

MERRIMACK, SS.

THE STATE OF NEW HAMPSHIRE

SUPERIOR COURT

Docket No. 03-E-0106

2003 SEP 10 3:20

**In the Matter of the Liquidation of
The Home Insurance Company**

**LIQUIDATOR'S MOTION FOR APPROVAL OF DECISION
TO FOREGO COLLECTION OF AMOUNTS OWING
FROM SETTLEMENT DESIGNS, INC.**

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire, as Liquidator ("Liquidator") of The Home Insurance Company ("Home"), hereby moves that the Court enter an order approving the Liquidator's decision to have Home forego collection of amounts owing to it from its subsidiary, Settlement Designs, Inc. ("SDI"). As reasons therefor, the Liquidator states as follows:

1. SDI is a New Jersey corporation and a wholly-owned subsidiary of Home. SDI has no assets and includes on its financial statements a liability of \$601,363 to Home (the "SDI Liability"). The SDI Liability arose from management fee charges owing from SDI to Home in years prior to 1995. Home has not carried the SDI Liability as a receivable on Home's books. Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Approval of Decision to Forego Collection of Amounts Owing from Settlement Designs, Inc. ("Bengelsdorf Aff.") ¶ 3.

2. In the course of the liquidation of Home, the Liquidator is dissolving certain Home subsidiaries that are now unnecessary to Home's operations and are not otherwise of value. SDI is insolvent and no longer conducts any business. SDI is

therefore among Home's subsidiaries that have been identified for dissolution.

Bengelsdorf Aff. ¶ 4.

3. In order to dissolve SDI pursuant to New Jersey corporate law, the Liquidator must wind up its affairs, which will require the Liquidator to eliminate the SDI Liability from SDI's books. Because SDI currently has no assets, no expectation of income in excess of expenses, or business operations, none of the SDI Liability is or will be recoverable from SDI. The Liquidator therefore has determined to have Home forego collection and forgive the SDI Liability, thereby allowing the Liquidator to remove the SDI Liability from SDI's books, to complete the winding up process, and to dissolve SDI. The Liquidator requests the Court's approval in accordance with the Order Establishing Procedures for Review of Certain Agreements to Assume Obligations or Dispose of Assets, dated April 29, 2004, because the SDI Liability involves a sum in excess of \$500,000. See Bengelsdorf Aff. ¶ 5.

4. The Liquidator submits that foregoing collection of the SDI Liability and forgiving the amount SDI owes to Home is fair and reasonable and that it is in the best interests of the policyholders and other creditors of Home. The SDI Liability is uncollectible. Forgiveness of the amount owing will allow the Liquidator to dissolve SDI, which will benefit the policyholders and other creditors of Home generally by reducing on-going administrative burdens and expenses for Home. See Bengelsdorf Aff. ¶ 6.

WHEREFORE, the Liquidator respectfully requests that this Court:

A. Grant this Motion for Approval of Decision to Forego Collection of Amounts Owing From Settlement Designs, Inc.;

B. Enter an Order in the form submitted herewith approving the Agreement; and

C. Grant such other and further relief as justice may require.

Respectfully submitted,

ROGER A. SEVIGNY,
INSURANCE COMMISSIONER
OF THE STATE OF NEW HAMPSHIRE,
SOLELY IN HIS CAPACITY AS
LIQUIDATOR OF THE HOME INSURANCE
COMPANY,

By his attorneys,

KELLY A. AYOTTE
ATTORNEY GENERAL




Suzanne M. Gorman
Senior Assistant Attorney General
New Hampshire Department of Justice
Civil Bureau
33 Capitol Street
Concord, N.H. 03301-6397
(603) 271-3650

Of Counsel:
J. David Leslie
Eric A. Smith
Rackemann, Sawyer & Brewster
One Financial Center
Boston, MA 02111
(617) 542-2300

September 20, 2004

Certificate of Service

I hereby certify that a copy of the foregoing Liquidator's Motion for Approval of Decision to Forego Collection of Amounts Owning From Settlement Designs, Inc. and the accompanying [Proposed] Order Approving Decision To Forego Collection of Amounts Owning From Settlement Designs, Inc and Affidavit of Peter A. Bengelsdorf, Special Deputy Liquidator, in Support of Approval of Decision to Forego Collection of Amounts Owning From Settlement Designs, Inc. were sent, this day, by first class mail, postage prepaid to all persons on the attached service list.


Suzanne M. Gorman

SERVICE LIST

Ronald L. Snow, Esq.
Orr & Reno
One Eagle Sq., PO Box 3550
Concord, NH 03302-3550

Gary Lee, Esq.
Lovells-16th Floor
900 Third Avenue
New York, NY 10022

Pieter Van Tol, Esq.
Lovells
900 Third Ave., 16th Floor
New York, NY 10022

Eric D. Jones, Esq.
Rachlin Downs Martin PLLC
199 Main Street PO Box 190
Burlington, VT 05402-0190

Gail M. Goering, Esq.
Lovells – One IBM Plaza
330 N. Wabash Ave., Suite 1900
Chicago, IL 60611

Adam Goodman, Esq.
Lovells – One IBM Plaza
330 N. Wabash Ave., Suite 1900
Chicago, IL 60611

Eric Haab, Esq.
Lovells
330 N. Wabash Ave., Suite 1900
Chicago, IL 60611

Andre Bouffard, Esq.
Rachlin Downs Martin PLLC
199 Main Street PO Box 190
Burlington, VT 05402-0190