provides, in part, that the Trust Fund shall be used for the payment of claims for losses under American Policies;
- (G) Pursuant to the Conservation Order, the Trustee delivered the Trust Fund to the Conservator;
- (H) The Conservator has a fiduciary obligation to distribute the Trust Fund to American Policyholders in accordance with Article 74 of the New York Insurance Law;
- (I) The Office Holders are in possession of the Company's records, and, as Scheme Administrator under the Scheme of Arrangement, is required to fix and determine all claims against the Company, including claims by American Policyholders;
- (J) It is in the best interests of American Policyholders for the Conservator and Office Holders to coordinate distribution of the Trust Fund and avoid duplication of effort and expense;

- (K) Mr. Jacob, one of the Office Holders, has, on his behalf and on behalf of the other Office Holder, provided the Conservator with an affidavit that sets forth his determination that it is reasonable to expect that American Policyholders will ultimately receive a greater pro rata distribution out of the Trust Fund as a result of its distribution through the Scheme than they would receive if the Trust Fund was distributed otherwise. A copy of the affidavit is annexed hereto as Exhibit B.

NOW, THEREFORE, the parties hereto agree as follows:

1. DEFINITIONS

In this Agreement, unless the context otherwise requires or otherwise expressly provides, the following expressions shall bear the following meanings:

- 1.1 "Agreement" shall mean Conservation Agreement in its present form subject to any modification, term or condition which the Conservation Court may think fit or impose in accordance with Article 6.
- 1.2 "American Policyholders" shall mean policyholders, as defined in the Trust Agreement, of policies written by the Company which are covered by the definition of "American Policy" in the Trust Agreements.
- 1.3 "Company" shall mean Pacific & General Insurance Company Limited (incorporated in England under the Companies Act 1948 of Great Britain with registered number 00843018).
- 1.4 "Conservation Court" shall mean the Supreme Court of the State of New York, County of New York, supervising the Conservation of the Trust Fund.
- 1.5 "Conservation Order" shall mean the order of the Conservation Court made on September 27, 1988 pursuant to which the Conservator was appointed and directed to conserve funds in the Trust Fund.
- 1.6 "Conservation Proceeding" shall mean the proceeding pending in the Conservation Court in respect of the Company under Index Number 41406/88.

- 1.7 "Conservator" shall mean James J. Wrynn, Superintendent of Insurance of the State of New York and his successors in office as Conservator of the Trust Fund.
- 1.8 "the Office Holders" shall mean Ipe Jacob and Richard Graham White both of Grant Thornton, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP, England (or such other person who may be appointed as Liquidator in accordance with English law), as Liquidators of the Company.
- 1.9 "Trust" shall mean the Trust created pursuant to the Trust Agreement.
- 1.10 "Trust Agreement" shall mean the Trust Agreement between the Company and the Trustee dated November 22, 1978 together with any amendments thereto.
- 1.11 "Trust Fund" shall mean the funds and any proceeds thereof deposited by the Company with the Trustee pursuant to the Trust Agreement which are now subject to the Conservation Order.
- 1.12 "Trustee" shall mean Bankers Trust Company (n/k/a Deutsche Bank NA), a banking corporation organized and existing under the laws of New York, and having its principal offices at New York, New York.
- 1.13 Article and Section headings are inserted for convenience only and shall be ignored in the interpretation of the Agreement.
- 1.14 In the Agreement, unless the context otherwise requires or otherwise expressly provides, references to Articles and Sections shall be construed as references to the Articles and Sections respectively of the Agreement.

2. CONSERVATION OF THE TRUST FUND

- 2.1 The Conservator shall maintain the Trust Fund in any manner permitted by New York Insurance Law until he distributes the Trust Fund to the Office Holders in accordance with Article 3.

3. DISTRIBUTION OF THE TRUST FUND

3.1 The Conservator shall distribute the Trust Fund to the Office Holders upon either:

3.1.1 the Office Holders' submission to the Conservator of an affidavit, supported by financial documentation as described in Section 5.1, that establishes that it is reasonable to expect that all creditors, including American Policyholders, will ultimately receive a greater pro rata distribution out of the general assets of the Company, which for the purpose of establishing the proper ratio shall be deemed to include the Trust Fund, than American Policyholders would receive solely out of the Trust Fund with respect to claims for losses; or

3.1.2 the Office Holders' submission to the Conservator of an affidavit in which Mr. Jacob deposes to the fact that one or more distributions to creditors of the Company under the Scheme have been made out of the general assets of the Company and that the sums so distributed to American Policyholders will equal or exceed the value of the Trust Fund.

