RECEIVED
Jul 05 2023
SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM RICHLAND COUNTY
Court of Common Pleas
Jean Hoefer Toal, Chief Justice (Ret.) and Acting Circuit Court Judge
Case No. 2020-CP-40-04385

Appellate Case No. 2023-000252

Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, ... Respondent,

vs.

OneBeacon Insurance Group, Ltd. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); R.V. Chandler & Associates, Inc.; Chandler Rental Properties, Inc.; Thomas S. Chandler; Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; Gene N. Norville; the South Carolina Property and Casualty Insurance Guaranty Association; Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually,

Of which OneBeacon Insurance Group, Ltd. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually, are the .....Appellants.

APPELLANTS' JOINT MOTION TO SUPPLEMENT THE RECORD

Appellants Intact[1] and Trebuchet[2] jointly move the Court, pursuant to Rules 208(b)(7), 212(b), and 240(c)(3), SCACR,[3] and this Court's inherent authority to supplement the record before the Court to include the Liquidator's Application and Petition for Issuance of a Rule to Show Cause on the Southern Insulation Litigation Parties filed June 30, 2023, in the Commonwealth Court of Pennsylvania (the "Application"), by the Insurance Commissioner of the Commonwealth of Pennsylvania, the Statutory Liquidator of Bedivere Insurance Company ("Bedivere"), a copy of which is attached as **Exhibit 1**. Appellants sought written consent from Respondent Southern Insulation, Inc., through its Receiver, Peter D. Protopapas ("Southern"), as contemplated by Rule 212(b), SCACR, but Southern has refused to provide such consent.[4]

[1] "Intact" refers collectively to Defendants/Appellants Intact Insurance Group USA Holdings Inc. (sued as OneBeacon Insurance Group, Ltd. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America)) and Intact Insurance Group USA LLC (sued as OneBeacon Insurance Group LLC).

[2] "Trebuchet" refers collectively to Trebuchet US Holdings, Inc. Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually.

[3] The South Carolina Appellate Court Rules do not expressly provide for supplementing the record before the Court when a petition for rehearing is pending after a motion to dismiss an appeal is granted and no Record on Appeal has been filed. However, the rules contain numerous provisions to bring new, relevant material before the Court, and those rules are cited.

[4] This Court may take judicial notice of this court filing, as courts routinely do. *See generally Whitt v. Wells Fargo Fin., Inc.*, 664 F. Supp. 2d 537, 541 n.1 (D.S.C. 2009) (*citing Colonial Penn Ins. Co. v. Coil*, 887 F.2d 1236, 1239 (4th Cir. 1989)) (noting "'the most frequent use of judicial notice of ascertainable facts is in noticing the content of court records' and taking judicial notice of court filings from a case in another district); *Palmetto Homes, Inc. v. Bradley*, 357 S.C. 485, 491 n.3, 593 S.E.2d 480, 483 (Ct. App. 2004) (taking judicial notice of AAA arbitration rules where they were not in record on appeal); *Porter v. S.C. PSC*, 327 S.C. 220, 223 n.2, 489 S.E.2d 467, 469 (1997) (judicial notice of statute); *see also Rogers v. Pilgrim's Pride Corp.*, No. 3:11-3195-CMC-SVH, 2012 U.S. Dist. LEXIS 51565, at *3 n.2 (D.S.C. Feb. 14, 2012) (judicial notice of bankruptcy court filings). South Carolina courts often look to the federal rules where analogous and have done so to support taking judicial notice of court filings. *See, e.g., Doe v. Bishop of Charleston*, 407 S.C. 128, 134 n.2, 754 S.E.2d 494, 497 (2014) (taking notice of transcripts and court orders) (*citing Mullis v. U.S. Bankruptcy Court for the Dist. of Nevada*, 828 F.2d 1385, 1388 (9th Cir. 1987); *General Time Corp. v. Bulk Materials, Inc.*, 826 F.Supp. 471, 473 (M.D. Ga. 1993); *Stahl v. U.S. Dept. of Agriculture*, 327 F.3d 697, 700 (8th Cir. 2003)).

The Application seeks an Order from the Commonwealth Court requiring that the parties voluntarily dismiss Southern's underlying suit or, in the alternative, show cause why it should be allowed to continue. The Application asserts substantially the same grounds as those raised by Appellants in the trial court and on appeal – namely, that Southern's claims against Appellants constitute an impermissible intrusion on the exclusive authority of the Liquidator and the Commonwealth Court. The Application makes clear that Southern is seeking overlapping relief in the underlying litigation and the Bedivere liquidation proceeding. *Compare* Application Exhibits D and E (Proofs of Claim filed in the Bedivere liquidation seeking $43.1 million in connection with policies allegedly issued by Bedivere and other insurers) *with* Application Exhibit I, (Southern's Second Amended Complaint ("SAC")) ¶¶ 110(a) – (p) (seeking declaration of terms and conditions of Bedivere polices in support of claims for coverage of purported asbestos claims).[5] The Application's relevance is clear. It provides evidence that, contrary to the finding of this Court in dismissing Appellants' appeal, the effect of the trial court's denial of Appellants' motions was an order "refusing an injunction." *See* S.C. Code Ann. § 14-3-330(4).[6]

The Application also provides necessary context for the proceedings before the trial court and on appeal. As noted in earlier briefing before this Court, Southern named Bedivere as a defendant in its First Amended Complaint filed November 10, 2020, asserting that Bedivere had issued policies to Southern that provided for defense and indemnity of asbestos suits against Southern. Southern sought a declaratory judgment of coverage and construction of policy terms against Bedivere and other insurers.

[5] The SAC is also attached as Exhibit 1 to Intact's March 6, 2023 Return to Southern's Motion to Dismiss the Appeal and as Exhibit A to Trebuchet's March 6, 2023 Memorandum in Opposition to Southern's Motion to Dismiss the Appeal.

[6] Appellants had no opportunity to present the Application to the trial court, nor previously to this Court, because it was filed only on June 30, 2023.

On March 11, 2021, the Commonwealth Court of Pennsylvania issued a Liquidation Order placing Bedivere into liquidation. Among other things, the Liquidation Order appointed Pennsylvania's Insurance Commissioner as Liquidator and vested the Liquidator with title to all assets of Bedivere, including causes of action. The Liquidation Order also affirmed the Commonwealth Court's exclusive jurisdiction over: (i) all determinations of whether assets belong to Bedivere, (ii) the validity and amounts of all claims against Bedivere, and (iii) the priority of all claims against Bedivere. As is typical in insurer liquidations around the country, including South Carolina, the Liquidation Order barred all proceedings against Bedivere or its assets and stayed pending claims. Similarly, it enjoined all parties claiming secured, priority or preferred interest in any assets of Bedivere from taking steps to attach or exercise such rights except as specifically permitted by Pennsylvania law.

On January 7, 2022, Southern moved to dismiss Bedivere as a defendant. On February 18, 2022, Southern filed its SAC, for the first time naming Appellants as defendants. In the SAC, Southern claims that Intact stripped Bedivere of assets before selling Bedivere to Trebuchet in 2014, and that the Trebuchet Defendants improperly merged other entities' liabilities into Bedivere, both leading to Bedivere's demise in 2021. Southern specifically claims that it seeks assets of Bedivere, and that Intact and Bedivere, and then Trebuchet and Bedivere, were alter egos, constituting a single business enterprise.

Appellants separately moved to dismiss Southern's SAC based on the Liquidation Order, S.C. Code Ann. § 38-27-430, and Rule 12(b). The trial court denied Appellants' motions by Form 4 order (the "Trial Court Order").

Appellants then separately appealed the Trial Court Order, which appeals this Court consolidated. Southern moved to dismiss the appeal. On April 13, 2023, this Court granted

Southern's motion to dismiss, holding that the Trial Court Order did not "refuse an injunction," so S.C. Code Ann. § 14-3-330(4) did not provide a basis for appellate jurisdiction. In doing so, this Court distinguished this case from *Williams v. Northwestern Sec. Life Ins. Co*., 307 S.C. 462, 415 S.E.2d 809 (1992) because, unlike in *Williams*, Bedivere – the insurer subject to an out-of-state liquidation order – is not a party to Southern's suit and Appellants are not named on the list of insurers merged into Bedivere that is contained in the Liquidation Order. On April 27, 2023 Appellants timely filed a Petition for Rehearing of this Court's Order dismissing their appeal, entered on April 13, 2023. This Court has not sought a response or otherwise acted on that Petition, and the Petition for Rehearing remains pending as of the filing of this motion.

Accordingly, Appellants respectfully request that this Court grant their motion to supplement the record and include the Application filed on June 30, 2023 in Pennsylvania's Commonwealth Court in the documents and record before this Court.

