

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
 : Chapter 15
Petition of David McGuigan, as foreign :
representative of : Case No. 10-14990 (SMB)
 :
Allianz Global Corporate & Specialty (France), : (Jointly Administered)
Allianz IARD, :
Delvag Luftfahrtversicherungs-AG, and :
Nürnbergger Allgemeine Versicherungs-AG. :
 :
Debtors in a Foreign Proceeding. :
----- X

NOTICE OF FILING REVISED RECOGNITION ORDER

PLEASE TAKE NOTICE that on September 22, 2010 (the “Petition Date”), David McGuigan (the “Petitioner”), as the duly appointed and authorized foreign representative, as defined in section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”) of above captioned debtors in a foreign proceeding (each a “Scheme Company” or “Debtor” and, together the “Scheme Companies” or “Debtors”), by its U.S. counsel, Sidley Austin LLP, respectfully submitted a Verified Petition Under Chapter 15 For Recognition Of Foreign Proceedings And Motion For Permanent Injunction [Docket No. 2] (the “Petition and Motion”) in furtherance of the Official Form Petitions (the “Petitions”) filed contemporaneously therewith commencing their chapter 15 cases (the “Chapter 15 Cases”) and seeking recognition of, and requesting permanent injunctive and other relief in aid of, the foreign proceedings and schemes of arrangement sanctioned by the High Court of Justice of England and Wales, through the entry of a proposed recognition order, attached to the Petition and Motion as Exhibit C (the “Initial Proposed Recognition Order”).

PLEASE TAKE FURTHER NOTICE that on September 27, 2010, this Court held a hearing (the “Scheduling Hearing”) on the Scheme Companies’ Motion for the Joint

Administration of the Chapter 15 Cases [Docket No. 7] and Motion for an Order Scheduling the Recognition Hearing and Approving the Form and Manner of Service of the Notice Related Thereto [Docket No. 8], and granted the relief requested therein.

PLEASE TAKE FURTHER NOTICE that on November 4, 2010, the Petitioner filed a supplemental memorandum [Docket No. 16] (the “Supplemental Memorandum”) to provide supporting authority for certain of the relief requested in the proposed recognition order, specifically with respect to the exculpation and immunity clauses contained therein.

PLEASE TAKE FURTHER NOTICE that on November 4, 2010, the Petitioner submitted a revised proposed recognition order, attached as Exhibit A to the Supplemental Memorandum (the “Revised Recognition Order”). For the convenience of the Court and parties in interest, a clean copy of the Revised Recognition Order, together with a blackline comparing the Revised Recognition Order to the Initial Proposed Recognition Order, are attached hereto as Exhibit A and Exhibit B, respectively.

Dated: November 4, 2010
New York, New York

SIDLEY AUSTIN LLP

By: /s/ Lee S. Attanasio

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Attorneys for the Petitioner

EXHIBIT A

Clean Copy of Revised Recognition Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
 : Chapter 15
Petition of David McGuigan, as foreign :
representative of : Case No. 10-14990 (SMB)
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Allianz Global Corporate & Specialty (France), : (Jointly Administered)
Allianz IARD, :
Delvag Luftfahrtversicherungs-AG, and :
Nürnberger Allgemeine Versicherungs-AG. :
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Debtors in a Foreign Proceeding. :
-----x

**ORDER AND FINAL DECREE GRANTING RECOGNITION OF FOREIGN
PROCEEDINGS, PERMANENT INJUNCTION AND RELATED RELIEF**

David McGuigan (the “Petitioner”), in his capacity as the duly appointed foreign representative, as defined in section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”), of Allianz Global Corporate & Specialty (France) (formerly known as Compagnie d’Assurances Maritimes Aeriennes et Terrestres when writing direct insurance and reinsurance business in the CUAL Pool¹ and hereinafter “Allianz Global”), Allianz IARD (formerly known as Assurances Générales de France I.A.R.T. when writing direct insurance and reinsurance business in the CUAL Pool and hereinafter “Allianz IARD”), Delvag Luftfahrtversicherungs-AG (“Delvag”) and Nürnberger Allgemeine Versicherungs-AG (“Nürnberger”) (each a “Scheme Company” or “Debtor” and together, the “Scheme Companies” or “Debtors”), which were subject to jointly administered adjustment of debt proceedings (the “English Proceedings”) and bound by those certain Schemes of Arrangement pursuant to Part 26 of the Companies Act 2006 (the “Schemes”) sanctioned by the High Court of Justice of England and Wales (the “English Court”) on July 9, 2010 for the Scheme Companies, filed the Verified Petition Under Chapter 15 For Recognition Of Foreign Proceedings (the “Petition”) And Motion For Permanent Injunction (the “Petition and

¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the Schemes or the Petition and Motion.

