THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS SUPERIOR COURT

Docket No. 08-E-0053

In the Matter of the Liquidation of
Noble Trust Company

LIQUIDATOR'S ASSENTED-TO MOTION TO APPROVE NOTICE AND OBJECTION PROCEDURES FOR HEARING ON MOTION AND INCORPORATED SUPPORTING MEMORANDUM FOR APPROVAL OF SETTLEMENT AND RELEASE AGREEMENT WITH PENN MUTUAL LIFE INSURANCE COMPANY

Glenn A. Perlow, Bank Commissioner for the State of New Hampshire, in his capacity as Liquidator of Noble Trust Company (the "Liquidator" and "Noble Trust," respectively), by his attorneys, the Office of the Attorney General and Sheehan Phinney Bass + Green, Professional Association, moves for the entry of an order: (1) approving the method, manner and form of notice, including publication notice, to be given of the hearing to consider approval of the Liquidator's Motion and Incorporated Supporting Memorandum for Approval of Settlement and Release Agreement With Penn Mutual Life Insurance Company (the "Settlement Motion"), whereby the Liquidator seeks approval of the Settlement and Release Agreement dated as of July 17, 2015 (the "Settlement Agreement") by and between the Liquidator and Penn Mutual Life Insurance Company ("Penn Mutual"); (2) scheduling the Settlement Motion for hearing; and (3) establishing a deadline by which any objections to the Settlement Motion must be filed and served. Determination of this Motion without a hearing is appropriate because of the procedural nature of the relief requested (which is substantially similar to notice procedures previously approved by this Court in similar contexts in this proceeding), and because the approval of such

notice procedures will enable the Liquidator to promptly seek approval of the Settlement Motion. In support of this motion, the Liquidator states as follows:

1. The Liquidator has negotiated an arms'-length settlement with Penn Mutual. Prior to the commencement of the Liquidation Proceeding, Penn Mutual issued life insurance policies to certain trusts established for the benefit of Noble Trust clients (the "Policies"), each identified in the Settlement Motion and Settlement Agreement.

2. As provided for in the Settlement Motion and in the Settlement Agreement, the Policies shall be void *ab initio,* and as a consequence thereof, no individual or entity shall have any rights with respect to the Policies. In consideration for the termination of the Policies, among other things, Penn Mutual shall pay a litigation settlement payment to the Liquidator and the Liquidator and Penn Mutual shall release each other from all claims in connection with, arising out of, or in any way related to the subject matter of the Policies, which releases shall be binding on any and all other parties asserting an interest in the Policies. Upon approval of the Settlement Agreement by this Court, claims against Penn Mutual and the Liquidator relating to the disposition of the Policies under the Settlement Agreement shall be barred, and the termination of the Policies shall be free and clear of all liens, claims and interests in the Policies of any kind or nature whatsoever held by any individual or entity. All such liens, claims and interests against the Policies shall be subject to allowance or disallowance as part of the approved claims adjudication process in the Liquidation Proceeding, including under the Amended Plan of Liquidation as Modified dated October 7, 2014, which was approved by the Court on October 7, 2014 and became a final order on November 7, 2014.

3. The Settlement Agreement contains material obligations and other information that the Liquidator and Penn Mutual deem confidential. To protect those terms of the Settlement

Agreement, the Liquidator has filed with the Settlement Motion a redacted Settlement Agreement and, upon approval of this Motion, will promptly file a confidential affidavit under seal that includes an un-redacted copy of the Settlement Agreement. Parties wishing to review the un-redacted Settlement Agreement may do so by contacting the Office of the Liquidator and following the procedure for review of the Settlement Agreement established by this Court's Order Establishing Settlement Agreement Review Procedures dated December 5, 2012, including the execution of a confidentiality agreement.

4. Due process requires the Liquidator to give notice of the hearing on the Settlement Motion to all parties who, to the best of the Liquidator's knowledge, have asserted or may assert an interest in the Policies and whose interests may be affected by the approval and implementation of the Settlement Agreement. With previous settlements, the Liquidator has sought and received a determination by this Court as to the adequacy of both the method and the manner of notice which the Liquidator proposes to be given to parties concerning settlement agreements, the hearings on their approval, and the procedures by which objections (if any) shall be filed and heard. With this Motion, the Liquidator seeks a similar determination and proposes the following notice procedures for the hearing on approval of the Settlement Motion.

