

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 MOTION FOR APPROVAL OF SETTLEMENT AND RELEASE
AGREEMENT WITH THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
(NON-CREDIT SUISSE FINANCED POLICIES)**

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, Sheehan Phinney Bass + Green, Professional Association and Drummond Woodsum, moves this Court for an entry of an order approving the Settlement and Release Agreement (Non-Credit Suisse Financed Policies) dated as of March 26, 2013 (the "Settlement Agreement")¹ by and between the Liquidator and The Lincoln National Life Insurance Company ("Lincoln National").² The facts and circumstances supporting this motion are as set forth herein and as set forth in the Liquidator's Memorandum in Support of

¹ As set forth in the Liquidator's Assented-To Motion to Approve Notice and Objection Procedures for Hearings on Motions for Approval of Settlement and Release Agreements, and in accordance with the Court's Order Establishing Settlement Agreement Review Procedures dated December 5, 2012, a redacted copy of the Settlement Agreement is attached hereto as Exhibit A. Parties wishing to review the confidential affidavit submitted in support of this motion and the unredacted Settlement Agreement may obtain copies of such documents by contacting the Office of the Liquidator and following the Court approved procedures, including 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. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed in the Settlement Agreement.

² As explained in further detail below, the Liquidator and Lincoln National have entered into two separate settlement agreements. Because approval of the Liquidator's settlement agreements with Lincoln National are not conditioned upon or subject to approval of the other, the Liquidator has moved separately for the approval of each of the settlement agreements. Accordingly, the Liquidator has concurrently filed herewith the Liquidator's Motion for Approval of Settlement Agreement with The Lincoln National Life Insurance Company (Robinson Policy).

Settlement Motions filed concurrently herewith. In support of his motion, the Liquidator states as follows:

Background

1. In 2003, Noble Trust was organized and chartered under the laws of the State of New Hampshire as a non-depository banking corporation, and subject to regulation by the New Hampshire Banking Department (the "Banking Department").

2. As a result of irregularities discovered by the Banking Department's 2008 examination of Noble Trust, on February 11, 2008, Commissioner Peter Hildreth commenced a liquidation proceeding by filing a Verified Petition for Liquidation (the "Liquidation Petition") in this Court, seeking the appointment of a liquidator for Noble Trust pursuant to RSA 395:1, as well as related injunctive relief against Noble Trust pending the Court's ruling on the Liquidation Petition (the "Liquidation Proceeding").

3. On March 27, 2008, this Court entered an order (the "Liquidation Order") appointing Commissioner Hildreth as liquidator of both Noble Trust and its parent company, Aegean Scotia. The Liquidator is the duly appointed successor liquidator of Noble Trust and Aegean Scotia by order of this Court dated February 1, 2013.

4. Prior to the commencement of the Liquidation Proceeding, Noble Trust was appointed and served as trustee and, in certain instances, trust protector under certain trust agreements formed by or at the direction of Noble Trust, including the trusts defined in Schedule A of the Settlement Agreement (collectively, the "Trusts"). Each Trust, through Noble Trust, as its trustee, applied in writing to Lincoln National for the issuance of life insurance policies insuring the lives of certain individuals, each of whom are reflected in Noble Trust's books and records as Noble Trust clients. In connection therewith, Lincoln National issued the nine

policies defined in Schedule B of the Settlement Agreement (collectively, the "Policies"). In addition to being the trustee of the Trusts and having applied for the issuance of the Policies, Noble Trust purportedly obtained a collateral assignment of at least one of the Policies.

5. According to Lincoln National's records, as of February 11, 2008, Noble Trust paid or caused to be paid to Lincoln National a substantial amount in premiums on the Policies. At the direction of Colin Lindsey ("Lindsey"), the principal of Noble Trust, some of the premiums were paid from funds that Noble Trust held for the benefit of trusts that were not beneficiaries of the Policies. The existence of these loans and/or the terms of such loans funded by such Noble Trust clients were not properly disclosed to Lincoln National. There were other premium finance lenders and financing arrangements that were also not properly disclosed to Lincoln National.