Motion”), the Memorandum Of Law In Support Of the Verified Petition Under Chapter 15 For Recognition Of Foreign Proceedings And Motion For Permanent Injunction (the “Memorandum of Law”), the Declaration of David McGuigan In Support Of Petition Under Chapter 15 For Recognition Of A Foreign Proceedings And Motion For Permanent Injunction And Order (the “McGuigan Declaration”), the Statement of Foreign Representative Identifying All Foreign Proceedings With Respect To Debtor Pursuant To 11 U.S.C. § 1515(c) (the “Section 1515(c) Statement”), and the List Filed Pursuant To Bankruptcy Rule 1007(a)(4) Of Administrators In Foreign Proceedings, Litigation Parties And Entities Against Whom Provisional Relief Is Being Sought Under 11 U.S.C. §1519 (the “Bankruptcy Rule 1007(a)(4) List”) (collectively, the “Chapter 15 Pleadings”) on September 22, 2010; and the Petitioner having given notice of the Petition in accordance with the Scheduling Order, on or before October 8, 2010 and by publication in The Wall Street Journal (US Edition) and Business Insurance magazine on or before October 8, 2010; and upon the record of the hearing before this Court on November 9, 2010 and all prior hearings and status conferences herein; this Court hereby finds and concludes as follows:

1. The Petitioner has demonstrated that:

- (a) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157 and the “Standing Order of Referral of Cases to Bankruptcy Judges” of the United States District Court for the Southern District of New York (Ward, Acting C.J.), dated July 10, 1984; and
- (b) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and
- (c) The Petitioner, acting at the direction of the English Court, is a person duly appointed to act as the foreign representative (the “Foreign Representative”) of the Scheme Companies within the meaning of section 101(24) of the Bankruptcy Code; and
- (d) The chapter 15 cases (the “Chapter 15 Cases”) were properly commenced in compliance with and pursuant to 11 U.S.C. §§ 1504

and 1515; and

(e) The Verified Petitions satisfy the requirements of 11 U.S.C. § 1515; and

(f) The English Proceedings are “foreign proceedings” pursuant to 11 U.S.C. § 1517(a) and within the meaning of section 101(23) of the Bankruptcy Code; and

(g) The English Proceedings are “foreign main proceedings” pursuant to 11 U.S.C. §§ 1502(4) and 1517(b)(1) or, alternatively, “foreign non-main proceedings” pursuant to 11 U.S.C. § 1502(5); and

2. The Scheme Companies are entitled to all the relief pursuant to 11 U.S.C. § 1520 without limitation; and
3. The Scheme Companies are entitled to all the relief expressly set forth in 11 U.S.C. §§ 1521(a) and (b) and that is granted hereby. The Petitioner has demonstrated that the Scheme Companies are entitled to all the relief requested, including that permanent injunctive relief is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States and warranted pursuant to section 1521 of the Bankruptcy Code and 7065 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).
4. The Petitioner has demonstrated that permanent injunctive relief would not cause any hardships to Scheme Creditors of the Scheme Companies or other parties-in-interest that would not be outweighed by the benefits of such relief. Unless a permanent injunction is issued, it appears to this Court that one or more persons or entities may take action that is inconsistent with or in contravention of the terms of the Scheme Companies’ Schemes, thereby interfering with, and causing harm to, the efforts of the Scheme Manager to administer the Schemes, and that as a result, the Scheme Companies and Scheme Creditors will suffer irreparable

injury for which there is no adequate remedy at law;

5. The interest of the public will be served by this Court's granting the relief requested by the Petitioner; and
6. Venue is properly located in this District pursuant to 28 U.S.C. § 1410.