3.2 In the event that the Office Holders determine that American Policyholders will receive a greater pro rata distribution solely out of the Trust Fund for their claims for losses than all creditors of their class would receive out of the general assets of the Company, which, for the purpose of establishing the proper ratio, shall be deemed to include the Trust Fund, the Conservator shall, subject to Section 3.1.2, distribute the Trust Fund to the Office Holders, as the Conservator's agent, for distribution of the Trust Fund to the American Policyholders, upon Mr. Jacob's submission to the Conservator of an affidavit, supported by financial documentation as described in Section 5.1, which sets out the final amount determined by the Office Holders to be due for each claim for losses made by American Policyholders.

3.3 3.3.1 If the Conservator distributes the Trust Fund to the Office Holders pursuant to Section 3.1, the Office Holders shall treat the Trust Fund as general assets of the Company.

3.3.2 If the Conservator distributes the Trust Fund to the Office Holders pursuant to Section 3.2, the Office Holders shall, subject to Section 4.6, use the Trust Fund solely for the payment of claims of American Policyholders (in accordance with the final determination of claims submitted to the Conservator) and the Trust Fund shall not be treated as general assets of the Company and shall not be used for any purpose other than as set forth herein.

4 DETERMINATION AND ADJUDICATION OF CLAIMS PAYABLE OUT OF THE TRUST FUND

- 4.1 In the event that the Office Holders are unable to provide the Conservator with evidence which satisfies the requirements of Section 3.1, the Office Holders shall determine, in accordance with the definition of American Policy in the Trust Agreement, whether creditors' claims presented under the Scheme are payable out of the Trust Fund.
- 4.2 The Office Holders shall, in accordance with the laws of their jurisdiction and the terms of the Scheme, examine and fix all claims by American Policyholders which are payable out of the Trust Fund.
- 4.3 Subject to Articles 3 and 5, the final determination, pursuant to the Scheme, by the Office Holders regarding claims payable out of the Trust Fund shall be binding on the Conservator, regardless of whether the Trust Fund is distributed pursuant to Section 3.1 or 3.2. Until the Office Holders submits to the Conservator evidence which satisfies the requirements of Section 3.1 or Section 3.2, the Conservator shall refer to the Office Holders all claims by American Policyholders and shall not make any distributions to American Policyholders from the Trust Fund until the Trust Fund is distributed pursuant to Section 3.1 or Section 3.2.
- 4.4 In the event that the Trust Fund is distributed pursuant to Section 3.1, American Policyholders shall share in the distribution of assets by the Office Holders in the same manner and to the same extent as all other creditors.

- 4.5 In the event that the Office Holders declare a dividend prior to the distribution of the Trust Fund, American Policyholders shall receive dividend payments out of the general assets from the Office Holders in the same manner and to the same extent as all other ordinary or scheme creditors.
- 4.6 In the event that the Trust Fund is distributed pursuant to Section 3.2 following the declaration of a dividend to the Company's creditors under the Scheme, the Office Holders shall reimburse to the general assets out of the Trust Fund the total amount of the dividend paid to the American Policyholders out of the general assets and any future dividend declared will also be distributed to the American Policyholders.

5. FINANCIAL DOCUMENTATION

- 5.1 The Office Holders shall support the affidavit to be submitted pursuant to Sections 3.1 or 3.2 with such financial documentation as will enable the Conservator to verify the Office Holders' conclusion. The following items are examples of the types of documentation that will satisfy this requirement:
- 5.1.1 Any documents and information filed with the English High Court;
 - 5.1.2 Current financial statements;
 - 5.1.3 Auditor's reports;
 - 5.1.4 Actuarial reports and projections;
 - 5.1.5 Policy runs which would list the name and address of the policyholder, policy number, and the effective and cancellation date;
 - 5.1.6 Loss runs for all creditors;
 - 5.1.7 Loss runs which break down claims by American Policyholders;
 - 5.1.8 List of claims allowed for payment;

5.1.9 List of disallowed claims;

5.1.10 Claims files; and

5.1.11 Policy underwriting files.

5.2 The Conservator may, in connection with Mr. Jacob's affidavit in support of his request for distribution of the Trust Fund, require that the Office Holders provide some or all of the documentation set forth in Section 5.1, or any other available information, in connection with Mr. Jacob's affidavit in support of his request for distribution of the Trust Fund if and insofar as it is reasonably necessary to do so, taking into account the nature and extent of the Office Holders' obligations hereunder.