6. The Liquidator has contended that the Policies are part of the liquidation estate being administered by the Liquidator pursuant to the Liquidation Order because, among other things, Noble Trust is trustee or trust protector of the Trusts that procured, own and/or are designated as beneficiaries of the Policies. The Liquidator also asserts an interest in the Policies because the procurement and issuance of the Policies themselves was a critical part of the fuel that permitted Lindsay to perpetuate the Noble Trust Ponzi scheme, resulting in substantial commissions obtained by Lindsay or his affiliated entity Balcarres Group LLC ("Balcarres") that would, in turn, be distributed to prior investors as fictitious profits, be used for the fraudulent procurement of the Policies or other policies for Noble Trust clients, or be used for some other unlawful purpose. As of February 11, 2008, Lincoln National paid \$3,518,687.42 in commissions to Lindsey or Balcarres and others in connection with its issuance of the Policies. The Liquidator has asserted numerous claims against Lincoln National with respect to the

issuance of the Policies, and with respect to the disposition of the premiums paid to Lincoln National. The Liquidator has also asserted that because of the defects in their issuance and because of their centrality in the illegal Ponzi scheme, the Policies are all potentially void or voidable and that the Liquidator has the power to seek relief to effectuate that result. Lincoln National has asserted that the Policies are not properly included within the liquidation estate, and that the Liquidator has no valid interest in the Policies.

7. In the course of their negotiations concerning their various claims, rights and interests in and disputes related to the Policies, the Liquidator demanded that Lincoln National return the premiums that it received under the Policies. Lincoln National countered 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 to Balcarres, Lindsey and others in connection with the Policies, and further asserted 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. Lincoln National also asserted 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 disputed the merits of Lincoln National's legal theories.

8. The Liquidator has reached two separate agreements with Lincoln National: (i) the Settlement Agreement that is the subject of this Motion; and (ii) another, independent settlement agreement that concerns one other policy issued by Lincoln National that was financed by Credit Suisse. Because approval of the Liquidator's settlement agreements with Lincoln National are not conditioned upon or subject to approval of the other, the Liquidator has moved separately for the approval of each of the settlement agreements. The settlement

agreements constitute a final, comprehensive resolution of the disputes between the Liquidator and Lincoln National.

9. In order to avoid the time, expense and resources that litigation of these and other issues relating to the Policies would undoubtedly consume, and the attendant uncertainty of outcome associated with such litigation, the Liquidator and Lincoln National negotiated the Settlement Agreement, which by its terms does not become effective unless and until this Court approves it and authorizes the Liquidator to enter in to and consummate it.

10. A full recitation of the background and additional arguments supporting this motion and the other contemporaneous motions to approve the separate settlement and release agreements by and between the Liquidator, American National Insurance Company, AXA Equitable Life Insurance Company, Credit Suisse, Lincoln National, PHL Variable Insurance Company, and Wells Fargo Bank, National Association are set forth in the Liquidator's Memorandum in Support of Settlement Motions (the "Memorandum") that has been filed concurrently herewith. The Liquidator incorporates by reference the Memorandum.

Summary of Settlement Agreement³

11. Under the Settlement Agreement, Lincoln National shall pay \$1.33 million to the Liquidator in exchange for the Policies being deemed void *ab initio*, and no individual or entity shall have any rights with respect to the Policies, at law or in equity. Once approved by the Court, the voiding of the Policies shall be deemed effective as of October 1, 2011 (the effective date of the Settlement Agreement), but the Settlement Agreement itself shall not become effective unless and until "Court Approval," as defined in the Settlement Agreement, occurs, *i.e.*

³ Notwithstanding the recitation in this Motion of the material terms of the Settlement Agreement, this is a summary only and all parties in interest are urged to read the Settlement Agreement in its entirety. In the event of any conflicts or inconsistencies between the summary contained in the Motion and the Settlement Agreement, then the terms of the Settlement Agreement shall control.

approval by this Court in an Order that becomes both final and no longer subject to appeal. The Liquidator and Lincoln National further agree that in the event of the death of any insured under any Policy prior to Court Approval, no claim shall be submitted to Lincoln National and no death benefits shall be payable under such Policy. Lincoln National shall deposit the \$1.33 million settlement amount with the Liquidator, which he shall hold in escrow pending Court Approval.