NOW, THEREFORE, IT IS HEREBY

ORDERED, that the Petitioner is recognized as a "foreign representative" pursuant to 11 U.S.C. § 101(24); and

ORDERED, that the English Proceedings are recognized as "foreign main proceedings" pursuant to 11 U.S.C. §§ 1502(4) and 1517(a), (b)(1), or, alternatively, are "foreign nonmain proceedings" pursuant to 11 U.S.C. § 1502; and

ORDERED, that all relief afforded to a debtor in a foreign main proceeding pursuant to 11 U.S.C. § 1520 of the Bankruptcy Code is automatically effective as to the Scheme Companies, without modification and/or that all relief afforded under 11 U.S.C. §§ 1521(a) and (b) is automatically effective as to the Scheme Companies; and it is further

ORDERED, that comity shall be granted and the Schemes and the Sanction Orders shall be given full force and effect; and

ORDERED, that the Petitioner shall be awarded such other and further relief as this Court may deem just and proper; and

ORDERED, that all additional relief as authorized by section 1521 of the Bankruptcy Code shall be awarded; and

ORDERED, that the Schemes (including any amendments or modifications to the Schemes on or before the date of this Order) shall be given full force and effect and be binding on and enforceable against all Scheme Creditors, including without limitation, against a Scheme Creditor in its capacity as a debtor of the Scheme Companies, in the United States; and it is further

ORDERED, that all Scheme Creditors are hereby permanently enjoined and restrained from:

- (a) taking or continuing any act to obtain possession of, or exercise control over

any property of the Scheme Companies or the proceeds of such property in the United States, and its territories, that is not in compliance with the Schemes, and seizing, repossessing, transferring, relinquishing, or disposing of any property of the Scheme Companies, or the proceeds of such property in the United States, and its territories that is not in compliance with the Schemes; and

(b) commencing or continuing any legal or equitable action or proceedings (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever), including by way of counterclaim, against the Scheme Companies or any of their property in the United States, and its territories, that is involved in the English Proceedings, or the proceeds thereof, or seeking discovery of any nature against the Scheme Companies; and

(c) commencing or continuing any proceeding against the duly appointed Foreign Representative, each of the Scheme Companies, the Centre for Effective Dispute Resolution (“CEDR”), any person who holds or has held the position of Chief Executive of CEDR, any person who holds or has held the position of President of the Institute of Actuaries in England, any person holding or who has at any time held the position of Scheme Manager, Scheme Adjudicator or Actuarial Adjudicator, the Chairman of the Creditors' Meetings, the Vote Assessor and any past or present director of any of the Scheme Companies, including their respective successors, delegates, directors, officers, agents, employees, representatives, advisers or attorneys, or any of them (the “Scheme Parties”), with respect to any claim or cause of action, in law or in equity, arising out of or relating to (i) any action taken or omitted to be taken as of the Effective Date by any of the Scheme Parties in connection with these Chapter 15 Cases or in preparing, disseminating, applying for or implementing the Schemes or the Order, or (ii) the construction or interpretation of the Schemes or out of any action taken or omitted to be taken by any of the Scheme Parties in connection with the administration of the Schemes; and

(d) enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award and commencing or continuing any act or any other legal or equitable action or proceedings (including, without limitation, arbitration, mediation or any

judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever) to create, perfect or enforce any lien or other security interest, set off, attachment, garnishment, or other claim against a Scheme Company or any of its property in the United States, and its territories, or any proceeds thereof, including, without limitation, rights under reinsurance or retrocession contracts; and

(e) invoking, enforcing or relying on the benefits of any statute, rule or requirement of federal, state, or local law or regulation requiring the Scheme Companies to establish or post security in the form of a bond, letter of credit or otherwise as a condition of prosecuting or defending any proceedings (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever) in connection with an actual or alleged Scheme Claim or Scheme Debt and such statute, rule or requirement will be rendered null and void for proceedings, provided, however, that nothing in the Order shall in any respect affect any security in existence at the Effective Date or the replacements for such security; and

(f) withdrawing from, setting off against, or otherwise applying property that is the subject of any trust or escrow agreement or similar agreement in which the Scheme Companies have an interest in excess of amounts expressly authorized by the terms of the trust, escrow, or similar agreement;

(g) drawing down any letter of credit established by, on behalf or at the request of, the Scheme Companies, in excess of amounts expressly authorized by the terms of the contract or other agreement pursuant to which such letter of credit has been established;

(h) accelerating, terminating, exercising remedies or modifying any agreement, contract or arrangement with a Scheme Company on account of the filing of the Chapter 15 Pleadings or the recognition of the Schemes pursuant to chapter 15; and it is further

ORDERED that all Scheme Creditors of the Scheme Companies are permanently enjoined from taking any action in contravention of or inconsistent with the Schemes; and it is further

ORDERED, that except as otherwise provided herein or in the Schemes, in the absence of a bona fide dispute raised and conducted in accordance with the Schemes, all persons and entities in possession, custody, or control of property of any Scheme Company in the United States, or the proceeds thereof, are required to turn over and account for such property or proceeds thereof to the Scheme Companies; and it is further

