

NEW YORK LIQUIDATION BUREAU

RFP: REAL ESTATE BROKER OR CONSULTANT

(Section IV - Revised 05/07/2008)

I. BACKGROUND INFORMATION

The New York Liquidation Bureau (the “Bureau”) requires a real estate broker or consultant to provide services in connection with the headquarters building owned by Frontier Insurance Company in Rehabilitation located at 195 Lake Louise Marie Road, Rock Hill, New York (the “Premises”). The Bureau carries out the responsibilities of the New York State Superintendent of Insurance as Receiver, administering the affairs of insurance companies that are in court-ordered rehabilitation, liquidation, or conservation. The Bureau currently manages the affairs of 64 estates, including Frontier Insurance Company.

The Bureau invites all qualified real estate brokers and/or consultants (the “Proponents”) to draft and submit to the Bureau (at the Proponents’ expense) proposals (the “Proposals”) in accordance with the requirements outlined in this request for proposal (“RFP”). The selected broker or consultant (the “Awardee”) will be performing services solely on behalf of the Superintendent as Receiver, not in his capacity as regulator.

II. PROJECT OVERVIEW

The Bureau requests the services of a real estate broker and/or consultant in connection with: (i) a sale of the Premises, (ii) the lease of the Premises or a part thereof, and (iii) the consideration of strategic alternatives concerning the ownership of the Premises.

Specifically, the Bureau may request the Awardee to provide the following services:

- Provide a valuation of the building and land.
- Assist the Bureau in planning and executing a sale of the Premises.
- Assist the Bureau in leasing the Premises, or a portion thereof.

III. SITE VISIT

Interested parties may visit the Premises. The site visit will include a brief tour of the Premises. **Participation in the site visit requires an advance reservation and is limited to not more than three representatives of each Proponent.** Such reservation request must be sent by e-mail to Al Escobar, CEO of Frontier Insurance Co. in Rehabilitation at aescobar@ftr.com and received by not later than **May 6, 2008 at 5:00 pm**. Each site visit will begin promptly at the scheduled time and last no more than 90 minutes. Additional details will be provided to parties making an advance reservation. The Bureau reserves the right to limit the total number of attendees at any site visit. (Revised 04/17/2008)

IV. RULES AND INSTRUCTIONS

In order to facilitate a fair evaluation of all Proposals, the Bureau requires that all Proposals maintain a uniform format. Accordingly, all Proposals must strictly adhere to the requirements outlined in this RFP. The Bureau may, in its sole discretion, modify, rescind or provide an addendum to this RFP, require Proponents to revise their Proposals or supply additional information in response, and/or invite any Proponent to appear for an interview.

All compliant Proposals will be reviewed by a committee that will, under the supervision of the Bureau's Chief Compliance Officer, consider the Proponents based exclusively on the Proposals submitted and any subsequent interviews with Proponents and/or additional information submitted by Proponents at the request of the Bureau.

Proposals must specifically supply all items of information requested in Section V below in the exact format set forth in Section V. Material deviations from the required format will likely result in disqualification of the Proposal. If any item in Section V does not apply to Proponent, Proponent must specifically indicate that the item is not applicable. Proponents may not satisfy an item of requested information by submitting or referring to a brochure, promotional or descriptive literature, or any other document, unless the request expressly permits such submission or reference.

Proposals must be formatted in 12-point or larger font. Each Proponent shall submit one original and four copies of their Proposal. Proposals must be signed and dated by each Proponent. In submitting a signed Proposal, Proponent certifies that the information in the Proposal is materially complete, truthful and accurate. Each Proponent shall be bound by the information contained in the Proposal, including fees quoted for services. Proposals may be withdrawn from consideration at any time by written submission to John Pearson Kelly at the address listed below.

Proposals must be sent via mail, overnight courier or hand delivery to:

John Pearson Kelly
Chief Compliance Officer
New York Liquidation Bureau
123 William Street
New York, NY 10038

Proposals must be received no later than 5:00 p.m., EST, on May 16, 2008, unless such deadline is extended in writing by, and at the sole discretion of, the Bureau. Late Proposals will be disqualified from consideration. **(Revised 05/07/2008)**

Proponents may submit written questions no later than 5:00 p.m., EST, on May 14, 2008, via e-mail to aescobar@ftr.com or via mail to Al Escobar, CEO Frontier Insurance Company in Rehabilitation, 195 Lake Louise Marie Road, Rock Hill, New York 12775. **(Revised 05/07/2008)**

Proposals will remain under seal and will be opened at a closed meeting on **May 19, 2008 at 10:00 a.m. (Revised 05/07/2008)**

Except as provided in this RFP and as otherwise necessary for conducting business operations previously established with the Bureau, Proponents may not communicate with Bureau personnel who are involved in the review, evaluation or selection of Proponents. The Bureau will disqualify Proponents who engage in prohibited communications of a material nature, as determined by the Bureau.