12. Both Lincoln National and the Liquidator shall release each other from all claims under the Policies upon Court Approval, which release shall also be binding upon 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.

13. The voiding of the Policies shall be free and clear of all liens, claims and interests in the Policies asserted or claimed by parties in interest. All such liens, claims, and interests shall be subject to allowance or disallowance as part of the claims adjudication process in the Liquidation Proceeding, including any plan of liquidation which the Court may subsequently approve.

14. Absent Court Approval, it is likely that Lincoln National would seek to modify the Liquidation Order to permit it unilaterally to cancel, rescind, revoke or void the Policies. Since the Policies were fraudulently procured, lack an insurable interest, or both, the continued payment of premiums on these policies and the continued requirement that Lincoln National carry fraudulent policies on its in-force ledger is a violation of public policy. See Mechanicks Nat. Bank v. Comins, 72 N.H. 12, 15 (1903).

15. The Policies were procured with the apparent intent to generate commission revenue and policy sale proceeds that would be used to cover up the loss incurred through Noble Trust's Sierra investment. In short, the Policies need to be rescinded, surrendered or declared

void. Cf. Camp v. Boyd, 229 U.S. 530, 559 (1913) (equity regards as done that which ought to be done). The Settlement Agreement spares the estate and its creditors from the time, expense and resources that litigation of the issues relating to the Policies would require, and protects the rights and interests of all parties claiming an interest therein. The Settlement Agreement benefits Lincoln National by protecting it from policies obtained by and tainted with fraud. The Settlement Agreement serves the public interest by depriving third parties of the fruits of fraud. In sum, 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 the Court, relieving the estate of further costs and from the potential risk of continued litigation with Lincoln National.

16. The Liquidator therefore believes that entering into the Settlement Agreement is an appropriate and prudent exercise of the Liquidator's judgment, and that the settlements resolve the pending disputes between the Liquidator and Lincoln National concerning the Policies on terms that are advantageous to the liquidation of Noble Trust and Noble Trust creditors.

17. Accordingly, the Liquidator believes that approval of the Settlement Agreement is in the best interests of Noble Trust, its creditors, and all parties in interest. See In re Liquidation of The Home Ins. Co., 154 N.H. 472, 489-90 (2006).

Filing and Service of Objections

18. Objections to this motion, if any, must be in writing and filed with the Clerk of the Court (Office of the Clerk, Merrimack County Superior Court, 163 North Main Street, Concord, New Hampshire, 03302), and served upon the following parties so as to be actually received on or before the objection deadline imposed by the Court; *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:

- (a) attorneys for the Liquidator: (i) Office of the Attorney General, 33 Capitol Street, Concord, New Hampshire 03301-6397, Attn.: Peter C.L. Roth, Esq., fax: (603) 223-6269, email: peter.roth@doj.nh.gov, (ii) Sheehan Phinney Bass + Green Professional Association, 1000 Elm Street, P.O. Box 3701, Manchester, New Hampshire, 03105-3701, Attn.: Christopher M. Candon, Esq., fax: (603) 627-8121, email: ccandon@sheehan.com, and (iii) Drummond Woodsum, 84 Marginal Way, Suite 600, Portland, Maine 04101-2480, Attn: Benjamin E. Marcus, Esq., fax: (207) 772-3627, email: bmarcus@dwmlaw.com;
- (b) attorneys for Lincoln National: Lincoln Financial Group, 100 N. Greene Street, Greensboro, North Carolina, 27401, Attn.: Benjamin R. Edwards, Esq., fax: (336) 691-3258, email: ben.edwards@lfg.com; and
- (c) counsel of record in this proceeding (whose names and addresses may be obtained from the Clerk's Office).

WHEREFORE, the Liquidator requests that the Court enter an order granting this Motion and approving the Settlement Agreement, in substantially the same form submitted herewith as Exhibit B, and grant the Liquidator such other and further relief as is just.