5. In addition to serving all counsel who have filed appearances in this proceeding, upon approval of this Motion, the Liquidator proposes to serve a copy of a notice of hearing, substantially in the form attached hereto as Exhibit A (the "Notice of Hearing"), the Settlement Motion and the Affidavit of Robert A. Fleury In Support of Liquidator's Motion and Incorporated Supporting Memorandum for Approval of Settlement and Release Agreement With Penn Mutual Life Insurance Company (the "Fleury Affidavit"), via certified and regular mail, return receipt requested, upon (a) all parties who have filed proofs of claim in the Liquidation

Proceeding or their assignee if known to the Liquidator, unless such claim has been finally determined as rejected or otherwise disallowed pursuant to the Court's Order Establishing Claims Procedures dated October 7, 2014, as amended on April 30, 2015; (b) all attorneys who are not of record but who have identified themselves to the Liquidator in writing as representing a person or entity claiming an interest in the Policies; and (c) all parties whose names are known to the Liquidator and not already described above, at their most recent address as shown in the books and records of Noble Trust in the Liquidator's possession or subsequently updated address that has been made known to the Liquidator, unless the Liquidator has knowledge that such address is no longer valid. The certified mailing to the insureds and any asserted beneficiaries of the Policies (non-residents of this state) will be provided in accordance with the long-arm statute, RSA 510:4.[1] That is, the Notice of Hearing, the Settlement Motion and the Fleury Affidavit will first be served upon the New Hampshire Secretary of State, and then served by certified mail, return receipt requested, to the last known abode or place of business of the insureds and any asserted beneficiaries of the Policies. In the event that the proposed service would result in multiple packages being served in the same manner to the same addressee at the same address, the Liquidator requests that service of a single package be sufficient for notice purposes.

6. In addition, the Liquidator proposes to publish notice of the hearing on the Settlement Motion, in order to provide notice to any other parties, including those whose names are known but whose current addresses are unknown to the Liquidator, and to those whose names are unknown to the Liquidator.

7. RSA 510:9, which governs publication by notice in general, provides:

> Where notice by publication in a newspaper is ordered by any court upon any petition, writ or other similar process, the original

[1] This is in addition to the regular mail package that the Liquidator will serve on the non-resident.

> of which is upon file in such court, it shall be sufficient to publish a citation containing the title of the case, the name of the court in which it is pending, the time and place of the return and hearing, the fact that such original is on file and may be examined by interested parties and such other facts as the court may order.

8. The Liquidator requests that the proposed Notice of Hearing also serve as the form of publication notice of the Settlement Motion hearing (the "Publication Notice"). It contains all of the information required by RSA 510:9, including a proposed deadline for filing any objections to the Settlement Motion, and the manner in which any such objections must be served. The Liquidator proposes that the Publication Notice be published for two successive weeks in the USA Today and a newspaper of general circulation in the communities in which, according to Noble Trust's records or the proofs of claim filed in this case, the individual insureds under the Policies reside. The proposed publication list is attached hereto as Exhibit B. Assuming that this Motion will be approved on or before August 1, 2015, the Publication Notice will be published in those papers beginning during the week of August 24, 2015 or as soon thereafter as publication can be arranged.

9. Finally, copies of the Publication Notice/Notice of Hearing, the Settlement Motion (including the redacted Settlement Agreement) and the Fleury Affidavit will be made available for review at the Office of the Clerk, Merrimack County Superior Court, 163 North Main Street, Concord, New Hampshire, 03302, or may be obtained upon request of The Office of Noble Liquidation, Attn: Abigail Shaine (Tel.: (603) 625-6733), or viewed on the New Hampshire Banking Department's web site (www.nh.gov/banking/noble-trust/).

10. In light of the comprehensive notice procedures set forth herein, *i.e.*, physical mailing by certified and regular mail, service on the Secretary of State in compliance with RSA 510:4 for the insureds and any asserted beneficiaries of the Policies, publishing of the

Publication Notice in the manner described, posting of the Settlement Motion, the Fleury Affidavit and Notice of Hearing on the Banking Department's website, and availability of the pleadings at the Court or by request of the Liquidator, the Liquidator submits that service in this manner is reasonably calculated to reach those parties who might conceivably have an interest in the outcome of the Settlement Motion and is thus compliant with standards of due process. Service shall be complete when the Liquidator makes a certificate of service to the Court certifying that he has complied with the notice procedures set forth herein. RSA 510:8.

