

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

Docket No. 08-E-0053

In the Matter of the Liquidation of  
Noble Trust Company

2008 MAR 26 P 3:47  
NH SUPERIOR COURT  
MERRIMACK COUNTY  
MERRIMACK, NH

**ORDER APPOINTING LIQUIDATOR**

This action is heard on the Verified Petition for Liquidation (the "Petition") filed by Peter C. Hildreth, Banking Commissioner of the State of New Hampshire (the "Commissioner") concerning Noble Trust Company ("NTC" or "Noble"). NTC is a New Hampshire domiciled nondepository bank authorized by, chartered by, and subject to regulation by the New Hampshire Banking Department (the "Banking Department"). In the course of its business, NTC formed a number of trusts for the benefit of its clients, and served in a variety of fiduciary roles: as trustee or co-trustee; as "trust protector" within the meaning of RSA 564-B:12-201; and as the holder of interests in property in certain sub-trusts. NTC is wholly owned by Aegean Scotia Holdings, LLC ("Aegean Scotia"), a New Hampshire limited liability company. NTC is the sole member and manager of Balcarres Group, LLC ("Balcarres"), a Nevada limited liability company. Balcarres is licensed by the New Hampshire Insurance Department as an "insurance producer" under NH RSA 402-J, and in the course of its business procured numerous life insurance policies for NTC clients. The principal offices of NTC, Aegean Scotia and Balcarres are all located at 900 Elm Street, Suite 701, Manchester, New Hampshire 03101. Colin P. Lindsey is a principal of all three companies.

On February 11, 2008, contemporaneously with the filing of the Petition, the Commissioner filed a Motion for Ex Parte Temporary Restraining Order and Preliminary

Injunction (the "Injunction Motion), supported by the Affidavit of Robert A. Fleury, Deputy Bank Commissioner, whom the Commissioner had appointed as NTC's Conservator (the "Conservator"). The Court entered a Temporary Restraining Order on February 11, 2008 (the "TRO"), which enjoined any interference with the Conservator in the performance of his duties, including his taking possession of the books, records and property of NTC. NTC subsequently appeared in this proceeding, consented to the extension of the TRO's duration until the hearing on the Petition, and advised the Conservator that it was willing to cooperate with him to work for a prompt liquidation of not only NTC, but also Aegean Scotia, to protect the interests of NTC's clients and to preserve the value of the assets of each of such companies. On March 20, 2008, this Court further extended the TRO with the consent of the parties appearing at the hearing in this matter.

After having heard and considered the allegations set forth in the Petition, the Injunction Motion, and the Fleury Affidavit; and being further advised that NTC, Balcarres, Aegean Scotia and Colin P. Lindsey (none of whom admit the allegations in the foregoing Petition, Injunction Motion and Fleury Affidavit), as well as the Conservator, the New Hampshire Banking Department, and the New Hampshire Insurance Department each consent to the entry of this Order without further hearing or delay, and being fully advised of the circumstances of this case:

The Court finds that that there exists a present and urgent necessity for the immediate entry of this order in order to preserve the assets of NTC, Balcarres, and Aegean Scotia for the benefit of NTC's respective clients, creditors, and other parties in interest.

THEREFORE, it is hereby ordered as follows:

(a) Balcarres and Aegean Scotia are deemed to have appeared and become parties to this proceeding; to have waived service of process; and to have submitted themselves to the

jurisdiction of this Court for the purpose of the liquidation of the assets and properties of NTC and Aegean Scotia in accordance with applicable New Hampshire law;

(b) Peter C. Hildreth, Banking Commissioner for the State of New Hampshire, is hereby appointed Liquidator of NTC (which, for the purposes of this proceeding, includes all sub-trusts and protected trusts in which it holds an interest, whether directly or indirectly), and Aegean Scotia;

(c) The Liquidator shall have all the powers of the officers and managers of NTC and Aegean Scotia, whose authority shall be terminated, except as they may be specifically redelegated in writing by the Liquidator;

(d) The Liquidator is directed forthwith to take possession of and secure the assets, property, books, records, accounts and other documents of NTC, Balcarres, and Aegean Scotia, and to administer them under the orders of the Court, and is vested with exclusive possession, custody and control of all of the property, contracts and rights of action and all of the books and records of NTC, Balcarres and Aegean Scotia, wherever located and by whomever possessed (including, without limitation, all data processing information and records comprised of all types of electronically stored information, master tapes, source codes, passwords, or any other recorded information relating to the foregoing entities); provided, however, that such possession, custody and control shall be subject to the rights of the New Hampshire Insurance Department asserted under its subpoena served upon Balcarres on February 11, 2008;

(e) The Liquidator is authorized to transfer, invest, re-invest and otherwise deal with the assets and property of NTC and Aegean Scotia so as to effectuate their liquidation, all in a manner consistent with his obligations in this proceeding and under applicable New Hampshire law;

(f) The Liquidator is authorized to acquire, lease, improve, sell, transfer, abandon or otherwise dispose of or deal with any property of NTC and Aegean Scotia at its market value or upon such terms and conditions as are fair and reasonable, without prior permission of the Court, in the ordinary course of business;

(g) NTC, Balcarres and Aegean Scotia, and their respective officers, directors, members, managers, agents, employees, and representatives, are prohibited from proceeding with the business of NTC, Balcarres, or Aegean Scotia, except upon the express written authorization of the Liquidator;