Respectfully submitted,

Dated: June 6, 2013

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

By his attorneys,

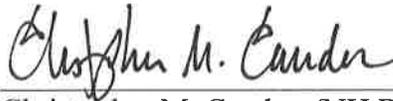
ANN M. RICE, DEPUTY ATTORNEY GENERAL

 *lanc*

Peter C.L. Roth (NH Bar 14395)
Senior Assistant Attorney General
NEW HAMPSHIRE DEPARTMENT OF JUSTICE
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-and-

SHEEHAN PHINNEY BASS + GREEN
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1000 Elm Street, P.O. Box 3701
Manchester, NH 03105-3701
(603) 627-8139

-and-

DRUMMOND WOODSUM

 *lanc*

Benjamin E. Marcus (*pro hac vice*)
84 Marginal Way, Suite 600
Portland, ME 04101-2480
(207) 772-1941

EXHIBIT A

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (“Agreement”) is entered into as of the 1st day of October, 2011 (the “Effective Date”) by and between The Lincoln National Life Insurance Company, successor-in-interest to Jefferson-Pilot Life Insurance Company, with a principal address of 100 N. Greene Street, Greensboro, NC 27401 (“Lincoln”), and Glenn A. Perlow, Bank Commissioner of the State of New Hampshire, as Liquidator of Noble Trust Company (“NTC”) (the “Liquidator”) (Lincoln and the Liquidator being collectively referred to herein as the “Parties”).

RECITALS

WHEREAS, prior to the commencement of the above-captioned liquidation proceeding (the “Liquidation Proceeding”), NTC was appointed and served as Trustee and, in certain instances, Trust Protector under certain trust agreements formed by or at the direction of NTC, including the trusts defined in Schedule “A,” all of which are collectively referred to hereinafter as the “Trusts.”

WHEREAS, prior to the commencement of the Liquidation Proceeding, each Trust, through its trustee, applied in writing to Lincoln for the issuance of life insurance policies insuring the lives of certain individuals, and Lincoln issued the policies defined in Schedule “B,” all of which are collectively referred to hereinafter as the “Policies.” In addition to being the Trustee of the Trusts and having applied for the issuance of the Policies, NTC purportedly obtained a collateral assignment of at least one of the Policies.

WHEREAS, on February 11, 2008, the Commissioner filed with the Superior Court for Merrimack County, New Hampshire (the “Liquidation Court”) his Verified Petition for Liquidation of NTC, and appointed Robert A. Fleury, Deputy Bank Commissioner of the State of New Hampshire, as Conservator for NTC.

WHEREAS, on March 31, 2008, this Court entered its Order Appointing Liquidator (the "Liquidation Order"), pursuant to which the Liquidator was vested with certain rights and powers concerning NTC (and all sub-trusts and protected trusts in which it holds an interest, either directly or indirectly), including "exclusive possession, custody and control of all of the property, contracts and rights of action and all of the books and records of NTC, . . . wherever located and by whomever possessed." The Liquidation Order further provided the Liquidator with "all of the powers of the officers and managers of NTC." The Liquidator is the duly appointed successor liquidator by order of this Court dated February 1, 2013.

WHEREAS, Colin P. Lindsey ("Lindsey") was a principal of NTC and, individually or through his affiliated entity Balcarres Group LLC ("Balcarres"), acted as a broker or producer in connection with certain of the Policies.

WHEREAS, the Liquidator has asserted claims and obtained civil judgments against Lindsey and Balcarres arising, in part, from their acts and conduct in connection with one or more of the Policies.

WHEREAS, in connection with the issuance of the Policies, Lincoln paid commissions to Lindsey and others totaling \$3,518,687.42.

WHEREAS, the Parties each have claims against each other arising from and relating to the Policies, and desire to settle and compromise their claims against each other in the manner set forth herein, in order to avoid the considerable time, expense, resources and uncertainties that protracted litigation of such claims would entail.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and of the mutual covenants herein contained, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. The Parties agree that this Agreement is subject to the entry of a final order by the Liquidation Court in the Liquidation Proceeding approving this 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, has been affirmed after all appeals therefrom have been exhausted.