ORDERED, that nothing in this Order prevents the continuance or commencement of proceedings against any person, entity, or other insurer other than the Scheme Companies, provided, however, that if any third party shall reach a settlement with, or obtain a judgment against, any person or entity other than the Scheme Companies, such settlement or judgment shall not be binding on or enforceable against the Scheme Companies or their property, or any proceeds thereof; and it is further

ORDERED, that the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure, pursuant to Bankruptcy Rule 7065, shall be, and the same hereby are, waived with respect to the injunctive relief provided in this Order; and it is further

ORDERED, that no action taken by the Scheme Parties in preparing, disseminating, applying for, implementing or otherwise acting in furtherance of the Schemes, this Order, these Chapter 15 Cases, any further order for additional relief in these Chapter 15 Cases, or any adversary proceedings in connection therewith as may be commenced under the Bankruptcy Code, will be deemed to constitute a waiver of the immunity afforded pursuant to section 306 or section 1510, as applicable, of the Bankruptcy Code, or under the law of the United States or otherwise; and it is further

ORDERED, that all Scheme Creditors that are beneficiaries of letters of credit established by, on behalf or at the request of a Scheme Company or parties to any trust, escrow or similar arrangement in which a Scheme Company has an interest, are required to:

(a) provide notice to the Petitioner's United States counsel of any drawdown on any letter of credit established by, on behalf or at the request of, a Scheme Company, or any withdrawal from, set-off against, or other application of property that is the subject of any trust or

escrow agreement or similar arrangement in which any of the Scheme Companies has an interest, together with information sufficient to permit the Scheme Manager to assess the propriety of such drawdown, withdrawal, set-off or other application, including, without limitation, the date and amount of such drawdown, withdrawal, setoff or other application and a copy of any contract, related trust or other agreement pursuant to which any such drawdown, withdrawal, setoff, or other application was made, and provide such notice and other information contemporaneously therewith; provided, however, no drawing against any letter of credit or withdrawal from any escrow, trust or similar arrangement shall be made in connection with any commutation unless the amount of such drawing has been agreed in writing with the Scheme Companies and the Scheme Manager; and

(b) turn over and account to the Scheme Manager for any funds resulting from the drawdown of any letter of credit or the application of funds subject to any trust, escrow or similar arrangement, withdrawal, set-off, or other application in excess of amounts expressly authorized by the terms of the contract, any related trust or other agreement pursuant to which such letter of credit, trust, escrow or similar arrangement has been established; and it is further

ORDERED, that the Scheme Companies and the Scheme Manager be authorized to transfer to the foreign proceedings for distribution pursuant to the Schemes any monies or assets of the Scheme Company which the Scheme Company or the Scheme Manager have or may hereafter recover; and it is further

ORDERED, that all persons that have a claim of any nature or source against a Scheme Company and who are parties to any proceedings (including, without limitation, arbitration or any judicial, quasi-judicial, administrative action, proceeding or process whatsoever) in which a Scheme Company is or was named as a party, or as a result of which a liability of a Scheme Company may be established, is required to place the Petitioner's United States counsel (Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Lee S. Attanasio, Esq., and Alex R. Rovira, Esq.) on the master service list of any such action or other legal proceeding, and to take such other steps as may be necessary to ensure that such counsel receives:

(a) copies of any and all documents served by the parties to such action or other

legal proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal proceeding; and

(b) any and all correspondence, or other documents circulated to parties named in the master service list; and it is further

ORDERED, that the English Court has exclusive jurisdiction to hear and determine any suit, action, claim or proceeding and to settle any dispute which may arise out of the construction or interpretation of the Schemes, or out of any action taken or omitted to be taken by any of the Scheme Parties (as defined in page 5 of this Order) in connection with the administration of the Schemes; provided, however, that in relation to the determination of Scheme Claims nothing in this Order affects the validity of provisions determining governing law and jurisdiction, whether contained in any contract between the Scheme Companies and any of its Scheme Creditors or otherwise; and it is further

ORDERED, that this Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of the Order or requests for any additional relief in these Chapter 15 Cases and all adversary proceedings in connection therewith properly commenced and within the jurisdiction of this Court; and it is further

ORDERED, that this Order shall be served:

(a) by United States mail, first class prepaid, on or before November 19, 2010 as prescribed by this Court upon all the known Scheme Creditors in the U.S. of whose current address the Scheme Manager is aware at the date of service; and

(b) by publication in The Wall Street Journal (US Edition) and Business Insurance magazine on or before November 19, 2010; and it is further

ORDERED, that such service will be good and sufficient service and adequate notice of this Order for all purposes.