Respectfully submitted,

CALLISON TIGHE & ROBINSON, LLC

s/ Demetri K. Koutrakos
Demetri K. Koutrakos, SC Bar No. 11318
Harry A. Dixon, SC Bar No. 103509
1812 Lincoln Street, Suite #200 (29201)
P. O. Box 1390
Columbia, SC 29202-1390
Telephone: 803-404-6900
Email: jimkoutrakos@callisontighe.com
Email: harrydixon@callisontighe.com

SAUL EWING LLP
Paul M. Hummer (admitted *pro hac vice*)
Sean T. O'Neill (admitted *pro hac vice*)
Saul Ewing LLP
Centre Square West
1500 Market Street, 38th Floor
Philadelphia, PA 19102-2186
Telephone: 215-972-7777

Email: paul.hummer@saul.com
Email: sean.oneill@saul.com

John A. Basinger (admitted *pro hac vice*)
1270 Avenue of the Americas
New York, NY 10020
Telephone: 212-980-7200
Email: john.basinger@saul.com

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY and POPEO, P.C.
Deirdre G. Johnson (admitted *pro hac vice*)
555 12th Street NW
Suite 1100
Washington, DC 20004
Email: dgjohnson@mintz.com

Attorneys for Appellants Intact Insurance Group USA Holdings Inc. and Intact Insurance Group USA LLC

-and-

HAYNSWORTH SINKLER BOYD, P.A.
Elizabeth H. Black, S.C. Bar No. 76067
1201 Main Street, 22nd Floor (29201)
Post Office Box 11889
Columbia, SC 29211-1889
Telephone: 803-779-3080
Email: bknowlton@hsblawfirm.com
Email: eblack@hsblawfirm.com

-and-

STRADLEY RONON STEVENS & YOUNG, LLP
Jeffrey D. Grossman, PA ID No. 78337
Application for admission pro hac vice submitted
2005 Market Street, Suite 2600
Philadelphia, PA 19103
Telephone: 215-564-8061
Email: jgrossman@stradley.com

Attorneys for Appellants Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited);

Trebuchet US Holdings, Inc.; Brad S. Huntington, individually; and John C. Williams, individually

July 5, 2023

EXHIBIT 1

Received 6/30/2023 4:31:39 PM Commonwealth Court of Pennsylvania

Filed 6/30/2023 4:31:00 PM Commonwealth Court of Pennsylvania
1 BIC 2021

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In re: Bedivere Insurance Company (in Liquidation)	:	No. 1 BIC 2021
	:	
	:	

LIQUIDATOR'S APPLICATION AND PETITION FOR ISSUANCE OF A RULE TO SHOW CAUSE ON THE SOUTHERN INSULATION LITIGATION PARTIES

Michael Humphreys, Insurance Commissioner of the Commonwealth of Pennsylvania, in his capacity as the Statutory Liquidator ("Liquidator") of Bedivere Insurance Company ("Bedivere"), respectfully submits this Liquidator's Application and Petition for Issuance of a Rule to Show Cause on the Southern Insulation Litigation Parties. In support thereof, the Liquidator avers as follows:

I. FACTS SUPPORTING RULE TO SHOW CAUSE

A. Background

1. The Commonwealth Court of Pennsylvania ordered Bedivere into liquidation on March 11, 2021 ("Liquidation Order").[1] (A copy of the Liquidation Order is attached as Exhibit A.)

[1] The Liquidation Order appointed Jessica K. Altman—at that time, the Insurance Commissioner of the Commonwealth of Pennsylvania—and her successor commissioners as Bedivere's Statutory Liquidator. Michael Humphreys, as Insurance Commissioner of the Commonwealth of Pennsylvania, has succeeded Ms. Altman as Liquidator. *See* Liq. Order ¶ 2.

2. The Liquidation Order vested the Liquidator "with title to all property, assets, contracts and rights of action (assets) of Bedivere of whatever nature and wherever located," and further vested the Liquidator "with all the powers, rights and duties authorized under Article V and other applicable statutes and regulations." *See* Ex. A, Liq. Order ¶¶ 3-4.

3. Through the Liquidation Order, the Commonwealth Court also brought Bedivere under its supervision by, *inter alia*, asserting *in rem* jurisdiction over Bedivere's assets and exclusive jurisdiction over "all determinations" as to the validity, amount, and priority of claims against Bedivere. *See* Ex. A, Liq. Order ¶ 4. The Liquidation Order directed the Liquidator to publish notice of the procedure for asserting claims against the Bedivere estate. Ex. A, Liq. Order ¶ 10.

4. The Liquidation Order provided that "[a]ny and all distribution of assets pursuant to Sections 544 and 546 of Article V, 40 P.S. §§ 221.44, 221.46, including those in payment for costs and expenses of estate administration, shall be made under the direction and approval of the Court." Ex. A, Liq. Order ¶ 12.

5. The Liquidation Order further provided that "[a]ll secured creditors or parties, pledges, lienholders, collateral holders or other persons, claiming secured, priority or preferred interests in any property or assets of Bedivere, are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, attach, dispose of, or exercise, purported rights in or against any property or assets of

Bedivere except as provided in Section 543 of Article V, 40 P.S. § 221.43." Ex. A, Liq. Order ¶ 14.

6. In April and May of 2021, the Liquidator provided policyholders with notice of the procedures for asserting a claim against the Bedivere estate. *See* Report Regarding Notice of Liquidation Order and Procedures for Filing Claims filed April 28, 2021, attached hereto as Exhibit B. Those procedures directed potential claimants to file a Proof of Claim ("POC") no later than December 31, 2021. *See* Notice, attached hereto as Exhibit C.

7. Among the claimants seeking recovery from Bedivere in liquidation are Peter D. Protopapas and Southern Insulation Inc. ("Southern Insulation").

8. On December 28, 2021, Mr. Protopapas submitted two POC forms on behalf of Southern Insulation. *See* Southern Insulation POCs attached hereto as Exhibit D (POC #9315) and Exhibit E (POC#3701).

9. According to Mr. Protopapas, Southern Insulation was incorporated in South Carolina in 1967 and dissolved in 1991, with Mr. Protopapas later appointed as its receiver on May 8, 2019, by order of the South Carolina Court of Common Pleas in an asbestos matter captioned *Hopper v. Air & Liquid Sys. Corp.* No. 2019-CP-40-00076. *See* Exs. D, E at "Concise Statement of Facts."

10. Prior to the entry of the Liquidation Order, Mr. Protopapas and Southern Insulation had sought recovery from Bedivere through litigation related to

policies issued by Potomac Insurance Company ("Potomac"), a predecessor of the insurer now known as Bedivere.[2] *See* After filing the Southern Insulation POCs, Mr. Protopapas and Southern Insulation voluntarily dismissed Bedivere from that litigation because they deemed it "appropriate" to do so. *See* Amended Complaint filed November 11, 2020, attached as Exhibit F; Motion to Dismiss and Dismissal Order, attached as Exhibit G and Exhibit H. [3]

11. As stated in the Southern Insulation POCs, Mr. Protopapas and Southern Insulation contend that Southern Insulation has claims against Bedivere in liquidation in excess of $43 million, as follows:

(a) In POC #9315, Mr. Protopapas and Southern Insulation asserted a claim of $42.5 million purportedly owed under general liability policies which the POC asserts provide coverage for certain losses related to asbestos. *See* POC #9315, Ex. D.

(b) In POC #3701, Mr. Protopapas and Southern Insulation asserted a claim of $600,000 purportedly owed under workers compensation policies which the POC asserts provide coverage for certain losses related to asbestos. *See* POC #3701, Ex. E.

---

[2] In 1982, Potomac changed its name to General Accident Insurance Company of America ("General Accident"). Then, in 1999, General Accident changed its name to CGU Insurance Company ("CGUIC"). In 2001, CGUIC changed its name to One Beacon Insurance Company ("OBIC"), the entity which became Bedivere.

[3] Mr. Protopapas and Southern Insulation filed an initial Complaint on September 11, 2020, against other insurance entities but without mention of Bedivere or Potomac.

12. The Southern Insulation POCs include lists of policies purportedly issued to Southern Insulation or to other insureds by Potomac and two other insurers, American Employers Insurance Company ("AEIC") and Commercial Union Insurance Company ("Commercial Union"). *See* Exs. D, E.

13. The Southern Insulation POCs do not identify any lawsuits filed against Southern Insulation, and the Southern Insulation POCs do not provide any other details on the alleged underlying asbestos claims against Southern Insulation. *See* Exs. D, E.

B. <u>The Southern Insulation Litigation</u>

14. Despite filing the Southern Insulation POCs, and despite dismissing Bedivere from the previously filed coverage litigation, Mr. Protopapas and Southern Insulation are pursuing new claims involving Bedivere's assets—based on Southern Insulation's alleged status as a policyholder of Bedivere—through causes of action filed against third parties (the "Southern Insulation Litigation").

15. On February 18, 2022, Mr. Protopapas and Southern Insulation filed a "Second Amended Summons and Complaint" in the South Carolina Court of Common Pleas (the "Operative Complaint," attached as Exhibit I). The Operative Complaint was filed on the same docket number as the Amended Complaint that was filed and dismissed as to Bedivere. *See* Exs. F-H.

16. The Operative Complaint names as defendants One Beacon Insurance Group Ltd. and its successor Intact Insurance Group USA LLC (together, "Intact"), Trebuchet Group Holdings Limited and related entities and individuals (together, "Trebuchet"),[4] the Southern Carolina Property and Casualty Insurance Guaranty Association ("SCPCIGA"), and others.