2. The Liquidator and Lincoln agree that, as of the Effective Date of this Agreement, the Policies shall be deemed to be void *ab initio*, and no individual or entity shall have any rights with respect to the Policies, at law or in equity. The Liquidator and Lincoln further agree that in the event of the death of any insured under any Policy prior to Court Approval, no claim shall be submitted to Lincoln and no death benefits shall be payable under such Policy.

3. Upon Court Approval of this Agreement, and notwithstanding any other agreement between the Parties, the Liquidator and Lincoln agree that the Liquidator may utilize any documents, copies and electronic records generated or produced by or on behalf of Lincoln and relating to the Policies ("Policy Documents") as evidence in the course of administering the liquidation estate. Any such use by the Liquidator of the Policy Documents will not impact the fact that the Policies have been surrendered and are void *ab initio*.

4. Lincoln agrees to pay to the Liquidator the aggregate sum of One Million Three Hundred Thirty Thousand and 00/100 dollars (the "Settlement Amount"). Lincoln shall deliver to the Liquidator the full amount of the Settlement Amount upon execution of this Agreement, which the Liquidator shall deposit in a separate, segregated account (the "Settlement Account") and hold for the benefit of Lincoln pending Court Approval. If Court Approval does not become effective, the Liquidator shall thereupon return the Settlement Amount to Lincoln, without setoff or deduction on account of any claim that the Liquidator or any Third Party may otherwise have

against Lincoln or any other claim that is made in the Liquidation Proceeding. Upon Court Approval, the Settlement Amount shall be released from the Settlement Account and accepted by the Liquidator.

5. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Liquidator, in his capacity as Liquidator and on behalf of NTC (for itself and in any and all capacities in which it is named or has acted under any of the Trusts or in connection with any of the Policies), its representatives, parent organization, and their respective successors and assigns, hereby releases, acquits and discharges Lincoln, together with its directors, officers, employees, attorneys, agents, insurers, representatives, heirs, assigns, affiliates, predecessors, successors, related entities, and subsidiary and parent organizations from and against any and all claims, demands, obligations, liabilities, and causes of action, of any nature whatsoever, at law or in equity, asserted or unasserted, known or unknown, relating in any way to the Policies; provided, however, that this release does not constitute a release of any claims of the Liquidator against any other person or entity, including Lindsey, Balcarres, or any other person or entity who acted as a broker or producer with respect to any of the Policies.

6. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lincoln, and its representatives, successors, and assigns hereby release, acquit and discharge the Liquidator, NTC and the Trusts, together with their directors, officers, employees, attorneys, agents, insurers, representatives, heirs, assigns, affiliates, predecessors, successors, related entities, and subsidiary and parent organizations from and against any and all claims, demands, obligations, liabilities, and causes of action, of any nature whatsoever, at law or in equity, asserted or unasserted, known or unknown, relating to the Policies except as set forth in this Agreement.

7. 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 Lincoln, the Liquidator or NTC related in any way to the Policies, the Trusts, this Agreement, or the Liquidation Proceeding. The Court Approval shall further bar Third Parties from pursuing claims against Lincoln, the Liquidator or NTC asserted by, through, or under the Trusts. All liens, claims, encumbrances and interests in the Policies asserted by any and all Third Parties shall be administered and adjudicated in the Liquidation Proceeding in conjunction with the Liquidator's Plan of Liquidation and pursuant to further order(s) of the Liquidation Court.

8. No Party to this Agreement makes any acknowledgment or admission of any liability to any other Party to this Agreement.

9. The Parties acknowledge that neither they, nor anyone acting or purporting to act on their behalf, have made any representations nor warranties to the other as to any tax issues relating to the Policies or this Agreement.

10. This Agreement shall be governed and construed in accordance with the laws of the State of New Hampshire applicable to agreements made and to be wholly performed within that state, without regard to its conflicts of law provisions or the conflict of law provisions of any jurisdiction that would cause the application of any law other than that of the state of New Hampshire.

11. The Liquidator agrees to file all necessary pleadings to obtain entry of the Court Approval as soon as possible.

12. Each Party represents that it has carefully read and fully understands all of the provisions of this Agreement, that it has been given the opportunity to fully discuss the contents of this Agreement with independent counsel of its choice and has done so, and that by executing the agreement, each Party relies entirely on its own judgment and the advice of its respective counsel and not upon any representation, statement or promise, not otherwise set forth in this Agreement, of any of the other Parties, their attorneys or other individual or entity, and that it is voluntarily and without duress entering into this Agreement.