11. The Liquidator proposes that the Court set a deadline for the filing of any objections to the Settlement Motion and that a hearing be scheduled to consider the approval of the Settlement Motion. In order to accommodate the publication schedule and to ensure due process by providing an adequate opportunity to object with a minimum of two weeks between the last possible publication date and the proposed objection deadline, the Liquidator proposes that the Court set the objection deadline as September 30, 2015 at 4:00 p.m.[2] The Liquidator proposes that objections be required to be filed with the Clerk of this Court and served upon the Liquidator's counsel, counsel to Penn Mutual (as set forth in the Settlement Motion), and other counsel of record so that they are actually received by all of the foregoing parties on or before the objection deadline; *i.e.* any objections filed with the Court must also be either hand delivered to counsel or, if served by mail, then also transmitted electronically to counsel that same day. The Liquidator proposes that a hearing be scheduled to consider the approval of the Settlement

[2] Upon approval of this Motion, the Liquidator will commence the service set forth herein of the Settlement Motion, the Fleury Affidavit and the Notice of Hearing. The Liquidator shall complete such service on or before September 9, 2015 (more than 20 days in advance of the proposed objection deadline). A certificate of service certifying such service will be filed by the Liquidator.

Motion on October 19, 2015. The hearing will be non-evidentiary and parties will not have discovery prior thereto.

12. The procedures proposed above are substantially similar to those that were already approved by this Court on multiple occasions (e.g., November 27, 2012, June 10, 2013, and January 31, 2014) and are in accord with generally accepted principles of New Hampshire law such as RSA 510:9, which permit notice of judicial proceedings and hearings to be given by publication, or by a combination of mail and publication. Thus, the Liquidator believes that the notice procedures described herein comply in all respects with the notice and due process requirements of applicable law, and should be deemed sufficient to provide adequate notice of the hearing on the Settlement Motion, the issues to be decided at the hearing, and the deadline for filing objections to all parties in interest, including any parties who do not otherwise receive notice by mail. *Mullane v. Central Hanover Bank & Tr. Co.*, 339 U.S. 306 (1950); *In re Hiscoe*, 147 N.H. 223, 227 (2001)("[A]dequate notice is that which is reasonably calculated to give the parties actual notice of the issue or issues to be decided at the hearing. . . . Due process, however, does not require perfect notice, but only 'notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.'")(internal citations omitted).

13. Pursuant to Superior Court Rule 11(c), the Liquidator hereby certifies that all parties that have filed an appearance in the Liquidation Proceeding assent to or do not oppose the relief requested in this Motion. Accordingly, the Liquidator submits that determination of this Motion without a hearing is appropriate because of the procedural nature of the relief requested (which is substantially similar to notice procedures previously approved by this Court in similar contexts in this proceeding), and that the approval of such notice procedures will enable the

Liquidator to promptly seek approval of the Settlement Motion. As a result, no party will be prejudiced by the relief requested herein, and the establishment of such notice procedures is in the best interest of the liquidation estate and will benefit the creditors of Noble Trust.

WHEREFORE, the Liquidator requests that the Court enter an order, in substantially the form attached hereto as Exhibit C, (a) finding that the foregoing notice procedures, the form of the notice, and the manner of its publication comply with the applicable standards of due process of law, and provide adequate and sufficient notice to all interested persons of both the hearing on the Settlement Motion and the deadline for filing objections thereto; (b) authorizing and directing the Liquidator to implement the notice procedures; (c) setting September 30, 2015 at 4:00 p.m. as the deadline for the filing and service of any objections to the Settlement Motion; (d) scheduling a hearing on the approval of the Settlement Motion on October 19, 2015 at 1:30 p.m.; and (e) granting the Liquidator such other and further relief as is just.