17. As explained herein, the Operative Complaint asks the South Carolina Court of Common Pleas to usurp this Court's authority over Bedivere and the liquidation process by issuing declarations regarding the coverage obligations owed to Southern Insulation under the purported Potomac policies (*i.e.*, the Bedivere policies), distributing assets allegedly belonging to Bedivere, and unwinding certain transactions by removing assets and policies from the Bedivere liquidation.

18. Importantly, the Operative Complaint depends upon Southern Insulation's alleged status as a Bedivere policyholder. In Count I, Mr. Protopapas and Southern Insulation seek a declaration regarding coverage obligations under Bedivere's policies, specifically asserting that Bedivere's predecessor Potomac "issued general liability and/or manufacturers and contractors policies" which "provide defense and indemnity coverage for the Asbestos Suits." Ex. I, Operative Complaint at ¶ 27. According to the Operative Complaint, Mr. Protopapas has

[4] The additional Trebuchet defendants are Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Brad S. Huntington; and John C. Williams.

"evidence that establishes the terms of the policies issued by Potomac" to be "standard terms and conditions," thereby imposing a "burden [on] the insurers to prove any limitation to or exclusion of coverage." Ex. I, Operative Complaint at ¶¶ 33-34. The underlying Asbestos Suits are not identified.

19. Relying on alleged injuries to Bedivere and alleged injuries common to Bedivere's policyholders, the Operative Complaint asserts causes of action that, if valid, belong to Bedivere—*i.e.*, causes of action that are assets of the Bedivere estate—against the Intact defendants and the Trebuchet defendants.

(i) Claims Against the Intact Defendants

20. The Operative Complaint asserts causes of action against Intact which, if valid, seek recovery of Bedivere's assets as damages and are themselves assets belonging to Bedivere in liquidation.

21. According to the Operative Complaint, Intact caused Bedivere's eventual liquidation by fraudulently transferring Bedivere's assets away from Bedivere and to Intact. *See* Ex. I, Operative Complaint at ¶ 134 ("As a direct result of the transfers, and other misconduct by OneBeacon described above, Bedivere became insolvent…").

22. Mr. Protopapas and Southern Insulation further aver that Intact took actions "designed or actually intended by [Intact] to hinder, delay and/or defraud [Bedivere's] creditors, including and especially policyholders like Southern

[Insulation]." Ex. I, Operative Complaint at ¶ 50.[5] The Operative Complaint states that "Bedivere's liquidation was both the natural and intended result of the Transaction and the prior asset transfers described above [effected by Intact], delaying and defrauding Southern and its asbestos claimants." Ex. I, Operative Complaint at ¶ 50.

23. The Operative Complaint makes clear that Mr. Protopapas and Southern Insulation's claims depend upon and are measured by the harm to Bedivere and its policyholders and creditors collectively. The Operative Complaint alleges that Intact "effectuated the transfers over time with the express purpose of [Intact] taking Bedivere's assets and leaving with Bedivere the policy liabilities." Ex. I, Operative Complaint at ¶ 130.

24. Mr. Protopapas and Southern Insulation thus seek to collect their insurance proceeds under the Bedivere policies by executing against Bedivere's assets alleged to be in the hands of Intact. Ex. I, Operative Complaint at ¶ 136.

(ii) Claims Against the Trebuchet Defendants

25. According to Mr. Protopapas and Southern Insulation, Trebuchet caused Potomac to merge with other insurers as part of a plan to strip assets out of

[5] Mr. Protopapas and Southern Insulation refer in the Operative Complaint to Bedivere by its former name, One Beacon Insurance Company, and refer to Intact primarily by the name "One Beacon."

Bedivere and force "Bedivere to incur obligations for the benefit of other subsidiaries of the Trebuchet Defendants, without the receipt by Bedivere of reasonably equivalent value in exchange," thereby engaging in a fraudulent transfer under South Carolina and Pennsylvania law. The Operative Complaint alleges that those actions were "designed or intended by the Trebuchet Defendants to hinder, delay and/or defraud Southern as a creditor of Bedivere" because it would ensure that "Potomac policyholders and other creditors would not be able to claim against significant assets previously owned by Bedivere." Ex. I, Operative Complaint at ¶¶ 82, 87, 88.

26. Mr. Protopapas and Southern Insulation thus seek to benefit by executing against Bedivere's assets alleged to be in the hands of Trebuchet. Ex. I, Operative Complaint at ¶ 151.

27. Relying on these same allegations, Mr. Protopapas and Southern Insulation alternatively ask the South Carolina court to "set aside" the December 9, 2020, merger of Bedivere (*i.e.*, the successor to insurers which issued the Southern Insulation policies) with Employers Fire Insurance Company ("EFIC"), Lamorak

Insurance Company ("Lamorak"), and an unrelated insurer also known as Potomac Insurance Company ("Potomac II"). Ex. I, Operative Complaint at ¶ 90.[6]

II. GROUNDS FOR ISSUANCE OF RULE TO SHOW CAUSE

28. The Southern Insulation Litigation appears to assert control over Bedivere's assets, usurp this Court's authority, and impair the Bedivere Liquidation Proceeding.

29. To determine whether grounds exist for permitting the Southern Insulation Litigation to proceed, and to determine whether Mr. Protopapas and Southern Insulation have violated the Liquidation Order, the Liquidator seeks the issuance of a Rule to Show Cause directed to the parties to that litigation: Peter Protopapas; Southern Insulation Inc.; One Beacon Insurance Group Ltd.; Intact Insurance Group USA LLC; Trebuchet Group Holdings Limited; Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Brad S. Huntington; and John C. Williams (collectively, the "Southern Insulation Litigation Parties" or the "Respondents").[7]

---

[6] Potomac II was incorporated in Pennsylvania in 1995 having no relation to the former Potomac Insurance Company or its successors General Accident, CGUIC, or OBIC. Potomac II only became part of Bedivere in the 2020 merger.

[7] The Liquidator does not request that a Rule be issued to SCPCIGA, but the Liquidator will serve a courtesy copy of these filings on SCPCIGA.

30. By statute, Bedivere's liquidation is a matter within the Court's original jurisdiction. *See* 42 Pa. Cons. Stat. § 761(a)(3) ("The Commonwealth Court shall have original jurisdiction of all civil actions or proceedings . . . [a]rising under Article V of the act of May 17, 1921…. known as 'The Insurance Department Act of 1921'"). [8]

31. As with all matters within this Court's original jurisdiction, where no specific Rule of Appellate Procedure controls, the "practice and procedure" in receivership matters "shall be in accordance with the appropriate general rules applicable to practice and procedure in the courts of common pleas, so far as they may be applied." Pa. R.A.P. 106.

32. Pennsylvania Rule of Civil Procedure provides for rules to show cause to be issued directing a respondent to answer within twenty days of the issuance of the rule. *See* Pa. R.C.P. 206.4 – 206.7.

33. Consistent with prior Commonwealth Court orders, this Court can issue a rule to show cause where necessary to protect its authority and the integrity of the receivership by addressing judicial or administrative proceedings outside of Pennsylvania that potentially violate the Commonwealth Court's exclusive

[8] To the extent any respondent argues that the Rule to Show Cause initiates an adversarial proceeding, the Rules of Civil Procedure shall control pursuant to Pa. R.A.P. 3783.

jurisdiction over Article V proceedings. *See, e.g.*, Exhibits J, K (Rule to Show Cause and Order regarding administrative proceedings in Maine and Washington); Exhibit L (Rule to Show Cause regarding judicial proceedings in South Carolina and Louisiana).

34. In addition, Pennsylvania law grants this Court the authority to enter any order "necessary and proper to prevent," *inter alia*:

- "interference with the receiver or with the proceeding,"
- "waste of the insurer's assets,"
- "the obtaining of preferences…."
- "the institution or further prosecution of any actions or proceedings," and
- "any other threatened or contemplated action that might lessen the value of the insurer's assets or prejudice the rights of policyholders, creditors, or shareholders, or the administration of the proceeding."

40 P.S. § 221.5.

35. On its face, the relief requested herein is necessary because the continued prosecution of the Southern Insulation Litigation is harmful to the Bedivere liquidation and the interests of policyholders, creditors, and the public.

A. <u>The Southern Insulation Litigation claims can belong only to Bedivere.</u>

36. A Rule must be issued to the Southern Insulation Litigation Parties because, should the claims and causes of action asserted therein be valid, those claims and causes of action belong exclusively to Bedivere in liquidation and can be pursued by the Liquidator alone.

37. The Liquidation Order vested the Liquidator with "title to all property, assets, contracts and rights of action (assets) of Bedivere of whatever nature and wherever located, whether held directly or indirectly, as of the date of filing of the Petition for Liquidation." *See* Liquidation Order ¶ 4.

38. Causes of action for harm to Bedivere, its policyholders (including Southern Insulation and others), and its creditors are "assets" of the Bedivere estate. *See* Liquidation Order ¶ 4 (including "rights of action" as assets held exclusively by the Liquidator).

39. The Operative Complaint asserts causes of action for harm to Bedivere, its policyholders, and its creditors, and thus asserts causes of action which can be pursued by the Liquidator alone.

40. Indeed, the Operative Complaint admits that Southern Insulation and Mr. Protopapas are pursuing claims common to all policyholders and creditors of Bedivere.