13. This Agreement may be signed in counterparts that are provided to the other party by facsimile or by electronic mail transmission of a copy of the executed document (in .pdf or .tiff format), each of which shall be deemed an original, and all counterparts so executed shall constitute one Agreement binding on all of the Parties, notwithstanding that all of the Parties are not signatory to the same counterpart.

14. The language of all parts of the Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly construed for or against any Party. The Parties agree that this Agreement shall be deemed to have been jointly drafted for purposes of applying any rules of construction.

15. Each of the Parties represents to the other that its signature on this Agreement has been duly authorized, subject (as to the Liquidator) only to Court Approval. Lincoln further represents that it is the successor-in-interest to Jefferson-Pilot Life Insurance Company and that it has acquired all of Jefferson-Pilot Life Insurance Company's rights, title and interest in and to any of the Policies.

16. Each party shall be responsible for its own attorneys' fees, actual costs of court and all other costs in connection with this Agreement.

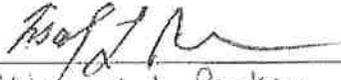
17. This Agreement reflects the entire agreement between the Parties concerning the Policies, and its approval is not contingent or conditioned upon or subject to any other agreement that the Liquidator and Lincoln may enter concerning any policy or policies not covered by this Agreement. The execution and delivery of this written Agreement supersedes any and all prior representations, negotiations or agreements pertaining to the subject matter herein. The Agreement may not be modified in any way except by written consent of authorized representatives of the Parties.

18. This Agreement and the covenants, obligations, undertakings, rights or benefits hereof shall be binding upon and shall inure to the benefit of the Parties hereto and their respective representatives, successors and assigns, including but not limited to, any successor liquidators of NTC and any successor trustees of the Trusts.

19. If, after Court Approval of this Agreement has been obtained, any part, term or provision of this Agreement is subsequently declared or determined by any Court or body of competent jurisdiction to be illegal, invalid, or unenforceable, the legality, validity and enforceability of the remaining parts, terms or provisions shall not be affected thereby and said illegal, unenforceable or invalid part, term or provision shall not be deemed to be a part of this Agreement.

SIGNATURE PAGE TO FOLLOW

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: 
Name: Michael L. Parker
Title: Vice President - Life Product Mgmt
Date: March 26, 2013

GLENN A. PERLOW,
Bank Commissioner of the State of New Hampshire,
As Liquidator of Noble Trust Company

By: _____
Name: _____
Title: _____
Date: _____, 2013

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: _____
Name: _____
Title: _____
Date: _____, 2013

GLENN A. PERLOW,
Bank Commissioner of the State of New Hampshire,
As Liquidator of Noble Trust Company

By:  _____
Name: _____
Title: _____
Date: 3/26, 2013

SCHEDULE A

The following are collectively defined as the "Trusts:"

- 1) The Patricia Codioli Family Trust dated 09/15/06 (the "Codioli Trust")¹;
- 2) The Grace Daubert Trust dated 12/07/06 (the "Daubert Trust");
- 3) The Feldman Life Insurance Trust dated 02/28/07 (the "Feldman Trust");
- 4) The Feldman Life Insurance Trust dated 02/28/07 (the "Feldman Trust");
- 5) The Moeller Life Insurance Trust dated 03/01/07 (the "Moeller Trust");
- 6) The Moeller Life Insurance Trust date 03/01/07 (the "Moeller Trust");
- 7) The Jack Parker Irrevocable Trust dated 8/28/06 (the "Parker Trust");
- 8) The [REDACTED] Irrevocable Life Insurance Trust dated 07/25/06 (the "[REDACTED] Trust"); and
- 9) The [REDACTED] Irrevocable Life Insurance Trust dated 07/26/06 (the "[REDACTED] Trust").

