

**IN THE MATTER OF THE ANCILLARY RECEIVERSHIP OF  
FIRST SEALORD SURETY, INC.**

Supreme Court of the State of New York, County of Albany  
Index No. 5251/2012

**NOTICE**

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York (“Superintendent”) hereby gives notice that he has applied to the Court by order to show cause (“Order to Show Cause”) for an order: (1) appointing the Superintendent and his successors in office ancillary receiver (“Ancillary Receiver”) of First Sealord Surety, Inc. (“First Sealord”); (2) directing the Superintendent to immediately take possession of the property and recover such other assets of First Sealord located in the State of New York; (3) issuing the injunctions provided for in Insurance Law Section 7419, including permanently enjoining and restraining all persons from: (a) transacting First Sealord’s business, (b) wasting or disposing of its property located in the State of New York, (c) interfering with the Superintendent as Ancillary Receiver in the possession, control or management of First Sealord’s property or in the discharge of his duties, (d) commencing or prosecuting any actions, lawsuits, or proceedings against First Sealord or the Superintendent as Ancillary Receiver, and (e) obtaining preferences, judgments, attachments or other liens, or making any levy against First Sealord’s property located in the State of New York or any part thereof; (4) granting the injunctions enjoining and restraining all parties to actions, lawsuits and special or other proceedings, which First Sealord, its policyholders or insureds, are obligated to defend a party or to provide a defense of any matter against an insured pursuant to an insurance policy, bond, contract or otherwise, from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of an order of ancillary receivership; (5) requiring that all persons or entities having property and/or information belonging or relating to First Sealord that are located in the State of New York, including, but not limited to, insurance policies, underwriting data, claims files (electronic or paper) and/or software programs owned by, belonging to or relating to First Sealord shall preserve such property and/or information and immediately, upon the Ancillary Receiver’s request and direction, assign, transfer, turn over and deliver such property and/or information to the Ancillary Receiver; (6) extending immunity to the Superintendent in his capacity as Ancillary Receiver of First Sealord, and his 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; and (7) granting such other and further relief as the Court may deem just and proper;

The Order to Show Cause provides that pending the hearing and determination of the Superintendent’s application: (1) First Sealord, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments or other liens, or making any levy or commencing or prosecuting any actions or proceedings against First Sealord or its assets located in the State of New York; (2) all actions or proceedings against First Sealord and all actions or proceedings in which First Sealord is obligated to defend a party in a proceeding are stayed; and (3) First Sealord, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys and managers, and all other persons are restrained from wasting the assets of First Sealord that are located in the State of New York, or, except as authorized by the

Superintendent, from transacting of First Sealord's business or disposing of First Sealord's property located in the State of New York.

A hearing is scheduled on the Order to Show Cause on the 2 day of November, 2012 ("Return Date") at 9:30 o'clock in the a.m., at Albany County Courthouse, located at 16 Eagle Street in the County and City of Albany, and State of New York.

If you wish to object to the petition, you must serve your objections and all supporting documentation ("Answering Papers") upon the Superintendent so as to be received by the Superintendent at least seven business days prior to the Return Date, and by submitting copies of the Answering Papers, with affidavits of service on the Superintendent, to the Court at the Albany County Courthouse, located at 16 Eagle Street in the County and City of Albany, and State of New York, seven days before the Return Date. Service of Answering Papers on the Superintendent shall be made by hand delivery, overnight mail or first class mail at the following addresses:

Superintendent of Financial Services of the State of New York  
c/o Attorney General Eric T. Schneiderman  
Office of the Attorney General  
The Capitol  
Albany, NY 12224  
Attn: Edward M. Scher, Esq., of counsel

New York Liquidation Bureau  
110 William Street  
New York, New York 10038  
Attention: John Pearson Kelly, Esq.  
General Counsel

This Notice, the Order to Show Cause and the papers upon which the Order to Show Cause has been granted is posted on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org>.

Requests for further information should be directed to the New York Liquidation Bureau at 212-341-6560.

Dated: New York, New York  
September 20, 2012

Benjamin M. Lawsky  
Superintendent of Financial Services  
of the State of New York