(a) With respect to the Intact defendants, Mr. Protopapas and Southern Insulation seek relief because Intact took actions "designed or actually intended by [Intact] to hinder, delay and/or *defraud [Bedivere's] creditors, including and especially policyholders like Southern [Insulation].*" Ex. I, Operative Complaint at ¶ 50 (emphasis added).

(b) With respect to the Trebuchet defendants, Mr. Protopapas and Southern Insulation seek relief because Trebuchet took actions "designed or intended by the Trebuchet Defendants to hinder, delay and/or defraud Southern *as a creditor of Bedivere*" because it would ensure that "*Potomac policyholders and other creditors*

would not be able to claim against significant assets previously owned by Bedivere." Ex. I, Operative Complaint at ¶¶ 82, 87, 88 (emphasis added).

41. Moreover, the Operative Complaint does not allege any harm unique to Mr. Protopapas and Southern Insulation that could, even in theory, permit the pursuit of such claims— *i.e.*, Mr. Protopapas and Southern Insulation do not allege any claims that are "separate and distinct" from the harm "suffered by the company or policyholders as a whole." *Koken v. Fidelity Mut. Life Ins. Co.,* 803 A.2d 807, 822 (Pa. Commw. Ct. 2002). Any harm to Southern Insulation alleged in the Operative Complaint is based on and derivative of the alleged losses and financial injuries suffered by Bedivere, and it is based on alleged harm common to all Bedivere policyholders and creditors.

42. Accordingly, the Respondents must voluntarily dismiss the Southern Insulation Litigation or show cause for permitting the Southern Insulation Litigation to proceed.

B. The Southern Insulation Litigation asserts ownership over assets that are asserted to be assets of Bedivere.

43. A Rule must be issued to the Southern Insulation Litigation Parties because Mr. Protopapas and Southern Insulation have asked the South Carolina court to force the Intact defendants and the Trebuchet defendants to distribute assets to Southern Insulation despite asserting that such assets belong to Bedivere.

44. The Liquidation Order vested the Liquidator with "title to all property, assets, contracts and rights of action (assets) of Bedivere of whatever nature and wherever located, whether held directly or indirectly, as of the date of filing of the Petition for Liquidation." *See* Liquidation Order ¶ 4.

45. The Operative Complaint asserts an entitlement to assets which the Operative Complaint expressly alleges to be assets belonging to Bedivere. *See, e.g.*, Ex. I, Operative Complaint at ¶ 136 (Bedivere assets allegedly held by Intact) and ¶ 151 (Bedivere assets allegedly held by Trebuchet).

46. Moreover, the Liquidation Order expressly prohibits any persons claiming a "secured, priority or preferred interest in any property or assets of Bedivere" from taking any action ""to transfer, sell, assign, encumber, attach, dispose of, or exercise, purported rights in or against any property or assets of Bedivere…." Liquidation Order at ¶ 14. The Operative Complaint engages in the very actions forbidden by this provision.

47. Accordingly, the Respondents must voluntarily dismiss the Southern Insulation Litigation or show cause for permitting the Southern Insulation Litigation to proceed.

C. <u>The Southern Insulation Litigation is a prejudicial proceeding that will waste Bedivere's assets and interfere with the liquidation.</u>

48. A Rule must be issued to the Southern Insulation Litigation Parties because continuing the Southern Insulation Litigation is inherently wasteful and

damaging to Bedivere, its policyholders, its creditors, and the Liquidator's efficient administration of the Bedivere estate.

49. Because Mr. Protopapas and Southern Insulation allege a loss of coverage and benefits under policies within the Bedivere liquidation, the Southern Insulation Litigation must include an analysis of whether Southern Insulation was entitled to coverage and specific benefits under policies which are now a part of the Bedivere liquidation.

50. Mr. Protopapas and Southern Insulation allege that Bedivere's predecessor Potomac "issued general liability and/or manufacturers and contractors policies" which "provide defense and indemnity coverage for the Asbestos Suits" pursuant to "standard terms and conditions" alleged to be binding on Bedivere unless it is shown to be otherwise. *See* Ex. I, Operative Complaint at ¶¶ 27, 33-34.

51. As Mr. Protopapas and Southern Insulation have recognized, however, only the Liquidator and this Court have authority over the acceptance or rejection of the Southern Insulation POCs, as well as any decision regarding the classification and valuation of the Southern Insulation POCs if accepted. *See* Exs. G, H.

52. Nevertheless, any litigation in South Carolina regarding the coverage and benefits owed to Southern Insulation will impair the liquidation proceedings and waste Bedivere's assets because it will require Bedivere's participation, either because the parties seek discovery of Bedivere or because the parties will seek to

bring Bedivere into the Southern Insulation Litigation. Regardless of whether such actions are proper, the Liquidator will be compelled to expend resources in considering whether and how to respond, and any response will require the further expenditure of assets of Bedivere's limited resources.

53. For example, the Southern Insulation Litigation Parties appear destined to seek discovery from the Liquidator. Mr. Protopapas and Southern Insulation served over 100 detailed document requests on the Intact defendants and the Trebuchet defendants seeking more than five decades of information, much of which is related to Bedivere. *See* Requests attached as Exhibit M. In opposing that discovery, Respondent-Defendants asserted that "many of the RFPs seek documents that are . . . held in the possession, custody or control of Bedivere Insurance Company's liquidator" rather than in the hands of the Respondent-Defendants. *See, e.g.*, Trebuchet Motion to Stay at 9 n.2, attached as Exhibit N. Mr. Protopapas has served similarly extensive subpoenas on insurers alleged to have provided coverage in other cases, and there is no indication that he will refuse to do so here. *See* Protopapas Subpoena, attached as Exhibit O. Any effort to obtain discovery from Bedivere for the improper Southern Insulation Litigation will impair the liquidation and waste Bedivere's assets.

54. As another example, it appears the Southern Insulation Litigation Parties may seek to make Bedivere a party. In the past, certain Respondent-

Defendants have asserted that Bedivere is an indispensable and necessary party because the Southern Insulation Litigation is so closely entwined with the Bedivere liquidation. *See* Trebuchet Motion to Dismiss at 19, attached as Exhibit P. Should any of the Southern Insulation Litigation Parties make that argument in the future, it will impair the liquidation and waste Bedivere's assets even if that effort is improper.

55. These risks are compounded by the allegations by Mr. Protopapas and Southern Insulation that Intact and Trebuchet are the alter egos of Bedivere. *See* Ex. I, Operative Complaint. A finding that Intact and Trebuchet are the alter egos of Bedivere will change fundamentally the nature of the liquidation proceedings by redefining the entity in liquidation.

56. Accordingly, the Respondents must voluntarily dismiss the Southern Insulation Litigation or show cause for permitting the Southern Insulation Litigation to proceed.

D. The Southern Insulation Litigation improperly seeks to determine the assets and liabilities of the Bedivere estate in liquidation by unwinding the merger which preceded Bedivere's liquidation.

57. A Rule must be issued to the Southern Insulation Litigation Parties because Mr. Protopapas and Southern Insulation ask the South Carolina court to reverse the merger of Bedivere with other insurers to remove certain assets and liabilities from the Bedivere liquidation.

58. The Liquidation Order places the Liquidator in control of Bedivere's "property, business and affairs in accordance with Article V," and the Liquidator alone can "administer them pursuant to the orders of this Court." *See* Liquidation Order ¶ 2.

59. The Liquidation Order vested the Liquidator with "title to all property, assets, contracts and rights of action (assets) of Bedivere of whatever nature and wherever located, whether held directly or indirectly, as of the date of filing of the Petition for Liquidation." *See* Liquidation Order ¶ 4.

60. Despite this Court's exclusive jurisdiction over Bedivere's business and assets, the Operative Complaint asks the South Carolina court to "set aside" the December 9, 2020, merger of Bedivere with EFIC, Lamorak, and Potomac II. Ex. I, Operative Complaint at ¶ 90.

61. Mr. Protopapas and Southern Insulation apparently seek to alter fundamentally the scope of the insurance assets and liabilities of Bedivere in liquidation, but they have no authority to do so, and their effort to obtain such a result invades the exclusive jurisdiction of this Court.

62. Accordingly, the Respondents must voluntarily dismiss the Southern Insulation Litigation or show cause for permitting the Southern Insulation Litigation to proceed.

E. The Southern Insulation Litigation improperly seeks to usurp the role of the Liquidator and this Court as to the coverage obligations for the alleged underlying asbestos claims.

63. A Rule must be issued to the Southern Insulation Litigation Parties because the Liquidator and this Court, not Mr. Protopapas, have authority over claims by or against a Bedivere insured.

64. According to the Operative Complaint and the Southern Insulation POCs, certain unspecified individuals have brought litigation against Southern Insulation for causing asbestos-related injuries. *See* Exs. D, E, Southern Insulation POCs; Ex. I, Operative Complaint.

65. It appears Mr. Protopapas seeks to create a pool of funds from which he can (a) collect attorneys' fees for identifying asbestos claimants and defending Southern Insulation against asbestos litigation, and (b) distribute the proceeds of Bedivere insurance policies to the unspecified asbestos plaintiffs in the event of settlement or damage awards. These actions are unnecessary in light of the liquidation. These actions also create a risk that Mr. Protopapas and Southern Insulation will assert in the liquidation an entitlement to attorneys' fees and other expenses that they voluntarily incurred despite knowing such actions were unnecessary, leading to wasteful litigation in the Commonwealth Court over the Southern Insulation POCs.

