

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

BEFORE THE COURT-APPOINTED REFEREE
IN RE THE LIQUIDATION OF THE HOME INSURANCE COMPANY
DISPUTED CLAIMS DOCKET

In Re Liquidator Number: 2005-HICIL-8
Proof of Claim Number: EMPL16733
Claimant Name: Donald J. Vano

REFEREE'S RULING

This Class V disputed claim comes before the Referee for a determination of whether Donald J. Vano, a 29 year employee of the Home Insurance Company, is entitled to an allowance for loss of value associated with his now liquidated 401k account. Prior to the establishment of Home Insurance Company's 401k program, the Claimant participated in the Company's profit sharing plan, a plan which featured an annual distribution of Home Insurance Company preferred stock to participants. Mr. Vano's claim relates to the termination of the Home Insurance Company's profit sharing program and the institution of a 401k program back in 1989.

While the Home's 401k program provided an employer match, the employee/employer contributions were invested only in the stock of Home Insurance Company's then holding corporation, Ambase. The financial fortunes of Ambase declined in the ensuing years, and, of course, so did the value of the common stock in the Claimant's 401k account. In Mr. Vano's case stock for which he paid as much as thirty-nine dollars (\$39.00) per share apparently sold for less than a dollar per share when his account was liquidated. At the root of Mr. Vano's claim are his assertions that "gross mismanagement of management" led to this decline in value.

It is indisputable that the course of events adversely affected the financial security of the Claimant and other similarly situated Home employees. However, the Referee is not positioned to disagree with the zero value placed upon this claim by the Liquidator. The decisions that were made at the time the profit sharing account was terminated and the 401k program was initiated, unfolded fully fifteen (15) years ago. While it is clear that the ensuing decline in value of Ambase common stock would be significantly disturbing to Mr. Vano and other participants, there are insurmountable impediments to a favorable consideration of this disputed claim.

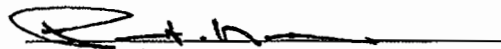
As the Liquidator has pointed out, the statute of limitations for potential causes of action against management that might have been ripe for pursuit, have long since expired. And,

even if the Liquidator had wished to pursue any such action on behalf of all similarly situated employees under RSA 402-C:28, he too would likely have been barred because applicable statutes had run by the date of the order of liquidation.

Finally, Mr. Vano indicated in his February 17, 2006 filing that he did not seek to establish mismanagement within the context of this dispute proceeding, but merely to recover for his losses through this proceeding. However, liability must be established as a necessary predicate to allowance of a claim. Because that has not been, and cannot now be established, the Liquidator's determination is AFFIRMED.

So ruled:

Dated: March 23 06


Paula T. Rogers
Referee