6. NOTICE AND PETITION FOR COURT APPROVAL

6.1 This Agreement shall not be effective until the Agreement is approved by the Conservation Court.

6.2 The Conservator shall petition the Conservation Court for an order approving the Agreement and terminating the Conservation Proceeding in accordance with its terms. The petition shall request that the Conservation Court schedule a hearing on his petition for approval of the Agreement.

6.3 For the purposes of the abovementioned petition, the Conservator shall notify the American Policyholders that he proposes to petition the Conservation Court for an order, *inter alia*, approving the Agreement. Such notice shall be in a form deemed appropriate by the Conservator and approved by the Conservation Court. For the purposes of delivering such notice to the American Policyholders, the Office Holders shall provide the Conservator with the name and address for service of each known American Policyholder as held in the Office Holders' records at the date such information is provided.

7. GENERAL PROVISIONS

7.1 This Agreement shall be interpreted under and governed by the laws of the

State of New York.

- 7.2 Disputes arising out of the Agreement shall be resolved in the Conservation Proceeding or, subsequent to termination of the Conservation Proceeding, in the Supreme Court of the State of New York, County of New York. The parties hereto consent to the jurisdiction of the Supreme Court of the State of New York for the limited purposes of implementing, enforcing, and resolving disputes arising out of the Agreement, and for no other purpose. The Conservator shall not assert that the Office Holders, or any of them, or their counsel, have waived any immunity afforded to the Office Holders by Title 11, Section 305 of the United States Bankruptcy Code (*11 U.S.C.A. § 305*) in negotiating or executing the Agreement, in taking any action thereunder, or in consenting or submitting to the jurisdiction of the Conservation Court or making any appearance in that court for the limited purposes set forth herein.
- 7.3 In the event that the Agreement is not approved by the Conservation Court, the parties hereto shall be restored to the *status quo ante* except that the Conservator shall not be liable for any expenses incurred by the Company or the Office Holders, and the Company nor the Office Holders shall be liable for any expenses incurred by the Conservator in connection with the Agreement.
- 7.4 Subject to Section 7.5, the Company, by the Office Holders, warrants that it will defend, indemnify and hold harmless the Conservator, his past, present and future employees, agents, successors and assigns from and against any and all claims, counterclaims, demands, causes of action, judgments, liens, debts, liabilities, costs, fees, disbursements, attorney fees (whether incurred under salary, retainer or otherwise), expenses, damages, losses and injuries of any kind, nature or description, known or unknown, suspected or unsuspected, fixed or contingent, (save where arising out of fraud or dishonesty of the Conservator or of any one or more of the other persons expressed to be protected by the Company's warranty herein contained) (the "Liability"); provided, however, (i) that this Section applies only to acts or omissions causing Liability that occur after the Conservator distributes the Trust Fund to the Office Holders pursuant to Section 3.1 or 3.2, and (ii) that the total amount of indemnification granted under this Section is the lesser of (a) \$1,500,000 or (b) the amount of the Trust Fund held by the Office Holders at the time the notice described in Section 7.5.1 is given to the Office Holders.

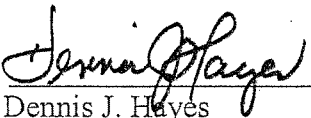
- 7.5 7.5.1 If the Conservator becomes aware of any claim, threatened claim or liability in relation to which the Conservator or any other of the beneficiaries of this warranty may seek to enforce the warranty, the Conservator shall, as soon as reasonably practicable, give notice to the Company by the Office Holders, with such details as are available to him of the claim, threatened claim or liability (as the case may be) and pass any additional information concerning the same to the Office Holders as and when it is received. The Conservator shall, at the request of the Office Holders, promptly provide the Office Holders with copies of all relevant documentation and correspondence concerning any such claim, threatened claim or liability (as the case may be) which are in the Conservator's possession or control and which the Conservator is entitled to provide to the Office Holders and the Company shall, subject to its cooperation with any other indemnifier of whom it is put on notice, be entitled to assume full control of the matter, including the right to instruct attorneys and to conduct any ensuing litigation in the name of the relevant beneficiary of this warranty and on the beneficiary's behalf.
- 7.5.2 If the Company should exercise its right conferred by this Section to assume control of any claim, threatened claim or liability (as the case may be), the Conservator shall not (and shall procure that the relevant beneficiary shall not) take any step in relation to the conduct of the same claim, threatened claim or liability (as the case may be) which is materially inconsistent, or which otherwise materially interferes with the Company in relation thereto and, in particular, shall comply promptly with requests by the Company or the Office Holders for documentation and correspondence pursuant to this Section. The Conservator shall not (and shall procure that no other beneficiary of this warranty shall) take any steps to reach any agreement or compromise with any third party which might give rise to a claim by the Conservator or by the relevant beneficiary against the Company under this warranty without first obtaining the express written consent thereto of the Company,
- 7.5.3 The Conservator shall (and shall procure that the relevant beneficiary under this warranty shall) enter into such agreement or compromise with any third party as the Company may direct for the purpose of