66. There is no need for Mr. Protopapas to identify asbestos claimants or defend Southern Insulation against the unspecified asbestos litigation. The Bedivere liquidation already provides an orderly distribution process for the purported asbestos plaintiffs who could recover from Southern Insulation, because each such plaintiff or potential plaintiff is authorized to file a third-party Proof of Claim in the Bedivere Liquidation. *See* 40 P.S. § 221.40(a).

67. In the Operative Complaint and the Southern Insulation POCs, Mr. Protopapas did not identify any judgments obtained by third parties against Southern Insulation as a Bedivere insured, nor did he identify any open litigation or anticipated litigation.

68. The outcome of any open litigation or anticipated third-party litigation is immaterial to the resolution of Southern Insulation's claims and thus immaterial to the benefits Southern Insulation will receive as part of the liquidation.

69. To the extent the asbestos claimants or other parties seeking recovery under Southern Insulation's policies did not file proofs of claim pursuant to 40 P.S. § 221.40(a), Southern Insulation's claims shall be determined pursuant to the procedure set forth in 40 P.S. § 221.40(c).

70. As a result, Southern Insulation's rights under the Bedivere policies will be determined by the Liquidator and this Court, not by any other litigation. By statute, "[n]o judgment or order against an insured or the insurer entered after the

date of filing of a successful petition for liquidation, and no judgment or order against an insured or the insurer entered at any time by default or by collusion need be considered as evidence of liability or of quantum of damages." 40 P.S. § 221.38; *see also* Liquidation Order at ¶ 9 (same).

71. Should the Southern Insulation POCs be accepted by the Liquidator, Southern Insulation can receive only the lesser of (a) the amount allowed by this Court based on the Liquidator's estimate of damages and defense costs, or (b) the amount actually paid to a claimant together with reasonable attorneys' fees. 40 P.S. § 221.40(c).

72. Accordingly, the Respondents must voluntarily dismiss the Southern Insulation Litigation or show cause for permitting the Southern Insulation Litigation to proceed.

III. CONCLUSION

Thus, for the reasons set forth herein, the Liquidator requests that a Rule to Show Cause be issued directing the Respondents to agree to voluntarily dismiss the Southern Insulation Litigation or show cause for permitting the Southern Insulation Litigation to proceed.

Dated: June 30, 2023

Respectfully submitted,

/s/ Michael J. Broadbent

Michael J. Broadbent, PA ID 309798
Dexter R. Hamilton, PA ID 50225
Calli Jo Padilla, PA ID 312102
COZEN O'CONNOR
1650 Market Street, Suite 2800
Philadelphia, PA 19103

Counsel for Michael Humphreys, Insurance Commissioner of the Commonwealth of Pennsylvania, as Statutory Liquidator of Bedivere Insurance Company

Received 6/30/2023 4:31:39 PM Commonwealth Court of Pennsylvania

Filed 6/30/2023 4:31:00 PM Commonwealth Court of Pennsylvania
1 BIC 2021

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In re: Bedivere Insurance Company (in Liquidation)	:	No. 1 BIC 2021
	:	
	:	

ORDER

AND NOW, THIS ___ day of _____, 2023, upon consideration of the Liquidator's Application and Petition for Issuance of a Rule to Show Cause on the Southern Insulation Litigation Parties ("Petition"), it is hereby ORDERED that:

(1) A Rule is issued upon each of the Southern Insulation Litigation Parties identified in the Petition (the "Respondents") to show cause why the Southern Insulation Litigation should not be terminated voluntarily;

(2) Within seven (7) days of service of this Order, the Respondents shall jointly request from the South Carolina Court of Common Pleas a one-hundred-eighty (180) day stay of the Southern Insulation Litigation; and

(3) Within twenty (20) days of service of this Order, Respondents shall file any answer to the Rule to Show Cause.

This matter shall be decided in accordance with the procedure stated in Pennsylvania Rule of Civil Procedure No. 206.7 as modified by this Court in the exercise of its statutory authority.

_____

THE HONORABLE JUDGE ANNE E. COVEY

Received 6/30/2023 4:31:39 PM Commonwealth Court of Pennsylvania

Filed 6/30/2023 4:31:00 PM Commonwealth Court of Pennsylvania
1 BIC 2021

EXHIBIT A

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, Plaintiff v. Bedivere Insurance Company, Respondent	: : : : : : : : : : :	No. 1 BIC 2021

ORDER OF LIQUIDATION

AND NOW, this 11th day of March, 2021, upon consideration of the Petition for Liquidation of Bedivere Insurance Company (Bedivere) filed by Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, and upon the unanimous consent of the Board of Directors of Bedivere and the sole shareholder of Bedivere, Trebuchet US Holdings, Inc., it is hereby ORDERED that:

1. The Petition for Liquidation is GRANTED, and Bedivere is ordered to be liquidated pursuant to Article V of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, added by the Act of December 14, 1977, P.L. 280, *as amended*, 40 P.S. §§ 221.1 – .63 (Article V).

2. Insurance Commissioner Jessica K. Altman and her successors in office, if any, are hereby appointed Statutory Liquidator of Bedivere and directed to take possession of Bedivere's property, business and affairs in accordance with Article V and to administer them pursuant to the orders of this Court.

3. The Liquidator is hereby vested with all the powers, rights and duties authorized under Article V and other applicable statutes and regulations.

ASSETS OF THE ESTATE

4. The Liquidator is vested with title to all property, assets, contracts and rights of action (assets) of Bedivere of whatever nature and wherever located, whether held directly or indirectly, as of the date of filing of the Petition for Liquidation. All assets of Bedivere are hereby found to be *in custodia legis* of this Court and this Court asserts jurisdiction as follows: (a) *in rem* jurisdiction over all assets wherever they may be located and regardless of whether they are held in the name of Bedivere or in any other name; (b) exclusive jurisdiction over all determinations as to whether assets belong to Bedivere or to another party; (c) exclusive jurisdiction over all determinations of the validity and amounts of claims against Bedivere; and (d) exclusive jurisdiction over the determination of the priority of all claims against Bedivere.

5. The Liquidator is directed to take possession of all assets that are the property of Bedivere. Specifically, the Liquidator is directed to:

a. Inform all banks, investment bankers, companies, other entities or other persons having in their possession assets which are, or may be, the property of Bedivere, unless otherwise instructed by the Liquidator, to deliver the possession of the same immediately to the Liquidator, and not disburse, convey, transfer, pledge, assign, hypothecate, encumber or in any manner dispose of the same without the prior written consent of, or unless directed in writing by, the Liquidator.

b. Inform all producers and other persons having sold policies of insurance issued by Bedivere to account for and pay all unearned commissions

and all premiums, collected or uncollected, for the benefit of Bedivere directly to the Liquidator within 30 days of notice of this Order and that no producer, reinsurance intermediary or any other person shall disburse or use monies which come into their possession and are owed to, or claimed by, Bedivere for any purpose other than payment to the Liquidator.

c. Inform any premium finance company that has entered into a contract to finance a policy that has been issued by Bedivere to pay any and all premium owed to Bedivere to the Liquidator.

d. Inform all attorneys employed by or retained by Bedivere or performing legal services for Bedivere as of the date of this Order that, within 30 days of notification, they must report to the Liquidator the name, company, claim number (if applicable) and status of each matter they are handling on behalf of Bedivere; the full caption, docket number and name and address of opposing counsel in each case; an accounting of any funds received from or on behalf of Bedivere for any purpose in any capacity; and further, that the Liquidator need not make payment for any unsolicited report.

e. Inform any entity that has custody or control of any data processing equipment and records (including but not limited to source documents, all types of electronically stored information, or other recorded information) relating to Bedivere to transfer custody and control of such documents, in a form readable by the Liquidator, to the Liquidator as of the date of this Order, upon request.

f. Inform any entity furnishing claims processing or data processing services to Bedivere to maintain such services and transfer any such accounts to the Liquidator as of the date of this Order, upon request.

6. Bedivere's directors, officers and employees shall: (a) surrender peaceably to the Liquidator the premises where Bedivere conducts its business; (b) deliver all keys or access codes thereto and to any safe deposit boxes; (c) advise the Liquidator of the combinations and access codes of any safe or safekeeping devices of Bedivere or any password or authorization code or access code required for access to data processing equipment; and (d) deliver and surrender peaceably to the Liquidator all the assets, books, records, files, credit cards, and other property of Bedivere in their possession or control, wherever located, and otherwise advise and cooperate with the Liquidator in identifying and locating any of the foregoing.

7. Bedivere's directors, officers and employees are enjoined from taking any action, without the prior approval of the Liquidator, to transact further business on behalf of Bedivere. They are further enjoined from taking any action that would waste the assets of Bedivere or would interfere with the Liquidator's efforts to wind up the affairs of Bedivere.

CONTINUATION AND CANCELLATION OF POLICIES

8. All Bedivere policies and contracts of insurance, whether issued within this Commonwealth or elsewhere, in effect on the date of this Order will continue in force for the lesser of the following: (1) 30 days from the date of this Order; (2) until the normal expiration of the policy or contract providing insurance coverage; (3) until the insured has replaced the insurance coverage with equivalent insurance with another insurer or otherwise terminated the policy; or (4) until the Liquidator has effected a transfer of the policy obligation to an assuming insurer pursuant to Section 523(8) of Article V, 40 P.S. § 221.23(8).