¹ Other names of the trust may include the Patricia Codoroli Family Trust 1 or the Cordoroli Family Trust 2. Notwithstanding the possible variations of the trust name, the Policy listed on Schedule B is the subject of this Settlement Agreement and shall be treated in the manner prescribed by the agreement.

SCHEDULE B

The following are collectively defined as the "Policies:"

- 1) The Patricia Codioli Family Trust, through its trustee NTC, applied in writing to Lincoln for the issuance of a life insurance policy insuring the life of Patricia Codioli. In response to this application, Lincoln issued policy number JF5566874, with a policy date of February 26, 2007 to the Patricia Codioli Family Trust (the "Codioli Policy"). Lincoln's records reflect that the Patricia Codioli Family Trust is the owner of the Codioli Policy and that NTC is the trustee and trust protector of the Patricia Codioli Family Trust.

- 2) The Grace Daubert Trust, through its trustee NTC, applied in writing to Lincoln for the issuance of a life insurance policy insuring the life of Grace Daubert. In response to this application, Lincoln issued policy number JF5566917, with a policy date of October 5, 2006 to the Grace Daubert Trust (the "Daubert Policy"). Lincoln's records reflect that the Grace Daubert Trust is the owner of the Daubert Policy and that NTC is the trustee of the Grace Daubert Trust.

- 3) The Feldman Life Insurance Trust, through its trustee NTC, applied in writing to Lincoln for the issuance of a life insurance policy insuring the life of Pearl L. Feldman. In response to this application, Lincoln issued policy number JP5576813 and policy number JP5576818, both with a policy date of April 25, 2007 to the Feldman Life Insurance Trust (the "Feldman Policies"). Lincoln's records reflect that the Feldman Life Insurance Trust is the owner of the Feldman Policies and that NTC is the trustee of the Feldman Life Insurance Trust.

- 4) The Moeller Life Insurance Trust, through its trustee NTC, applied in writing to Lincoln for the issuance of a life insurance policy insuring the life of Pat Moeller. In response to this application, Lincoln issued policy number JP5581139 and policy number JP5581148, both with a policy date of April 3, 2007 to the Moeller Trust. Lincoln's records reflect that the Moeller Life Insurance Trust is the owner of the Moeller Policies and that NTC is the trustee of the Moeller Trust.

- 5) The Jack Parker Irrevocable Trust, through its trustee NTC, applied in writing to Lincoln for the issuance of a life insurance policy insuring the life of John J. (Jack) Parker. In response to this application, Lincoln issued policy number JP5567162, with a policy date of March 20, 2007 to the Jack Parker Irrevocable Trust (the "Parker Policy"). Lincoln's records reflect that the Jack Parker Irrevocable Trust is the owner of the Parker Policy and that NTC is the trustee and trust protector of the Jack Parker Irrevocable Trust.

- 6) The [REDACTED] Irrevocable Life Insurance Trust, through its trustee NTC, applied in writing to Lincoln for the issuance of a life insurance policy insuring the life of [REDACTED]. In response to this application, Lincoln issued policy number JF5563576, with a policy date of June 11, 2007, to the [REDACTED] Irrevocable Life Insurance Trust ("the [REDACTED] Policy"). Lincoln's records reflect that the [REDACTED] Irrevocable Life Insurance Trust is the owner of the [REDACTED] Policy and that NTC is the trustee of the [REDACTED] Irrevocable Life Insurance Trust.
- 7) The [REDACTED] Irrevocable Life Insurance Trust, through its trustee NTC, applied in writing to Lincoln for the issuance of a life insurance policy insuring the life of [REDACTED]. In response to this application, Lincoln issued policy number JF5566700, with a policy date of June 19, 2007, to the [REDACTED] Irrevocable Life Insurance Trust ("the [REDACTED] Policy"). Lincoln's records reflect that the [REDACTED] Irrevocable Life Insurance Trust is the owner of the [REDACTED] Policy and that NTC is the trustee of the [REDACTED] Irrevocable Life Insurance Trust.