Dated: November 9, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Blackline comparing the Revised Recognition Order
to the Proposed Recognition Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re :
 : Chapter 15
Petition of David McGuigan, as foreign :
representative of : Case No. 10-14990 (~~---~~[SMB](#))
 :
Allianz Global Corporate & Specialty (France), : (Jointly Administered)
Allianz IARD, :
Delvag Luftfahrtversicherungs-AG, and :
Nürnbergger Allgemeine Versicherungs-AG. :
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Debtors in a Foreign Proceeding. :
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**ORDER AND FINAL DECREE GRANTING RECOGNITION OF FOREIGN
PROCEEDINGS, PERMANENT INJUNCTION AND RELATED RELIEF**

David McGuigan (the “Petitioner”), in his capacity as the duly appointed foreign representative, as defined in section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”), of Allianz Global Corporate & Specialty (France) (formerly known as Compagnie d’Assurances Maritimes Aeriennes et Terrestres when writing direct insurance and reinsurance business in the CUAL Pool¹ and hereinafter “Allianz Global”), Allianz IARD (formerly known as Assurances Générales de France I.A.R.T. when writing direct insurance and reinsurance business in the CUAL Pool and hereinafter “Allianz IARD”), Delvag Luftfahrtversicherungs-AG (“Delvag”) and Nürnbergger Allgemeine Versicherungs-AG (“Nürnbergger”) (each a “Scheme Company” or “Debtor” and together, the “Scheme Companies” or “Debtors”), which were subject to jointly administered adjustment of debt proceedings (the “English Proceedings”) and bound by those certain Schemes of Arrangement pursuant to Part 26 of the Companies Act 2006 (the “Schemes”) sanctioned by the High Court of Justice of England and Wales (the “English Court”) on July 9, 2010 for the Scheme Companies, filed the Verified Petition Under Chapter 15 For Recognition Of Foreign Proceedings (the “Petition”) And Motion For Permanent Injunction (the “Petition and Motion”), the Memorandum Of Law In Support Of the Verified Petition Under Chapter 15 For

¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the Schemes or the Petition and Motion.

Recognition Of Foreign Proceedings And Motion For Permanent Injunction (the “Memorandum of Law”), the Declaration of David McGuigan In Support Of Petition Under Chapter 15 For Recognition Of A Foreign Proceedings And Motion For Permanent Injunction And Order (the “McGuigan Declaration”), the Statement of Foreign Representative Identifying All Foreign Proceedings With Respect To Debtor Pursuant To 11 U.S.C. § 1515(c) (the “Section 1515(c) Statement”), and the List Filed Pursuant To Bankruptcy Rule 1007(a)(4) Of Administrators In Foreign Proceedings, Litigation Parties And Entities Against Whom Provisional Relief Is Being Sought Under 11 U.S.C. §1519 (the “Bankruptcy Rule 1007(a)(4) List”) (collectively, the “Chapter 15 Pleadings”) on September 22, 2010; and the Petitioner having given notice of the Petition in accordance with the Scheduling Order, on or before ~~§ _____~~ October 8, 2010 and by publication in The Wall Street Journal (US Edition) and Business Insurance magazine on or before ~~§ _____~~ October 8, 2010; and upon the record of the hearing before this Court on ~~§ _____~~ November 9, 2010 and all prior hearings and status conferences herein; this Court hereby finds and concludes as follows:

1. The Petitioner has demonstrated that:

- (a) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157 and the “Standing Order of Referral of Cases to Bankruptcy Judges” of the United States District Court for the Southern District of New York (Ward, Acting C.J.), dated July 10, 1984; and
- (b) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and
- (c) The Petitioner, acting at the direction of the English Court, is a person duly appointed to act as the foreign representative (the “Foreign Representative”) of the Scheme Companies within the meaning of section 101(24) of the Bankruptcy Code; and
- (d) The chapter 15 cases (the “Chapter 15 Cases”) were properly commenced in compliance with and pursuant to 11 U.S.C. §§ 1504

and 1515; and

(e) The Verified Petitions satisfy the requirements of 11 U.S.C. § 1515; and

(f) The English Proceedings are “foreign proceedings” pursuant to 11 U.S.C. § 1517(a) and within the meaning of section 101(23) of the Bankruptcy Code; and