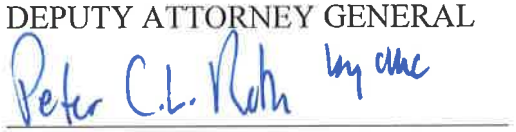
Respectfully submitted,

Dated: July 27, 2015

GLENN A. PERLOW, BANK COMMISSIONER OF THE STATE OF NEW HAMPSHIRE,
AS LIQUIDATOR OF NOBLE TRUST COMPANY

By his attorneys,

ANN M. RICE,
DEPUTY ATTORNEY GENERAL



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(603) 627-8168

EXHIBIT A

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS SUPERIOR COURT

Docket No. 08-E-0053

In the Matter of the Liquidation of Noble Trust Company

NOTICE OF HEARING

PLEASE TAKE NOTICE that on October 19, 2015 at 1:30 p.m., prevailing Eastern time, or as soon thereafter as counsel may be heard, a hearing will be held at the Merrimack County Superior Court, 163 North Main Street, Concord, New Hampshire, 03302, on the Motion and Incorporated Supporting Memorandum for Approval of Settlement and Release Agreement With Penn Mutual Life Insurance Company (the "Settlement Motion") filed by the Liquidator of Noble Trust Company (the "Liquidator") to approve a settlement and release agreement (the "Settlement Agreement") with Penn Mutual Life Insurance Company ("Penn Mutual"), a copy of which is available for review during regular office hours at the Office of the Clerk of the Court, or may be obtained upon request of The Office of Noble Liquidation, Attn: Abigail Shaine (Tel.: (603) 625-6733), or viewed on the New Hampshire Banking Department's web site (www.nh.gov/banking/noble-trust/). The hearing may be adjourned from time to time by announcement in open Court at the first scheduled hearing or at adjourned hearings without further written notice to parties in interest. IF GRANTED, THE SETTLEMENT MOTION WILL RESULT IN THE SURRENDER, CANCELLATION, OR OTHER TERMINATION OF CERTAIN LIFE INSURANCE POLICIES ISSUED BY PENN MUTUAL TO OR FOR THE BENEFIT OF A NOBLE TRUST CLIENT, A RELEASE OF THE LIQUIDATOR AND PENN MUTUAL, AND THE ENTRY OF A BAR ORDER PERMANENTLY BARRING ALL CLAIMS BY ANY PERSON OR ENTITY AGAINST THE LIQUIDATOR AND PENN MUTUAL RELATING TO THE POLICIES. YOU ARE URGED TO CAREFULLY AND THOROUGHLY REVIEW THE SETTLEMENT MOTION, THE SETTLEMENT AGREEMENT AND ALL OTHER RELATED PLEADINGS, AND CONSULT WITH YOUR OWN LEGAL ADVISORS AS YOU SEE FIT.

PLEASE TAKE FURTHER NOTICE that in accordance with the Court's orders, a redacted copy of the Settlement Agreement has been filed and served with the Settlement Motion. Parties wishing to review the un-redacted Settlement Agreement (subject to the continued redaction of personal identifying information) may obtain a copy of the Settlement Agreement by contacting The Office of Noble Liquidation (contact information above) and upon the execution of a confidentiality agreement. To the extent the redactions are of personal identifying information that an individual has requested be kept confidential, the Liquidator will not reveal such information without authorization from the particular individual or further order of the Court. To determine if a life insurance policy in which you may have an interest is affected by the Settlement Motion, you must contact The Office of Noble Liquidation during normal business hours.

PLEASE TAKE FURTHER NOTICE that objections to the Settlement Motion, if any, must be filed with the Clerk of Court at the above address, and served upon: (i) counsel for the Liquidator at their respective addresses shown below, (ii) counsel to Penn Mutual (as set forth in the Settlement

Motion), and (iii) all other counsel of record (whose names and addresses may be obtained from the Office of the Clerk), so as to be actually received by all such parties on or before September 30, 2015 at 4:00 p.m., prevailing Eastern time; *i.e.* any objections filed with the Clerk of the Court must also be either hand delivered to counsel or, if served by mail, then also transmitted electronically to counsel that same day.

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ccandon@sheehan.com
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Concord, NH 03301-6397
peter.roth@doj.nh.gov
Fax: (603) 223-6269

Dated: _____ __, 2015

EXHIBIT B

USA Today
7950 Jones Branch Road
McLean, VA 22102
800-872-0001
www.usatoday.com

Newsday
235 Pinelawn Road
Melville, NY 11747
631-843-7653
www.newsday.com

Houston Chronicle
801 Texas Street
Houston, TX 77002

The Kansas City Star
1729 Grand Blvd.
Kansas City, MO 64108
816-234-4900
www.kansascity.com

The Star-Ledger
1 Star Ledger Plaza
Newark, NJ 07102
973-392-1534
www.nj.com/starledger

Tampa Bay Times
490 1st Avenue So.
St. Petersburg, Fla. 33701

Manchester Union Leader
The Union Leader Corporation
100 William Loeb Drive
P.O. Box 9555
Manchester, NH 03108-9555
603-668-4321
www.unionleader.com