(h) The respective officers, directors, members, managers, agents, employees and representatives of NTC, Balcarres, and Aegean Scotia, any and all persons acting in concert with any of them, and any and all co-trustees, trust protectors or trustees of any sub-trusts in which NTC has any direct or indirect interest, are each prohibited and enjoined from disposing, using, transferring, removing or concealing any property of NTC, Balcarres, or Aegean Scotia without the express written authority of the Liquidator or further order of this Court, or in any way (i) interfering with the conduct of the Liquidator or the performance of his duties, or (ii) interfering with the Liquidator's possession and rights to the property described herein;

(i) Any and all banks, savings and loan associations, financial institutions or other persons or entities are prohibited from disposing of, allowing to be withdrawn or concealing in any manner any property or assets of NTC, Balcarres, or Aegean Scotia, except under the express authorization of the Liquidator or by the further order of this Court;

(j) To the full extent of the jurisdiction of the Court and the comity to which the orders of the Court are entitled, all persons are hereby permanently enjoined and restrained from any of the following actions:

- (1) the commencement or continuation of any judicial, administrative, or other action or proceeding against NTC, Balcarres, or Aegean Scotia, except by a state or federal agency or authority acting solely under its police or regulatory power;
- (2) the enforcement of any judgment against NTC, Balcarres, or Aegean Scotia, or against their respective property;
- (3) any act to obtain possession of property of NTC, Balcarres, or Aegean Scotia, or to exercise control over property of any of those entities, including, without limitation, any act to terminate, cancel, revoke, void or otherwise alter any policies of insurance (i) issued to or for the benefit of NTC or any of its clients, or (ii) in which either NTC, Balcarres, or Aegean Scotia holds an interest (including as trustee, protector, or as property of a sub-trust), or (iii) which were issued through Balcarres for the benefit of NTC's clients; unless such termination, cancellation, revocation or alteration shall have first been approved by either the Liquidator or this Court, in which event such termination, cancellation, revocation or alteration shall be done in compliance with New Hampshire insurance laws and regulations;
- (4) any act to create, perfect, or enforce any lien against property of NTC, Balcarres, or Aegean Scotia;
- (5) any act to collect, assess, or recover a claim against NTC, Balcarres, or Aegean Scotia; and
- (6) the setoff of any debt owing to NTC, Balcarres, or Aegean Scotia;

(k) The Liquidator is authorized to appoint an agent or agents to assist him in the performance of his duties in connection with the business, property and assets of NTC and Aegean Scotia, and the liquidation thereof, and he may employ such other accountants, actuaries, insurance producers, attorneys and special counsel in this and other jurisdictions, and consultants with other expertise, as he deems necessary to carry out his duties in this proceeding, subject to compliance with applicable New Hampshire law;

(l) The Court hereby seeks and requests aid and recognition of any Court or administrative body in any State or Territory of the United States and any Federal Court or administrative body of the United States, any Court or administrative body elsewhere to act in aid of and to be complementary to this Court in carrying out the terms of the Order;

(m) Except with the prior written consent of the Liquidator, all persons doing business with NTC, Balcarres, or Aegean Scotia on the date of the Liquidation Order are permanently enjoined and restrained from terminating or attempting to terminate such relationship for cause under contractual provisions on the basis of the filing of the Petition, the entry of the Liquidation Order, this liquidation proceeding, or NTC's, Balcarres' or Aegean Scotia's financial condition during the liquidation proceedings;

(n) All persons in custody or possession of any property of NTC, Balcarres, or Aegean Scotia are hereby directed and ordered to turn over any such property to the Liquidator;

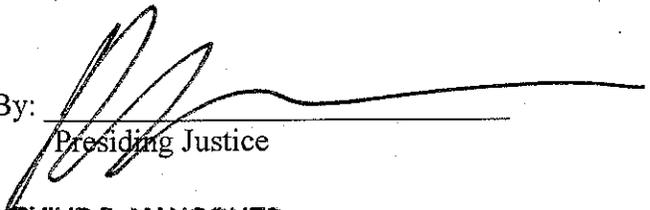
(o) The Liquidator, in his discretion, is authorized to pay reasonable expenses incurred in connection with this proceeding and any related proceedings, including the actual, reasonable, and necessary costs of preserving or recovering the assets of NTC, Balcarres, and Aegean Scotia, and the costs of goods and services provided to this estate. Such costs shall include, but not limited to: (i) reasonable professional fees for accountants, actuaries, insurance

producers, attorneys and consultants with other expertise retained by the State of New Hampshire Banking Department, the Commissioner, the Conservator or the Liquidator to perform services relating to this proceeding, or the feasibility, preparation, implementation, or operation of a liquidation plan; (ii) reasonable compensation and other costs related to representatives and employees of NTC or its affiliates, including the Commissioner's agents appointed pursuant to RSA 395:10, who perform services for the Liquidator; and (iii) a reasonable allocation of costs and expenses associated with time spent by Insurance Department or Banking Department personnel and the Office of the Attorney General in connection with this proceeding;

(p) The Liquidator, in his discretion, is authorized to liquidate any bonds or securities of NTC and Aegean Scotia, in a manner consistent with his duties hereunder, and to use the proceeds of same to pay costs associated with the Liquidation; and

(q) The amounts recoverable by the Liquidator from any insurer, surety or guarantor of NTC, Balcarres, or Aegean Scotia shall not be reduced as a result of this proceeding or by reason of any partial payment or distribution, and each such insurer, surety or guarantor of NTC, Balcarres, or Aegean Scotia is hereby enjoined and restrained from terminating, canceling, failing to extend or renew, or reducing or changing coverage under any guaranty or bond or contract with NTC, Balcarres, or Aegean Scotia without first obtaining leave of this Court.

Date : 3-27-08  
Time: 1:38 pm

By:   
Presiding Justice  
PHILIP P. MANGONES  
PRESIDING JUSTICE