NOTICE AND PROCEDURE FOR FILING CLAIMS

9. No judgment or order against Bedivere or its insureds entered after the date of filing of the Petition for Liquidation, and no judgment or order against Bedivere or its insureds entered at any time by default or by collusion, will be considered as evidence of liability or of quantum of damages by the Liquidator in evaluating a claim against the estate of Bedivere.

10. In addition to the notice requirements of Section 524 of Article V, 40 P.S. § 221.24, the Liquidator shall publish notice in newspapers of general circulation where Bedivere has its principal places of business that: (a) specifies the last day for the filing of claims against the estate of Bedivere; (b) explains the procedure by which claims may be submitted to the Liquidator; (c) provides the address of the Liquidator's office for the submission of claims; and (d) notifies the public of the right to present a claim, or claims, to the Liquidator.

11. Within 30 days of giving notice of the Order of Liquidation, as set forth in Section 524 of Article V, 40 P.S. § 221.24, and of the procedures for filing claims against the estate of Bedivere, the Liquidator shall file a compliance report with the Court stating, in reasonable detail, the date on which and manner by which these notices were given.

DISTRIBUTION OF ESTATE ASSETS

12. Any and all distribution of assets pursuant to Sections 544 and 546 of Article V, 40 P.S. §§ 221.44, 221.46, including those in payment for costs and expenses of estate administration, shall be made under the direction and approval of the Court.

STAY OF LITIGATION

13. Unless the Liquidator consents thereto in writing, no action at law or in equity, including, but not limited to, an arbitration or mediation, the filing of any judgment, attachment, garnishment, lien or levy of execution process against Bedivere or its assets, shall be brought against Bedivere or the Liquidator or against any of their employees, officers or liquidation officers for acts or omissions in their capacity as employees, officers or liquidation officers of Bedivere or the Liquidator, whether in this Commonwealth or elsewhere, nor shall any such existing action be maintained or further prosecuted after the effective date of this Order. All above-enumerated actions currently pending against Bedivere in the courts of the Commonwealth of Pennsylvania or elsewhere are hereby stayed; relief sought in these actions shall be pursued by filing a proof of claim against the estate of Bedivere pursuant to Section 538 of Article V, 40 P.S. § 221.38.

14. All secured creditors or parties, pledges, lienholders, collateral holders or other persons, claiming secured, priority or preferred interests in any property or assets of Bedivere, are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, attach, dispose of, or exercise, purported rights in or against any property or assets of Bedivere except as provided in Section 543 of Article V, 40 P.S. § 221.43.

15. In recognition of paragraph 10 of the Petition for Liquidation and the representation therein regarding the December 2020 order issued by the Pennsylvania Insurance Department approving the merger of The Employers' Fire Insurance Company (Employers' Fire), Lamorak Insurance Company (formerly OneBeacon American Insurance Company) (Lamorak), and Potomac Insurance

Company (Potomac) with and into Bedivere, all references herein to Bedivere shall include Employers' Fire, Lamorak, and Potomac.

WORKERS' COMPENSATION AND PERSONAL INJURY PROTECTION CLAIMS

16. The Liquidator is authorized for a period of up to 90 days from the date of this Order to advance funds from the estate of Bedivere to pay workers' compensation indemnity and personal injury protection (PIP) claims on behalf of the state guaranty associations, provided that the guaranty association enters into an agreement that such advances shall be treated as a distribution pursuant to Section 536 of Article V, 40 P.S. § 221.36. The Liquidator shall have the discretion to accept such interim assurances as she deems acceptable in lieu of a formal agreement.



P. Kevin Brobson, President Judge

Order Exit
03/11/2021

EXHIBIT B

Received 4/28/2021 8:40:07 AM Commonwealth Court of Pennsylvania

Filed 4/28/2021 8:40:00 AM Commonwealth Court of Pennsylvania
1 BIC 2021

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Bedivere Insurance Company,	:	
In Liquidation	:	No. 1 BIC 2021

REPORT REGARDING NOTICE OF LIQUIDATION ORDER AND PROCEDURES FOR FILING CLAIMS

Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Statutory Liquidator ("Liquidator") of Bedivere Insurance Company ("Bedivere"), through undersigned counsel, respectfully offers the following:

1. By Order dated March 11, 2021, this Court placed Bedivere Insurance Company in liquidation ("Liquidation Order") and appointed Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, as Statutory Liquidator, in accordance with Article V of the Insurance Department Act of 1921 ("Act").[1]

2. In addition to the notice requirements pertaining to the entry of a liquidation order that are contained in Section 524 of the Act, paragraph 10 of the Liquidation Order directs the Liquidator to publish notice about the procedures for filing claims against the estate of Bedivere.

3. Moreover, paragraph 11 of the Liquidation Order directs the Liquidator to file a report with the Court within 30 days of giving notice of the Liquidation Order, as set forth in Section 524 of the Act, and of the procedures for filing claims demonstrating, in reasonable detail, the date and manner notice was given.

4. On April 7 and 8, 2021, the Liquidator sent notice of the Liquidation Order by first-class mail to all known policyholders and creditors, as well as the Insurance Commissioner in each

[1]Act of May 17, 1921, P.L. 789, *as amended*. Article V was added by the Act of December 14, 1977, P.L. 280, *as amended,* 40 P.S. §§ 221.1—221.63.

state where Bedivere did business, and a representative of the National Conference of Insurance Guaranty Funds to facilitate notice of the Liquidation Order to the responsible individual guaranty associations. Additionally, between April 26 and May 3, 2021, the Liquidator sent, or will send, notice of the Liquidation Order by first class mail to a group of policyholders who were identified during a review of policyholder data after the April 7 and 8, 2021 mailings.

5. The mailings referenced in paragraph 4 included, in addition to notice of the Liquidation Order, a proof of claim form and answers to frequently asked questions.

6. The Liquidator also caused the procedures for filing claims to be published in The Philadelphia Inquirer on April 2, 2021. The claims filing procedures will also be filed in the May edition of Business Insurance, which will be issued on May 4, 2021.

Respectfully submitted,

/s/ Preston M. Buckman

PRESTON M. BUCKMAN (I.D. #57570)
Insurance Department Counsel
Office of Liquidations, Rehabilitations
& Special Funds
Governor's Office of General Counsel
Capital Associates Building
901 North 7th Street
Harrisburg, PA 17102
(717) 886-2080

Attorney for Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Liquidator of Bedivere Insurance Company, In Liquidation

Dated: April 28, 2021

CERTIFICATION OF COMPLIANCE
WITH PUBLIC ACCESS POLICY

I certify that this filing complies with the provisions of the Public Access Policy of the Unified Judicial System of Pennsylvania: Case Records of the Appellate and Trial Courts that require filing confidential information and documents differently than non-confidential information and documents.

/s/ Preston M. Buckman

PRESTON M. BUCKMAN (I.D. #57570)
Insurance Department Counsel
Office of Liquidations, Rehabilitations
& Special Funds
Governor's Office of General Counsel
Capital Associates Building
901 North 7th Street
Harrisburg, PA 17102
(717) 886-2080

Attorney for Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Liquidator of Bedivere Insurance Company, In Liquidation

Dated: April 28, 2021

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon all parties of record in this proceeding, in accordance with the requirements of Pa. R.A.P. 3780, in the following manner:

Service via email addressed as follows:

Steven B. Davis, Esq.
sdavis@stradley.com
Stradley Ronon Stevens & Young, LLP
2005 Market Street, Suite 2600
Philadelphia, PA 19103
(215) 564-8714
(215) 564-8120 (Fax)

H. Marc Tepper, Esq.
marc.tepper@bipc.com
Buchanan Ingersoll & Rooney PC
Two Liberty Place
50 South 16th Street, Suite 3200
Philadelphia, PA 19102
(215) 665-3864
(215) 665-8760 (Fax)

/s/ Preston M. Buckman
PRESTON M. BUCKMAN (I.D. #57570)
Insurance Department Counsel
Office of Liquidations, Rehabilitations
& Special Funds
Governor's Office of General Counsel
Capital Associates Building
901 North 7th Street
Harrisburg, PA 17102
(717) 886-2080

Attorney for Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, in her capacity as Liquidator of Bedivere Insurance Company, In Liquidation

Dated: April 28, 2021

EXHIBIT C

NOTICE
TO THE POLICYHOLDERS, DEBTORS, PRINCIPALS, OBLIGEES,
CLAIMANTS, CREDITORS AND ALL OTHER PERSONS INTERESTED IN THE
AFFAIRS OF
BEDIVERE INSURANCE COMPANY (BEDIVERE)
(IN LIQUIDATION)

NOTICE IS HEREBY GIVEN:

The Commonwealth Court of Pennsylvania ordered BEDIVERE Insurance Company (BEDIVERE), formerly know as One Beacon Insurance Company, into liquidation effective March 11, 2021. Jessica Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, was appointed as the Statutory Liquidator, and was ordered to take possession of BEDIVERE's property and to liquidate its business. Deputy Insurance Commissioner Laura Lyon Slaymaker oversees the liquidation on her behalf.