EXHIBIT C

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS SUPERIOR COURT

Docket No. 08-E-0053

In the Matter of the Liquidation of
Noble Trust Company

ORDER APPROVING NOTICE AND OBJECTION PROCEDURES FOR HEARING ON MOTION AND INCORPORATED SUPPORTING MEMORANDUM FOR APPROVAL OF SETTLEMENT AND RELEASE AGREEMENT WITH PENN MUTUAL LIFE INSURANCE COMPANY

Upon consideration of the Liquidator's Assented-To Motion to Approve Notice and Objection Procedures for Hearing on Motion and Incorporated Supporting Memorandum for Approval of Settlement and Release Agreement With Penn Mutual Life Insurance Company (the "Procedures Motion"), pursuant to which Glenn A. Perlow, Bank Commissioner for the State of New Hampshire, in his capacity as Liquidator of Noble Trust Company (the "Liquidator" and "Noble Trust," respectively), seeks an order of this Court: (1) approving the method, manner and form of notice, including publication notice, to be given of the hearing to consider approval of the Liquidator's Motion and Incorporated Supporting Memorandum for Approval of Settlement and Release Agreement With Penn Mutual Life Insurance Company (the "Settlement Motion"), whereby the Liquidator seeks approval of the Settlement and Release Agreement dated as of July 17, 2015 (the "Settlement Agreement") by and between the Liquidator and Penn Mutual Life Insurance Company ("Penn Mutual"); (2) scheduling the Settlement Motion for hearing; and (3) establishing a deadline by which any objections to the Settlement Motion must be filed and served; adequate notice of the Procedures Motion having been provided; the notice procedures described in the Procedures Motion comply in all respects with the applicable notice requirements of New Hampshire law, and are sufficient to provide adequate notice of the

Settlement Motion, the hearing on the Settlement Motion, and the deadline for filing objections thereto; there being no objections made to the relief requested; and, after due deliberation and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Procedures Motion is granted, and all notice and objection procedures set forth therein are approved.

2. Parties wishing to review the un-redacted Settlement Agreement may do so by contacting the Office of the Liquidator and following the procedure for review of the redacted settlement agreements established by this Court's Order Establishing Settlement Agreement Review Procedures dated December 5, 2012, including the execution of a confidentiality agreement.

3. The Notice of Hearing, which shall also serve as the Publication Notice, in the form substantially attached to the Procedures Motion is approved.[1] The Liquidator is authorized and directed to cause the Publication Notice to be published for two successive weeks beginning during the week of August 24, 2015 or as soon thereafter as publication can be arranged in the USA Today and a newspaper of general circulation in the communities in which, according to Noble Trust's records or the proofs of claim filed in this case, the individual insureds under the Policies reside. The publication list attached to the Settlement Motion is hereby approved.

4. Notice of the Settlement Motion in the manner set forth in the Procedures Motion, *i.e.*, physical mailing by certified and regular mail, service on the Secretary of State in compliance with RSA 510:4 for the insureds and any asserted beneficiaries of the Policies, publishing of the Publication Notice in the manner described, posting of the Settlement Motion,

[1] Capitalized terms used in this Order and not otherwise defined herein are intended to have the same meaning as ascribed to them in the Procedures Motion.

the Fleury Affidavit and Notice of Hearing on the Banking Department's website, and availability of the pleadings at the Court or by request of the Liquidator, complies with applicable standards of due process of law, and provides adequate and sufficient notice to all parties, including those whose names are known but whose current addresses are unknown to the Liquidator, and to those whose names are unknown to the Liquidator, who might conceivably have an interest in the Settlement Motion, the hearing on the Settlement Motion, the issues to be decided at the hearing, and the deadline for filing objections.

5. Service shall be complete when the Liquidator makes a certificate of service to the Court certifying that he has complied with the approved notice procedures.

6. On October 19, 2015 at 1:30 p.m., a hearing will be held before the Court to consider approval of the Settlement Motion. The hearing may be adjourned from time to time by announcement in open Court at the first scheduled hearing or at adjourned hearings without further written notice to parties in interest. The hearing will be non-evidentiary and parties will not have discovery prior thereto.