EXHIBIT B

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 SETTLEMENT AND RELEASE AGREEMENT
WITH THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
(NON-CREDIT SUISSE FINANCED POLICIES)**

Upon consideration of the Liquidator's Motion for Approval of Settlement and Release Agreement with The Lincoln National Life Insurance Company (Non-Credit Suisse Financed Policies) dated June 6, 2013 (the "Motion") and the Liquidator's Memorandum in Support of Settlement Motions dated June 6, 2013, 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 approval of a Settlement Agreement with The Lincoln National Life Insurance Company (Non-Credit Suisse Financed Policies) dated as of March 26, 2013 (the "Settlement Agreement") by and between the Liquidator and The Lincoln National Life Insurance Company ("Lincoln National"); due written notice of the Motion, the hearing on the Motion and the deadline for filing objections thereto having been given and served upon all creditors and other interested persons entitled thereto, including by publication in the manner specified by this Court's Order Approving Notice and Objection Procedures for Hearings on Motions for Approval of Settlement and Release Agreements dated _____, 2013 (the "Procedures Order"); the Court having reviewed the Motion and having reviewed the Settlement Agreement and the Confidential Affidavit in Support of the Motion filed under seal in accordance with the Procedures Order and this Court's Order Establishing Settlement

Agreement Review Procedures dated December 5, 2012; the Court also having reviewed any objections to the Motion; having heard the arguments and statements of counsel, and being otherwise fully advised in the premises; and having found that approval of the Settlement Agreement is an appropriate and prudent exercise of the Liquidator's judgment, and is in the best interests of this estate and its creditors; and, after due deliberation and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted, and the Settlement Agreement is approved. The Liquidator, Lincoln National and all other parties are authorized to take all steps and execute all documents necessary or convenient to consummate or otherwise enter into the Settlement Agreement. Neither the Liquidator, nor Lincoln National shall have or incur any liability to any person or entity with respect to any of the actions required or permitted to implement the Settlement Agreement or for having entered into the Settlement Agreement.

2. In compliance with the Procedures Order, the Liquidator has provided adequate notice to creditors and other interested persons, including anyone who did not otherwise receive notice by mail, of the hearing on the Motion, the issues to be decided at the hearing, and the deadline for filing objections.

3. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, including all reservations of rights included therein which are not otherwise provided for by this Order, are overruled on the merits.

4. The Settlement Agreement is subject to the entry of a final order by this Court in the Liquidation Proceeding 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, has been affirmed after all appeals therefrom have been exhausted.

5. Upon Court Approval, the Policies¹ shall be deemed void *ab initio* as of the Effective Date of the Settlement Agreement, and no individual or entity shall have any rights with respect to the Policies, at law or in equity. In the event of the death of any insured under any Policy prior to Court Approval, no claim shall be submitted to Lincoln National and no death benefits shall be payable under such Policy.

6. Lincoln National has paid to the Liquidator the aggregate sum of One Million Three Hundred Thirty Thousand and 00/100 dollars (\$1,330,000.00) (the "Settlement Amount"), which the Liquidator has deposited in a separate, segregated account (the "Settlement Account") pending Court Approval. If Court Approval does not become effective, the Liquidator shall thereupon return the Settlement Amount to Lincoln National, without setoff or deduction on account of any claim that the Liquidator or any Third Party (defined below) may otherwise have against Lincoln National or any other claim that is made in the Liquidation Proceeding. Upon Court Approval, the Settlement Amount shall be released from the Settlement Account and accepted by the Liquidator.

7. Upon Court Approval, 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")) shall be barred from pursuing claims against Lincoln National, the Liquidator or Noble Trust related in any way to the Policies, the Trusts, the Settlement Agreement, or the Liquidation Proceeding. Third Parties shall further be barred from pursuing claims against Lincoln National, the Liquidator or Noble

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 Settlement Agreement.

Trust asserted by, through, or under the Trusts. All liens, claims, encumbrances and interests in the Policies asserted by any and all Third Parties shall be allowed, disallowed or otherwise resolved and administered under the applicable claims administration and adjudication procedures of the Liquidation Proceeding, including under any plan of liquidation that the Court may approve and pursuant to further order(s) of the Court.

8. Upon Court Approval, all releases by and between the Liquidator and Lincoln National provided for in the Settlement Agreement shall become effective.

Dated: _____, 2013

Hon. Larry M. Smukler