In recognition of the December, 2020 order issued by the Pennsylvania Insurance Department approving BEDIVERE's merger with The Employer's Fire Insurance Company ("Employers"), Lamorak Insurance Company (formerly OneBeacon American Insurance Company) ("Lamorak"), and Potomac Insurance Company ("Potomac") made under Article XIV of The Insurance Company Law of 1921 (40 P.S. §§ 991.1401—991.1413), all references herein to BEDIVERE shall include Employers, Lamorak, and Potomac.

This information is important. It is recommended that you read it carefully before contacting the Liquidator's Office with questions. You may also want to consult your attorney or insurance advisors before you proceed.

A paid BEDIVERE policy or bond will terminate at its normal expiration, upon replacement or April 10, 2021 (30 days from the date of liquidation), whichever is soonest.

If you have and want to pursue a claim against BEDIVERE, you must file a proof of claim in order to have your claim considered. Proofs of claim must be filed no later than December 31, 2021

A proof of claim must be filed even if a claim was made against BEDIVERE prior to liquidation, and a separate proof of claim form must be filed for each claim you have. A proof of claim shall include the following: A proof of claim form containing the original signature of the claimant; a description of the claim and any security interest; whether collateral security or personal security is pledged in accordance with the terms of the policy; documentation of any payments made on the claim; and a statement that the amount is justly owed the claimant. If you require additional proof of claim forms, please request them from the Statutory Liquidator.

A Guaranty Association may cover certain claims under a BEDIVERE insurance policy or bond. Guaranty Associations have been created under state laws to protect insureds, residing in the state whose insurance company became insolvent and was ordered liquidated, against certain types of policy claims, subject to both various statutory defenses and claim limitations. Property insurance claims are directed to the appropriate Guaranty Association in the state where the property is located. Workers compensation claims are directed to the appropriate Guaranty Association in the state where the claimant resided at the time of the incident and all other casualty claims are directed to the appropriate Guaranty Association in the state where the insured maintained its residence or principal place of business. A list of the addresses and pertinent numbers of Guaranty Associations can be found on the department's website, www.insurance.pa.gov. DO NOT FILE A PROOF OF CLAIM WITH A GUARANTY ASSOCIATION. ALL PROOFS OF CLAIM MUST BE FILED WITH THE LIQUIDATOR OF BEDIVERE.

You are a third-party claimant if you have a claim against a BEDIVERE insured, which may be covered by the insured's insurance policy (other than a claim against a bond). You may either file a Proof of Claim with the Statutory Liquidator or pursue legal action against the insured to recover your claim. If you file a claim with the Statutory Liquidator, filing of the claim shall operate as a release of the insured's liability to you on that cause of action

up to the amount of applicable policy limits. If the Liquidator avoids coverage of the claim, this release becomes null and void. NOTE: The above paragraph does not pertain to claims filed against BEDIVERE bonds.

It is important to note that although BEDIVERE is insolvent, they have significant assets, including reinsurance that must be collected by the Liquidator. It will be several years before all BEDIVERE assets are collected and distribution amounts can be determined. To participate in a distribution you must file a Proof of Claim, particularly where there is no guaranty association coverage or where the claim exceeds the limit of such coverage. It is important that you keep BEDIVERE fully advised of all developments in the cases so that BEDIVERE can use this information to recover funds from reinsurers and thereby potentially increase the distribution to policyholders and creditors. Claims for losses under policies of insurance have the highest priority for payment other than administrative expenses.

Proof of Claim forms can be obtained as follows:

Download:	www.insurance.pa.gov Click on Regulations, then Liquidations & Rehabilitations, then Estates in Liquidation.
Request by E-Mail:	ra-in-claims@pa.gov
Request by Telephone:	(717) 787-7823
Request by Mail:	Statutory Liquidator for BEDIVERE, Capitol Associates Building, 901 N. 7th Street, Harrisburg, PA 17102

Whenever a claim is based upon an instrument in writing, a copy of the document should be attached to the proof of claim. If the document has been destroyed, a statement of the facts and circumstances of the loss must be filed, under oath, with the claim.

The Order of Liquidation enjoins all persons from instituting or continuing any action at law or in equity or any attachment or execution against BEDIVERE, or the Statutory Liquidator. All persons indebted to or having any property of BEDIVERE in their possession, directly or indirectly, are hereby notified to tender an account of the indebtedness and to pay the same and deliver such property to the Statutory Liquidator.

CHANGE OF ADDRESS NOTIFICATION

YOU ARE REQUIRED BY ARTICLE V OF THE INSURANCE DEPARTMENT ACT TO NOTIFY THE STATUTORY LIQUIDATOR OF YOUR CHANGE OF ADDRESS. IF YOU FAIL TO DO SO YOU MAY JEOPARDIZE RECOVERY FROM THIS ESTATE.

Additional material which answers frequently asked questions regarding the liquidation process, along with Guaranty Association information can be found at the Departments website www.insurance.pa.gov (click on Regulations, then Liquidations & Rehabilitations). Please review this material carefully.

This notice and the information contained herein are in summary form and may not contain all necessary information for your particular situation. You are urged to consult an attorney if you have any questions. All claims are subject to payment only in accordance with applicable law.

General questions about the liquidation procedure should be addressed to the Statutory Liquidator at:

Statutory Liquidator of BEDIVERE
Capitol Associates Building
901 N. 7th Street
Harrisburg, PA 17102
(717) 787-7823
Or through email at Ra-In-Claims@pa.gov

EXHIBIT D

PROOF OF CLAIM

IN THE MATTER OF

BEDIVERE INSURANCE COMPANY (IN LIQUIDATION) (BEDIVERE)

Deadline for filing December 31, 2021

READ ALL MATERIALS CAREFULLY BEFORE COMPLETING THIS FORM – COMPLETE ALL SECTIONS
FILL IN ALL BLANKS - PLEASE PRINT CLEARLY OR TYPE

Claimant Name: Southern Insulation, Inc. by and through its Receiver Peter D. Protopapas
Address 1: Rikard & Protopapas, LLC
Address 2: 2110 N. Beltline Blvd.
City: Columbia **State:** SC **Zip Code:** 29204
Country: United States
Social Security /E.I.N. #: TBD **e-mail:** pdp@rplegalgroup.com
Daytime Phone #: (include area code) 803-978-6111

FOR OFFICIAL USE ONLY

PROOF OF CLAIM NO. 9315

DATE RECEIVED: 12/30/21

Name of Insured/Bonded Principal: See attached schedule
Policy Number/Bond Number: See attached schedule
Date of Loss: TBD
Claim Number: Unknown
Agent Number: Unknown

Claim is for (check X or specify below)

1	☒	POLICYHOLDERor THIRD PARTY CLAIM	Claim by insured of BEDIVERE under a BEDIVERE policy for POLICY BENEFITS or liability claim against an insured of BEDIVERE for POLICY BENEFITS or claim against a BEDIVERE bond.
2	☐	RETURN of UNEARNED PREMIUM or OTHER PREMIUM REFUNDS	Portion of paid premium not earned due to early cancellation of policy or retro or audit adjustment.
3	☐	GENERAL CREDITOR	Such as Attorney fees, Adjuster fees, Vendors, Lessors, Consultants, Cedents and Reinsurers.
4	☐	AGENTS' BALANCES	Agents' Earned Commissions.
5	☐	ALL OTHER	Describe

In the space below give a Concise Statement of the Facts giving rise to your claim. Attach additional sheets if required.
See attached Statement of Facts.

AMOUNT OF CLAIM: $ See attached

Is there OTHER INSURANCE that may cover this claim? Yes ☒ No ☐ If YES provide name of insurer(s) and policy number(s):
See attached coverage chart.

Does an ATTORNEY REPRESENT you? Yes ☒ No ☐ If YES provide attorney's name, address & telephone number:
Andrew J. Enschedé, Morgan Lewis & Bockius, LLP, 1111 Pennsylvania Ave., NW, Washington, DC 20007, Telephone: +1.202.739.5708

Has a Lawsuit or other LEGAL ACTION been instituted by anyone regarding this claim? Yes ☒ No ☐ If YES provide the following:
Court Where Filed: State of South Carolina Court of Common Pleas For The Fifth Judicial Circuit
DATE FILED & DOCKET NUMBER: Case Number: 2020-CP-40-04385
PLAINTIFF(S): Southern Insulation, Inc., through its Receiver, Peter D. Protopapas
DEFENDANT(S): State Auto Property & Casualty Insurance Company, et al.

I verify that the statements made in this proof of claim are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are subject to the penalties of 19 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

FOR ALL CLAIMS EXCEPT BOND CLAIMS: If the foregoing Proof of Claim alleges a claim against a BEDIVERE insured (third party claim), the undersigned hereby releases any and all claims which have been or could be made against such BEDIVERE insured based on or arising out of the facts supporting the above Proof of Claim up to the amount of the applicable policy limits and subject to coverage being accepted by the Liquidator, regardless of whether any compensation is actually paid to the undersigned.

Claimant Signature

December 28, 2021
Date

Southern Insulation, Inc.