7. Any objections to the Settlement Motion must be filed by 4:00 p.m. (prevailing Eastern Time) on September 30, 2015 (the "Objection Deadline") with the Office of the Clerk, Merrimack County Superior Court, 163 North Main Street, Concord, New Hampshire 03302, and also served so as to be received by the Objection Deadline on (a) counsel to the Liquidator; (b) counsel to Penn Mutual (as set forth in the Settlement Motion); and (c) upon all other counsel of record (whose names and addresses may be obtained from the Clerk's Office). Any objections not filed and served in accordance with this Order shall not be considered.

Dated: _____ __, 2015

_____
Hon. Larry M. Smukler

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS SUPERIOR COURT

Docket No. 08-E-0053

In the Matter of the Liquidation of
Noble Trust Company

AFFIDAVIT OF ROBERT A. FLEURY IN SUPPORT OF LIQUIDATOR'S MOTION AND INCORPORATED SUPPORTING MEMORANDUM FOR APPROVAL OF SETTLEMENT AND RELEASE AGREEMENT WITH PENN MUTUAL LIFE INSURANCE COMPANY

I, Robert A. Fleury, hereby depose and say:

1. I am the former Deputy Bank Commissioner for the State of New Hampshire and former liquidator of Noble Trust Company ("Noble Trust"). I have been retained as Special Deputy Liquidator by Glenn A. Perlow, Bank Commissioner for the State of New Hampshire, in his capacity as liquidator (the "Liquidator") of Noble Trust. I am involved in and have oversight of the liquidation of Noble Trust. I have familiarity with the books and records of Noble Trust and have participated in numerous meetings associated with the matters set forth herein.

2. I submit this affidavit in support of the Liquidator's Motion and Incorporated Supporting Memorandum for Approval of Settlement and Release Agreement with Penn Mutual Life Insurance Company (the "Motion"). As set forth more fully in the Motion, the Liquidator has entered into a Settlement and Release Agreement dated July 17, 2015 (the "Settlement Agreement") with Penn Mutual Life Insurance Company ("Penn Mutual").

3. Prior to the commencement of the Liquidation Proceeding, Penn Mutual issued five life insurance policies (collectively the "Policies") to individuals reflected in Noble Trust's books and records as Noble Trust clients: (1) number 8189442 date December 28, 2006 on the

life of Anthony N. Sica; the record owner of this policy is the Anthony Sica Irrevocable Trust as to which Noble Trust was Trustee; (2) number 8191171 date May 11, 2007 on the life of Lupe Ruiz; the record owner of this policy is the Lupe Ruiz ILIT as to which Noble Trust was Trustee; (3) number 8192490 date May 11, 2007 on the life of Harry O. Baker, Sr.; the record owner of this policy is the Harry Baker Irrevocable Trust as to which Noble Trust was Trustee; (4) number 8190743 date March 21, 2007 on the life of Joy V. Kolb; the record owner of this policy is the Joy Kolb Irrevocable Trust as to which Noble Trust was Trustee; and (5) number 8190826 date February 2, 2007 on the life of Sadie E. Bass; the record owner of this policy is the Sadie Bass Irrevocable Trust as to which Noble Trust was Trustee.[1] Noble Trust paid or caused to be paid to Penn Mutual premiums in the amount of approximately $2,315,700.00 on account of the Policies, as confirmed by Penn Mutual records. The premiums for the Policies were substantially financed by means of loans from trusts established for Noble Trust investors as to which Noble Trust served as trustee, trust protector and/or trust administrator.

4. The records of Penn Mutual further indicate that Penn Mutual paid $2,083,959.00 in commissions in connection with its issuance of the Policies.

5. The Liquidator contends that the Policies are part of the liquidation estate being administered by the Liquidator pursuant to the Plan (defined below) and Liquidation Order because, among other things, Noble Trust is trustee of the above described Trusts, which are the

[1] The Sica, Ruiz and Baker Policies were the result of referrals made to Noble Trust by Gerald Marino ("Marino"), a real estate broker that resided in Florida. The procurement and issuance of policies on the individuals referred to Noble Trust by Marino led to, among other things, criminal investigations concerning Colin Lindsey and Marino by the Federal Bureau of Investigation, the United States Attorney for the District of New Hampshire, and the New Hampshire Attorney General. Marino entered into a Plea Agreement and was sentenced to prison as a result of these investigations. For a more detailed description of Marino's involvement in the procurement of fraudulent life insurance policies in the Noble Trust scheme, the Liquidator incorporates the discussion of the Marino Policies that was set forth in the Liquidator's Motion for Approval of Settlement and Release Agreement with PHL Variable Insurance Company that was filed on December 17, 2008 and approved by this Court on July 7, 2009.