(g) The English Proceedings are “foreign main proceedings” pursuant to 11 U.S.C. §§ 1502(4) and 1517(b)(1) or, alternatively, “foreign non-main proceedings” pursuant to 11 U.S.C. § 1502(5); and

2. The Scheme Companies are entitled to all the relief ~~set forth in section 1~~ pursuant to 11 U.S.C. § 1520 without limitation; and
3. The Scheme Companies are entitled to all the relief expressly set forth in 11 U.S.C. §§ 1521(a) and (b) and that is granted hereby. The Petitioner has demonstrated that the Scheme Companies are entitled to all the relief requested, including that permanent injunctive relief is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States and warranted pursuant to section 1521 of the Bankruptcy Code and 7065 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).
4. The Petitioner has demonstrated that permanent injunctive relief would not cause any hardships to Scheme Creditors of the Scheme Companies or other parties-in-interest that would not be outweighed by the benefits of such relief. Unless a permanent injunction is issued, it appears to this Court that one or more persons or entities may take action that is inconsistent with or in contravention of the terms of the Scheme Companies’ Schemes, thereby interfering with, and causing harm to, the efforts of the Scheme Manager to administer the Schemes, and that as a result, the Scheme Companies and Scheme Creditors will suffer irreparable

injury for which there is no adequate remedy at law;

5. The interest of the public will be served by this Court's granting the relief requested by the Petitioner; and

6. Venue is properly located in this District pursuant to 28 U.S.C. § 1410.

NOW, THEREFORE, IT IS HEREBY

ORDERED, that the Petitioner is recognized as a "foreign representative" pursuant to 11 U.S.C. § 101(24); and

ORDERED, that the English Proceedings are recognized as "foreign main proceedings" pursuant to 11 U.S.C. §§ 1502(4) and 1517(a), (b)(1), or, alternatively, are "foreign nonmain proceedings" pursuant to 11 U.S.C. § 1502; and

ORDERED, that all relief afforded to a debtor in a foreign main proceeding pursuant to 11 U.S.C. § 1520 of the Bankruptcy Code is automatically effective as to the Scheme Companies, without modification and/or that all relief afforded under 11 U.S.C. §§ 1521(a) and (b) is automatically effective as to the Scheme Companies; and it is further

ORDERED, that comity shall be granted and the Schemes and the Sanction Orders shall be given full force and effect; and

ORDERED, that the Petitioner shall be awarded such other and further relief as this Court may deem just and proper; and

ORDERED, that all additional relief as authorized by section 1521 of the Bankruptcy Code shall be awarded; and

ORDERED, that the Schemes (including any amendments or modifications to the Schemes on or before the date of this Order) shall be given full force and effect and be binding on and enforceable against all Scheme Creditors, including without limitation, against a Scheme Creditor in its capacity as a debtor of the Scheme Companies, in the United States; and it is further

ORDERED, that all Scheme Creditors are hereby permanently enjoined and restrained from:

(a) taking or continuing any act to obtain possession of, or exercise control over

any property of the Scheme Companies or the proceeds of such property in the United States, and its territories, that is not in compliance with the Schemes, and seizing, repossessing, transferring, relinquishing, or disposing of any property of the Scheme Companies, or the proceeds of such property in the United States, and its territories that is not in compliance with the Schemes; and

(b) commencing or continuing any legal or equitable action or proceedings (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever), including by way of counterclaim, against the Scheme Companies or any of their property in the United States, and its territories, that is involved in the English Proceedings, or the proceeds thereof, ~~and~~or seeking discovery of any nature against the Scheme Companies; and

(c) commencing or continuing any proceeding against the duly appointed Foreign Representative, each of the Scheme Companies, the Centre for Effective Dispute Resolution (“CEDR”), any person who holds or has held the position of Chief Executive of CEDR, any person who holds or has held the position of President of the Institute of Actuaries in England, any person holding or who has at any time held the position of Scheme Manager, Scheme Adjudicator or Actuarial Adjudicator, the Chairman of the Creditors' Meetings, the Vote Assessor and any past or present director of any of the Scheme Companies, including their respective successors, delegates, directors, officers, agents, employees, representatives, advisers or attorneys, or any of them (the “Scheme Parties”), with respect to any claim or cause of action, in law or in equity, arising out of or relating to (i) any action taken or omitted to be taken as of the Effective Date by any of the Scheme Parties in connection with these Chapter 15 Cases or in preparing, disseminating, applying for or implementing the Schemes or the Order, or (ii) the construction or interpretation of the Schemes or out of any action taken or omitted to be taken by any of the Scheme Parties in connection with the administration of the Schemes; and