V. CONTENTS OF PROPOSAL

Proposals shall set forth the following information:

A. GENERAL INFORMATION

1. Name of Proponent, addresses of Proponent's corporate headquarters and offices, location of office or offices that will provide services to the Bureau, and names of Proponent's primary and alternate contact persons and their contact information.
2. Proponent's tax identification number and certificate of authority to do business in the State of New York.
3. A general overview and history of Proponent, including a description of its organizational form (*e.g.*, partnership, professional corporation, etc.), the number of years in business, total number of employees.
4. A description of any material changes in Proponent's senior management positions within the last three years.

B. REPUTATION AND INTEGRITY

1. Certify that Proponent and all of its employees are properly licensed in New York State.
2. A brief statement regarding the integrity and reputation of Proponent and its employees, including the names and experience of your chief compliance and chief ethics officers and a brief description of your ethics training for employees.
3. If Proponent or any of its employees have been convicted of any crime (felony or misdemeanor) in any jurisdiction in the last 10 years, set forth the relevant facts thereto.
4. If Proponent or any of its employees has been the subject of any investigation by any governmental authority, regulatory authority, licensing body or trade group or association within the last 10 years, set forth the relevant facts thereto, including a description of any sanctions, suspension and disciplinary actions against Proponent or its employees.
5. Set forth a description of all settlements within the last 10 years resulting in a payment of greater than \$10,000 and all final, non-appealable civil judgments in connection with any claims for professional malpractice, negligence or other malfeasance brought against Proponent or any of its employees.

6. Set forth a description, including the name of the Court, parties and dates, of any injunctive relief that has been ordered against Proponent, or any consent decrees Proponent has signed.
7. Proponent's audited financial statements for the last two fiscal years.

C. EXPERTISE

1. A statement of Proponent's qualifications and experience in performing the required work.
2. Provide a list of the Proponent's current and prior engagements by governmental clients, indicating the client names, the type(s) of services performed, and the scope of each project. For each current or prior governmental client, provide the name and telephone number of a contact person.
3. Resumes of all professional personnel that will be involved in the project.

D. POTENTIAL CONFLICTS OF INTEREST

1. A list of all employees of Proponent, or any parents, subsidiaries or affiliates of Proponent, who are related by blood or marriage to any Bureau employees and/or who are living in the same household as any Bureau employee.
2. A list of all employees of Proponent, or any parents, subsidiaries or affiliates of Proponent, who were previously employed by the Bureau.
3. A list of all Bureau employees previously employed by Proponent or any parents, subsidiaries or affiliates of Proponent.
4. Indicate whether Proponent or any parents, subsidiaries or affiliates of Proponent have been involved in litigation against the Bureau and/or its estates within the last 10 years as a party, witness or otherwise.
5. The names of all persons or entities, if any, asserting claims against the Bureau and/or its estates for whom Proponent is currently performing work.
6. A brief statement regarding whether Proponent has previously provided services to the Bureau, including whether Proponent has any financial interest in any organization that has contracted to provide services to the Bureau.
7. A list of all transfers of money or any thing of value or financial benefit, including any gifts, made, or caused to be made, by Proponent or any of its employees to any current Bureau employee or family member of a Bureau employee.

E. FEES

Set forth a statement of fees and expenses for the services to be provided. Proponents should consider separate pricing for each of the three segments of possible services described above.

F. MISCELLANEOUS

1. A list of Proponent's top five clients (in terms of revenue) for each of the last three years.
2. Set forth facts sufficient to demonstrate that Proponent 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. Proponent may attach hard copies of any equal employment opportunity policy statements or other relevant official firm documents.
3. Describe liability insurance coverage arrangements showing that Proponent is adequately insured to cover claims.
4. State whether Proponent has any unsatisfied judgments against it or has ever been the subject of a bankruptcy or receivership action or proceeding.
5. Any additional pertinent information in response to any of the above questions not already provided in the Proposal.

VI. EVALUATION AND AWARD

This RFP does not commit the Bureau to select an Awardee or enter into a contract with any Proponent. The Bureau reserves the right to: (a) rescind or revoke this RFP prior to execution of a contract with the Awardee; and (b) utilize any ideas from the Proposals. The Bureau may: (a) reject a Proposal for any reason, including if it is non-responsive or non-compliant with the requirements set forth in this RFP; or (b) waive minor discrepancies in any Proposal. All materials submitted in response to this RFP become the property of the Bureau and will not be returned.

In selecting an Awardee, the Bureau will consider, among other factors it deems appropriate, whether the Proponent: (1) has appropriate expertise in the particular services sought under this RFP; (2) has demonstrated that it will commit appropriate staffing and resources to perform the project; and (3) is in good standing in the State of New York and conducts its business in an ethical manner. The Bureau is not bound to accept the lowest-priced Proposal. Additionally, the Bureau may decide to proceed with only a portion of the services described in this RFP and therefore select an Awardee for only a portion of the services described in this RFP.

Upon selection of an Awardee, the Bureau will seek to execute a contract with the Awardee as promptly as possible.

VII. ADDITIONAL TERMS AND INFORMATION

The information contained herein shall be used for the sole purpose of responding to this RFP. The Bureau will not, and is under no obligation to, pay the costs, in whole or in part, incurred by Proponent during the preparation of a Proposal. The Bureau disclaims responsibility and liability for any costs related to Proponent's participation in this RFP.