record owners of the Policies.[2] As Trustee, Noble Trust holds legal title to the Policies. The Liquidator also asserts an interest in the Policies because the procurement and issuance of the Policies and other life insurance policies procured by Noble Trust was a critical part of the fuel that permitted Colin P. Lindsey ("Lindsey")[3] to perpetuate the Noble Trust Ponzi scheme. Penn Mutual and other issuers of life insurance policies paid substantial commissions directly or indirectly to Lindsey or entities controlled by him that some of which Noble Trust then distributed to existing investors as fictitious profits. Noble Trust also used the commission income to help fund the premiums to procure other fraudulently procured life insurance policies, thereby perpetuating the Noble Trust Ponzi scheme.

6. Lindsey was operating Noble Trust as a Ponzi scheme at the time that the Policies were issued. Between the time when Noble Trust sustained its undisclosed losses due to the Sierra Investments and the time when the Liquidator took control of Noble Trust (March 2008), Noble Trust continued to solicit and accept funds from clients totaling at least $4.5 million under the same promise of 12% returns that had been made to existing clients. Instead of investing the new clients' money in legitimate investments, however, Noble Trust used some of these funds to pay fictitious profits to other clients and to redeem principal and pay interest to clients who terminated their relationship with Noble Trust. However, the flow of incoming investments was insufficient for Lindsey and Noble Trust to maintain the concealment of the Sierra Investment losses.

7. To continue the fraudulent concealment of its losses and perpetuate the Noble Trust Ponzi scheme, Lindsey devised and carried out a plan based upon the procurement and issuance of life insurance policies for the elderly, generally with face values between $3 million

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[2] See Schedules A and B of the Settlement Agreement for a detailed description of the Trusts and Policies.

[3] Lindsey was the president of Noble Trust and chairman of its board of directors.

and $10 million. At Lindsey's direction, Noble Trust, acting as trustee or trust protector, caused applications to be submitted to various insurers, including Penn Mutual. Many of the applications misrepresented the applicants' net worth or income, or averred that coverage was being sought as a means of individual estate planning. Many of the insurance policy applications misstated the source of the premium financing, the terms of the premium financing, or both. In reality, many of the individual insureds were persuaded to apply for insurance in part through promises of profits from the sale of their policies on the lucrative secondary market after the contestability period expired. These insureds had little or no expectation that either they, or any other person with an insurable interest in their lives, would ever receive any death benefit from the policies.

8. In most cases, once the policies were procured and issued, the insureds were not required to pay any premiums to keep the policies in force through the end of the two-year contestability period. Instead, the premiums were paid on their behalf by means of limited-recourse premium financing loans (the "Premium Finance Loans"). Neither the insured nor any other individual had liability for repayment of the Premium Finance Loans; recourse was limited to the insurance trust, the sole asset of which was the life insurance policy. The Premium Finance Loans were often funded by other Noble Trust clients and their trusts, investment management accounts or individual retirement accounts. Thus, the insureds under the policies were promised and received "something for nothing" – they paid no premiums, incurred no personal liability for the Premium Finance Loans, and were promised large windfalls for selling their policies after the contestability period expired.

9. In most instances, when the policies were placed in force, Lindsey or Balcarres were paid substantial commissions (the "Commissions") directly by the insurers or indirectly by

the agents and producers that submitted the policy application. The Commissions were often equal to or greater than the first year annual premium for the policies. Some of the proceeds of the Commissions were used to fund premium payments for other policies or to repay other Premium Finance Loans. Other proceeds of the Commissions were used to cover up the loss of the Sierra Investments through distributions of fictitious profits or the repayment of principal to Noble Trust clients who had invested in Sierra, thus making it appear that the Sierra Investments were still performing according to their terms. Upon information and belief, Lindsey and Noble Trust also intended to sell some of the policies (or the beneficial interests therein) on the lucrative secondary market to perpetuate the Noble Trust Ponzi scheme and continue to cover up the Sierra losses.

10. The Policies fit the model described above. The holders of the Policies paid nothing to procure them. The premiums were funded by loans from the accounts of other Noble Trust investors. The loans are without recourse to the holders of the Policies.