(d) enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award and commencing or continuing any act or any other legal or equitable action or proceedings (including, without limitation, arbitration, mediation or any

judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever) to create, perfect or enforce any lien or other security interest, set off, attachment, garnishment, or other claim against a Scheme Company or any of its property in the United States, and its territories, or any proceeds thereof, including, without limitation, rights under reinsurance or retrocession contracts; and

(e) invoking, enforcing or relying on the benefits of any statute, rule or requirement of federal, state, or local law or regulation requiring the Scheme Companies to establish or post security in the form of a bond, letter of credit or otherwise as a condition of prosecuting or defending any proceedings (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative or regulatory action, proceedings or process whatsoever); in connection with an actual or alleged Scheme Claim or Scheme Debt and such statute, rule or requirement will be rendered null and void for proceedings, provided, however, that nothing in the Order shall in any respect affect any security in existence at the Effective Date or the replacements for such security; and

(f) withdrawing from, setting off against, or otherwise applying property that is the subject of any trust or escrow agreement or similar agreement in which the Scheme Companies have an interest in excess of amounts expressly authorized by the terms of the trust, escrow, or similar agreement;

(g) drawing down any letter of credit established by, on behalf or at the request of, the Scheme Companies, in excess of amounts expressly authorized by the terms of the contract or other agreement pursuant to which such letter of credit has been established;

(h) ~~declaring or treating~~ accelerating, terminating, exercising remedies or modifying any agreement, contract or arrangement with a Scheme Company on account of the filing of the Chapter 15 Pleadings or the ~~Schemes as a default or event of default under any agreement, contract or arrangement;~~

~~and it is further~~

~~ORDERED, that a Net Valuation Statement, including all amounts (including,~~

~~without limitation, Scheme Debt) determined by the Scheme Adjudicator or Actuarial Adjudicator, shall be final and binding on the Scheme Companies and any person or entity that is a Scheme Creditor of a Scheme Company, including, without limitation, against such person or entity in its capacity as a debtor of a Scheme Company in the United States; and it is further ORDERED, that a Net Ascertained Claim or Net Debt (as defined in the Schemes) determined as provided under the Schemes shall be final and binding on the Scheme Companies and any person or entity that is a Scheme Creditor~~ [recognition of the Schemes pursuant to chapter 15](#); and it is further

ORDERED that all Scheme Creditors of the Scheme Companies are permanently enjoined from taking any action in contravention of or inconsistent with the Schemes; and it is further

ORDERED, that except as otherwise provided herein or in the Schemes, [in the absence of a bona fide dispute raised and conducted in accordance with the Schemes](#), all persons and entities in possession, custody, or control of property of any Scheme Company in the United States, or the proceeds thereof, are required to turn over and account for such property or proceeds thereof to the Scheme Companies; and it is further

ORDERED, that nothing in this Order prevents the continuance or commencement of proceedings against any person, entity, or other insurer other than the Scheme Companies, provided, however, that if any third party shall reach a settlement with, or obtain a judgment against, any person or entity other than the Scheme Companies, such settlement or judgment shall not be binding on or enforceable against the Scheme Companies or their property, or any proceeds thereof; and it is further

ORDERED, that the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure, pursuant to Bankruptcy Rule 7065, shall be, and the same hereby are, waived with respect to the injunctive relief provided in this Order; and it is further

ORDERED, that no action taken by the ~~duly appointed Foreign Representative, the Scheme Companies, CEDR, any person who holds or has held the position of Chief Executive of CEDR, any person who holds or has held the position of President of the Institute of Actuaries in~~

~~England, any person holding or who has at any time held the position of Scheme Manager, Scheme Adjudicator or Actuarial Adjudicator, the Chairman of the Creditors' Meetings, the Vote Assessor and any past or present director of any of the Scheme Companies, including their respective successors, delegates, directors, officers, agents, employees, alternates, partners, representatives, advisers, or counsel, or any of them, Scheme Parties in preparing, disseminating, applying for, implementing or otherwise acting in furtherance of the Schemes, this Order, these Chapter 15 Cases, any further order for additional relief in these Chapter 15 Cases, or any adversary proceedings in connection therewith as may be commenced under the Bankruptcy Code, will be deemed to constitute a waiver of the immunity afforded to the Scheme Companies, CEDR, any person who holds or has held the position of Chief Executive of CEDR, any person who holds or has held the position of President of the Institute of Actuaries in England, any person holding or who has at any time held the position of Scheme Manager, Scheme Adjudicator or Actuarial Adjudicator, the Chairman of the Creditors' Meetings, the Vote Assessor and any past or present director of any of the Scheme Companies, including their respective successors, delegates, directors, officers, agents, employees, alternates, partners, representatives, advisers, or counsel~~ pursuant to section 306 or section 1510, as applicable, of the Bankruptcy Code, or under the law of the United States or otherwise; and it is further