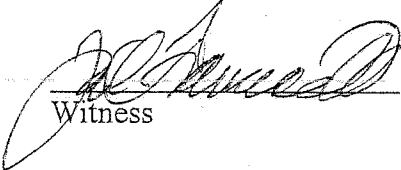
compromising any claim by such third party against either the Conservator or the relevant beneficiary under this warranty in respect of which the Company is liable under this warranty.

- 7.6 The failure of a party to the Agreement to enforce any of the provisions herein shall not be construed to be a waiver of the right of such party to enforce any such provisions.
- 7.7 Notwithstanding any other provisions of the Agreement to the contrary, neither the Office Holders nor the Conservator shall incur any personal liability hereunder. Obligations undertaken by the Office Holders under the Agreement are limited to the value of the Trust Fund. No claim may be made against the Company under the indemnity contained in Section 7.4 of the Agreement later than six years and six months after the date of distribution of the Trust Fund pursuant to Section 3.1 or Section 3.2 and at the end of such period of six years and six months the said indemnity shall cease to have effect except in respect of any claim in respect of which written notice shall have been given by the Conservator to the Office Holders before the end of such period of six years and six months.

IN WITNESS WHEREOF these parties have executed the Agreement as of the latest date set forth below:


James J. Wrynn
Superintendent of Insurance of the
State of New York as Conservator of
Pacific & General Insurance Company Limited

By: 
Dennis J. Hayes
Special Deputy Superintendent



Witness

Date: JANUARY 13, 2011

Pacific & General Insurance Company Limited

By: 
Ipe Jacob
Liquidator

Date: 20/12/2010

Christopher Farmer
Witness

20/12/10

By: _____
Richard Graham White
Liquidator

Witness

Date: _____

EXHIBIT C

At IAS Part 53 of the Supreme Court
of the State of New York, County of
New York, at the courthouse,
60 Centre Street, in the County, City
and State of New York, on the 5th
day of October, 2011.

P R E S E N T:

HON. CHARLES E. RAMOS, J.S.C.
-----X

In the Matter of

Index No. 41406/1988

the Conservation of the Assets
in the State of New York of

ORDER

FILED

PACIFIC & GENERAL INSURANCE
COMPANY LIMITED.
-----X

OCT 24 2011

COUNTY CLERK'S OFFICE
NEW YORK

Dennis J. Hayes, Special Deputy ("Special Deputy") Superintendent and Agent of the Superintendent of Insurance of the State of New York, the predecessor to Jonathan L. Bing, Special Deputy Superintendent and Agent of Benjamin M. Lawskey, the Superintendent of the New York State Department of Financial Services, as conservator (the "Conservator") of certain trust assets ("Trust Assets") established by Pacific & General Insurance Company Limited ("Pacific & General"), having moved this Court for an order: (i) approving the conservation agreement dated January 13, 2011 ("Conservation Agreement") entered into between the Conservator and Ipe Jacob and Richard Graham White in their capacity as joint liquidators ("Office Holders"); (b) authorizing the Conservator to distribute the Trust Assets to the Office Holders in accordance with the Conservation Agreement; and (c) upon distribution of the Trust Assets to the Office Holders, in accordance with the Conservation Agreement, and the filing of a final report, the Conservator, his predecessors and successors in office, agents, attorneys and

employees shall be discharged and released from all further liability arising out of this conservation proceeding and that this conservation proceeding shall be terminated; and said motion having duly come on before this Court on the 5th day of October, 2011, and no objections having been made thereto;

UPON, reading and filing the petition of the Special Deputy, duly verified the 29th day of June, 2011, due deliberation having been had thereon, and upon the decision of this Court, and

NOW, on motion of John Pearson Kelly, attorney for the Conservator, it is hereby

ORDERED, that the petition is granted; and it is further

ORDERED, that the Conservation Agreement is approved; and it is further

ORDERED, that the Conservator is authorized to distribute the Trust Assets to the Office Holders in accordance with the Conservation Agreement; and it is further

ORDERED, that upon distribution of the Trust Assets to the Office Holders, in accordance with the Conservation Agreement, and the filing of a final report, the Conservator, his predecessors and successors in office, agents, attorneys and employees will be discharged and released from any and all further liability arising out of this proceeding; and it is further

ORDERED, that the Conservator is hereby authorized to take further actions which, he in his discretion, deems advisable for the protection of the creditors and of the assets in his possession and for the termination of this proceeding.