11. Thus, Noble Trust was operated as a Ponzi scheme that utilized fresh investment funds from its clients and the Commissions to pay fictitious profits to its existing investors, to return principal to investors and to fund limited recourse Premium Finance Loans. The Policies were an integral part of that scheme.

12. Under the Settlement Agreement, the Policies shall be deemed to be void *ab initio,* and as a consequence thereof, no individual or entity shall have any rights with respect to the Policies.

13. The Settlement Agreement provides that Penn Mutual shall pay the Liquidator a litigation settlement payment. The Settlement Agreement requires that the amount of the settlement payment be kept confidential.

14. Penn Mutual and the Liquidator shall release each other from all claims in connection with, arising out of, or in any way related to the subject matter of the Policies. The Liquidator and Penn Mutual acknowledge that the release does not constitute a release of any claims against any other person or entity, including Lindsey, Balcarres, or any Third Party (defined below).

15. By the Motion, and as provided for in the Settlement Agreement, the Court Approval shall bar any and all third parties (including, but not limited to, all insureds, all settlors and beneficiaries of the Trusts, and any and all lenders or other persons or entities claiming an interest in the Policies (collectively, "Third Parties")) from pursuing claims against Penn Mutual or the Liquidator related in any way to the Policies, the Trusts, the Settlement Agreement, or the Liquidation Proceeding. The Court Approval shall further bar Third Parties from pursuing claims against Penn Mutual or the Liquidator asserted by, through, or under the Trusts.

16. The termination/voiding of the Policies shall be free and clear of all liens, claims and interests in any of the Policies of any kind or nature whatsoever held by any individual or entity. All such liens, claims and interests against any of the Policies shall be subject to allowance or disallowance as part of the claims adjudication process in the Liquidation Proceeding, including under the Amended Plan of Liquidation as Modified dated October 7, 2014 (the "Plan"), which was approved by order of the Court on October 7, 2014 and became a final order on November 7, 2014.

17. By its terms, the Liquidator and Penn Mutual agreed that the Settlement Agreement is subject to the entry of a final order by the Court approving the Settlement Agreement (the "Court Approval"). The Court Approval shall be deemed to occur on the date

that such order shall have become non-appealable or, in the event of an appeal(s), on the date that it has been affirmed after all appeals therefrom have been exhausted.

18. In the absence of the Settlement Agreement, the Liquidator would seek to have the Policies declared void and to compel Penn Mutual to return to the liquidation estate of Noble Trust the premiums paid on account of the Policies. Penn Mutual would seek a ruling that the Policies were not properly included within the liquidation estate and that the Liquidator has no valid interests in any of the Policies. Penn Mutual would also contend that it was not required to return any of the premiums to the Liquidator due to the equitable offset of its claims arising from the substantial commissions it paid in connection with the Policies, and further assert that courts have permitted insurers to void policies procured through fraud or that lack a valid insurable interest without requiring the insurer to refund premiums. Penn Mutual would also assert the right to impose various charges, expenses and other costs provided for under the Policies that would reduce the amount of premiums that it would be required to return in any event, even without respect to its claim of setoff. The Liquidator would dispute the merits of these legal theories.

19. The Liquidator and Penn Mutual believe the Settlement Agreement is fair, reasonable and adequate, and is the result of arms-length negotiations between the parties and their counsel. The Settlement Agreement will result in the payment of a material sum to the estate by Penn Mutual. Therefore, the Settlement Agreement maximizes the value of the liquidation of Noble Trust by creating a fund that will be available to claimants of the estate, subject to further order of this Court, relieving the estate of further costs and from the potential risk of litigation with Penn Mutual.

20. The Liquidator therefore believes that entering into the Settlement Agreement is an appropriate and prudent exercise of the Liquidator's judgment, and that the settlement resolves the pending dispute between the Liquidator and Penn Mutual on terms that are advantageous to the liquidation of Noble Trust and Noble Trust creditors.

Signed under the pains and penalties of perjury this 27 day of July, 2015.

Robert A. Fleury

STATE OF NEW HAMPSHIRE
COUNTY OF Hillsborough

Signed before me on July 27, 2015 by Robert A. Fleury.

Nancy L. Toli
Notary Public/Justice of the Peace
My Commission Expires:

NANCY TOLI
STATE OF
MY
COMMISSION
EXPIRES
JULY 28,
2015
NEW HAMPSHIRE
NOTARY PUBLIC