ORDERED, that all Scheme Creditors that are beneficiaries of letters of credit established by, on behalf or at the request of a Scheme Company or parties to any trust, escrow or similar arrangement in which a Scheme Company has an interest, are required to:

(a) provide notice to the ~~Scheme Manager~~Petitioner's United States counsel of any drawdown on any letter of credit established by, on behalf or at the request of, a Scheme Company, or any withdrawal from, set-off against, or other application of property that is the subject of any trust or escrow agreement or similar arrangement in which any of the Scheme Companies has an interest, together with information sufficient to permit the Scheme Manager to assess the propriety of such drawdown, withdrawal, set-off or other application, including, without limitation, the date and amount of such drawdown, withdrawal, setoff or other application and a

copy of any contract, related trust or other agreement pursuant to which any such drawdown, withdrawal, setoff, or other application was made, and provide such notice and other information contemporaneously therewith; provided, however, no drawing against any letter of credit or withdrawal from any escrow, trust or similar arrangement shall be made in connection with any commutation unless the amount of such drawing has been agreed in writing with the Scheme Companies and the Scheme Manager; and

(b) turn over and account to the Scheme Manager for any funds resulting from the drawdown of any letter of credit or the application of funds subject to any trust, escrow or similar arrangement, withdrawal, set-off, or other application in excess of amounts expressly authorized by the terms of the contract, any related trust or other agreement pursuant to which such letter of credit, trust, escrow or similar arrangement has been established; and it is further

ORDERED, that the Scheme Companies and the Scheme Manager be authorized to transfer to the foreign proceedings for distribution pursuant to the Schemes any monies or assets of the Scheme Company which the Scheme Company or the Scheme Manager have or may hereafter recover; and it is further

ORDERED, that all persons that have a claim of any nature or source against a Scheme Company and who are parties to any proceedings (including, without limitation, arbitration or any judicial, quasi-judicial, administrative action, proceeding or process whatsoever) in which a Scheme Company is or was named as a party, or as a result of which a liability of a Scheme Company may be established, is required to place the Petitioner's United States counsel (Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019, Attn: Lee S. Attanasio, Esq., and Alex R. Rovira, Esq.) on the master service list of any such action or other legal proceeding, and to take such other steps as may be necessary to ensure that such counsel receives:

(a) copies of any and all documents served by the parties to such action or other legal proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal proceeding; and

(b) any and all correspondence, or other documents circulated to parties named

in the master service list; and it is further

ORDERED, that the English Court has exclusive jurisdiction to hear and determine any suit, action, claim or proceeding and to settle any dispute which may arise out of the construction or interpretation of the Schemes, or out of any action taken or omitted to be taken by any of the Scheme Parties (as defined in page 5 of this Order) in connection with the administration of the Schemes; provided, however, that in relation to the determination of Scheme Claims nothing in ~~the~~this Order affects the validity of provisions determining governing law and jurisdiction, whether contained in any contract between the Scheme Companies and any of its Scheme Creditors or otherwise; and it is further

ORDERED, that this Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of the Order or requests for any additional relief in these Chapter 15 Cases and all adversary proceedings in connection therewith properly commenced and within the jurisdiction of this Court; and it is further

ORDERED, that this Order shall be served:

(a) by United States mail, first class prepaid, on or before ~~{_____}~~November 19, 2010 as prescribed by this Court upon all the known Scheme Creditors in the U.S. of whose current address the Scheme Manager is aware at the date of service; and

(b) by publication in The Wall Street Journal (US Edition) and Business Insurance magazine on or before ~~{_____}~~November 19, 2010; and it is further

ORDERED, that such service will be good and sufficient service and adequate notice of this Order for all purposes.

Dated: ~~_____ of _____~~, November 9, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE

Document comparison by Workshare Professional on Thursday, November 04, 2010
1:55:45 PM

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Document 2 ID	interwovenSite://NADMS/NY1/7441862/1
Description	#7441862v1<NY1> - Revised Recognition Order
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