ENTER


J.S.C.

CHARLES E. RAMOS

FILED

OCT 24 2011

COUNTY CLERK'S OFFICE
NEW YORK

Index No. 41406

Year 1988

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

In the Matter of

the Conservation of the Assets
in the State of New York of

PACIFIC & GENERAL INSURANCE COMPANY LIMITED.

ORDER

JOHN PEARSON KELLY

Attorney for Superintendent of the New York State Department of Financial Services as Conservator

Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street
New York, NY 10038
(212) 341-6755
Fax (212) 608-3398

ATTORNEY CERTIFICATION

The undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information, belief and reasonable inquiry, the contentions in the above referenced document(s) are not frivolous.

Dated: October 4, 2011
New York, New York

Jack A. Franceschetti
Jack A. Franceschetti

☐ NOTICE OF ENTRY

that the within is a (*certified*) true copy of a
duly entered in the office of the clerk of the within named court on the day of 20

☐ NOTICE OF SETTLEMENT

that an order
settlement to the HON.

of which the within is a true copy will be presented for
one of the judges of the within named court, at

20 at

Dated:

, on

Yours, etc.

JOHN PEARSON KELLY

Attorney for Superintendent of the New York State
Department of Financial Services as Conservator

Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street
New York, NY 10038
(212) 341-6755
Fax (212) 608-3398

EXHIBIT D

PACIFIC AND GENERAL INSURANCE COMPANY
IN CONSERVATION
COMPARATIVE BALANCE SHEET

Conservation Date - October 3, 1988

	December 31, 2011	October 3, 1988
ASSETS		
INVESTED ASSETS		
Cash and Equivalents	-	\$ 1,500,000
Total Cash and Equivalents	-	1,500,000
TOTAL ASSETS	-	\$ 1,500,000

LIABILITIES		
	-	-
TOTAL LIABILITIES	-	-
SURPLUS	-	\$ 1,500,000
TOTAL LIABILITIES AND SURPLUS	-	\$ 1,500,000

PACIFIC AND GENERAL INSURANCE COMPANY LTD
IN CONSERVATION
STATEMENT OF CHANGES IN CASH AND EQUIVALENTS

		Inception to December 31, 2011
Receipts:		
	Investment Income	\$ 1,146,503
	Miscellaneous Receipts	108
Total Receipts		1,146,611
Disbursements:		
	Transfer to the Liquidator	2,493,965
	Salaries	51,085
	Employee Relations & Welfare	14,881
	Rent and Related Expenses	13,688
	Professional Fees	1,331
	General and Administrative Expenses	3,835
	Other Expenses	67,826
Total Disbursements		2,646,611
Net Increase (Decrease)		(1,500,000)
BEGINNING CASH AND EQUIVALENTS - OCTOBER 03, 1988		1,500,000
ENDING CASH AND EQUIVALENTS - SEPTEMBER 30, 2009	\$	-

Index No. 41406

Year 1988

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

In the Matter of

the Conservation of Assets
in the State of New York of

PACIFIC & GENERAL INSURANCE COMPANY LIMITED.

ORDER TO SHOW CAUSE AND VERIFIED PETITION
(Final Report)

JOHN PEARSON KELLY

Attorney for the Superintendent of Financial Services of the State of New York as Conservator

Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street
New York, NY 10038
(212) 341-6755
Fax (212) 608-3398

ATTORNEY CERTIFICATION

The undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information, belief and reasonable inquiry, the contentions in the above referenced document(s) are not frivolous.

Dated: April 10, 2012
New York, New York


Jack A. Franceschetti

☐ NOTICE OF ENTRY

that the within is a (*certified*) true copy of a
duly entered in the office of the clerk of the within named court on the day of 20

☐ NOTICE OF SETTLEMENT

that an order
settlement to the HON.

Dated:

, on

of which the within is a true copy will be presented for
one of the judges of the within named court, at
20 at

Yours, etc.

JOHN PEARSON KELLY

Attorney for the Superintendent of Financial Services
of the State of New York as Conservator

Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street
New York, NY 10038
(212) 341-6755
Fax (212) 608-3398