CONCISE STATEMENT OF FACTS

- Peter D. Protopapas was appointed as Southern's Receiver on May 8, 2019, by Order of the Honorable Jean H. Toal of the Fifth Judicial Circuit in the case of Hopper v. Air & Liquid Sys. Corp. et al., C.A. No. 2019-CP-40-00076, which is pending in the South Carolina Court of Common Pleas (the "Receivership Order"). The Receiver's primary place of business is in Richland County, South Carolina.
- Since his appointment, the Receiver has expended substantial time and incurred expenses to identify potential assets and responsive policies and to defend asbestos lawsuits in fulfillment of his responsibility as Receiver.
- The Receiver will continue to expend substantial time and incur expenses in the fulfillment of his duties.
- Southern was incorporated in South Carolina on or about April 27, 1967.
- Southern dissolved by forfeiture on or about December 5, 1991.
- Throughout its period of operations, Southern is alleged to have exposed numerous employees, clients, and other third parties to asbestos-containing products, materials, and/or equipment in connection with the installation, repair, replacement, removal, and/or disturbance of thermal insulation materials.
- The people allegedly exposed to asbestos by Southern's conduct claim that they have suffered bodily injury that took place during the years 1967 to 1991 and thereafter continued and progressed.
- The Asbestos Claimants have asserted numerous lawsuits, many of which are pending in the South Carolina Court, against Southern.
- Southern Insulation, Inc. was also issued certificates of insurance by other entities which potentially cover Southern for sub-contracted projects at certain locations with Jacksonville Electric Authority, Florida Power & Light Co. et. al and A. E. Staley Mfg. Co.
- The amount of this claim is $42,500,000*.

**The Claimaint reserves the right to amend this Proof of Loss form as additional information becomes available.*

Bedivere Policies Issued to or Covering Southern Insulation Inc. Responsive to Bodily Injury Claims

Policy Begin Date	Policy End Date	Insurer	Policy No.	BI Occurrence Limits	BI Aggregate Limits	Attachment	Named Insured
02/26/1970	02/26/1971	*Potomac Insurance Co.*	*GLA 39-064-67*	300,000	300,000	0	Junious Benson Nalley & Jesse Cleveland Smith *dba* Southern Insulation Inc.
02/26/1971	02/26/1972	*Potomac Insurance Co.*	*tbd*	300,000	300,000	0	Junious Benson Nalley & Jesse Cleveland Smith *dba* Southern Insulation Inc.
02/26/1972	02/26/1973	*Potomac Insurance Co.*	*GLA 40-252-43*	300,000		0	Junious Benson Nalley & Jesse Cleveland Smith *dba* Southern Insulation Inc.
02/26/1974	02/26/1975	*Potomac Insurance Co.*	*GLA 42-449-72*	300,000		0	Southern Insulation Inc.
02/26/1975	02/26/1976	*Potomac Insurance Co.*	*GLA-L 43 263 80*	300,000		0	Southern Insulation Inc.
12/15/1983	04/05/1984	American Employers' Ins. Co.	CL AY 9776-001	5,000,000	5,000,000	0	Jacksonville Electric Authority, Florida Power & Light Co. et al
04/05/1984	04/05/1985	American Employers' Ins. Co.	CL AY 9776-031	5,000,000	5,000,000	0	Jacksonville Electric Authority, Florida Power & Light Co. et al
12/15/1983	07/01/1985	Commercial Union Ins. Co.	AY 9776-004	5,000,000	5,000,000	5,000,000	Jacksonville Electric Authority, Florida Power & Light Co. et al
07/01/1985	07/01/1986	Commercial Union Ins. Co.	AY 9776-004	5,000,000	5,000,000	5,000,000	Jacksonville Electric Authority, Florida Power & Light Co. et al
07/01/1986	07/01/1987	Commercial Union Ins. Co.	AY 9776-004	5,000,000	5,000,000	5,000,000	Jacksonville Electric Authority, Florida Power & Light Co. et al
07/01/1987	07/01/1988	Commercial Union Ins. Co.	AY 9776-004	5,000,000	5,000,000	5,000,000	Jacksonville Electric Authority, Florida Power & Light Co. et al
07/01/1988	04/05/1989	Commercial Union Ins. Co.	AY 9776-004	5,000,000	5,000,000	5,000,000	Jacksonville Electric Authority, Florida Power & Light Co. et al
09/23/1980	09/23/1981	Commercial Union Ins. Co.	CY 9531-001	2,000,000	2,000,000	0	A. E. Staley Mfg. Co.
09/23/1981	09/23/1982	Commercial Union Ins. Co.	CY 9531-001	2,000,000	2,000,000	0	A. E. Staley Mfg. Co.
09/23/1982	09/23/1983	Commercial Union Ins. Co.	CY 9531-001	2,000,000	2,000,000	0	A. E. Staley Mfg. Co.

EXHIBIT E

PROOF OF CLAIM

IN THE MATTER OF

BEDIVERE INSURANCE COMPANY (IN LIQUIDATION) (BEDIVERE)

Deadline for filing December 31, 2021

READ ALL MATERIALS CAREFULLY BEFORE COMPLETING THIS FORM – COMPLETE ALL SECTIONS
FILL IN ALL BLANKS - PLEASE PRINT CLEARLY OR TYPE

Claimant Name: Southern Insulation, Inc. by and through its Receiver Peter D. Protopapas
Address 1: Rikard & Protopapas, LLC
Address 2: 2110 N. Beltline Blvd.
City: Columbia **State:** SC **Zip Code:** 29204
Country: United States
Social Security /E.I.N. #: TBD **e-mail:** pdp@rplegalgroup.com
Daytime Phone #: (include area code) 803-978-6111

FOR OFFICIAL USE ONLY

PROOF OF CLAIM NO. 3701

DATE RECEIVED: 12/30/21

Name of Insured/Bonded Principal: See attached schedule
Policy Number/Bond Number: See attached schedule — Claim Number: Unknown
Date of Loss: TBD — Agent Number: Unknown

Claim is for (check X or specify below)

1	☒	POLICYHOLDERor THIRD PARTY CLAIM	Claim by insured of BEDIVERE under a BEDIVERE policy for POLICY BENEFITS or liability claim against an insured of BEDIVERE for POLICY BENEFITS or claim against a BEDIVERE bond.
2	☐	RETURN of UNEARNED PREMIUM or OTHER PREMIUM REFUNDS	*Portion of paid premium not earned due to early cancellation of policy or retro or audit adjustment.*
3	☐	GENERAL CREDITOR	Such as Attorney fees, Adjuster fees, Vendors, Lessors, Consultants, Cedents and Reinsurers.
4	☐	AGENTS' BALANCES	Agents' Earned Commissions.
5	☐	ALL OTHER	Describe

In the space below give a Concise Statement of the Facts giving rise to your claim. Attach additional sheets if required.
See attached Statement of Facts.

AMOUNT OF CLAIM: $ See attached

Is there OTHER INSURANCE that may cover this claim? Yes ☐ No ☒ If YES provide name of insurer(s) and policy number(s):

Does an ATTORNEY REPRESENT you? Yes ☒ No ☐ If YES provide attorney's name, address & telephone number:
Andrew J. Enschedé, Morgan Lewis & Bockius, LLP, 1111 Pennsylvania Ave., NW, Washington, DC 20007, Telephone: +1.202.739.5708

Has a Lawsuit or other LEGAL ACTION been instituted by anyone regarding this claim? Yes ☐ No ☒ If YES provide the following:
Court Where Filed:
DATE FILED & DOCKET NUMBER:
PLAINTIFF(S):
DEFENDANT(S):

I verify that the statements made in this proof of claim are true and correct to the best of my knowledge, information and belief. I understand that false statements made herein are subject to the penalties of 19 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

FOR ALL CLAIMS EXCEPT BOND CLAIMS: If the foregoing Proof of Claim alleges a claim against a BEDIVERE insured (third party claim), the undersigned hereby releases any and all claims which have been or could be made against such BEDIVERE insured based on or arising out of the facts supporting the above Proof of Claim up to the amount of the applicable policy limits and subject to coverage being accepted by the Liquidator, regardless of whether any compensation is actually paid to the undersigned.

Claimant Signature — December 28, 2021 Date

Southern Insulation, Inc.

CONCISE STATEMENT OF FACTS

- Peter D. Protopapas was appointed as Southern's Receiver on May 8, 2019, by Order of the Honorable Jean H. Toal of the Fifth Judicial Circuit in the case of Hopper v. Air & Liquid Sys. Corp. et al., C.A. No. 2019-CP-40-00076, which is pending in the South Carolina Court of Common Pleas (the "Receivership Order"). The Receiver's primary place of business is in Richland County, South Carolina.
- Since his appointment, the Receiver has expended substantial time and incurred expenses to identify potential assets and responsive policies and to defend asbestos lawsuits in fulfillment of his responsibility as Receiver.
- The Receiver will continue to expend substantial time and incur expenses in the fulfillment of his duties.
- Southern was incorporated in South Carolina on or about April 27, 1967.
- Southern dissolved by forfeiture on or about December 5, 1991.
- Throughout its period of operations, Southern is alleged to have exposed numerous employees, clients, and other third parties to asbestos-containing products, materials, and/or equipment in connection with the installation, repair, replacement, removal, and/or disturbance of thermal insulation materials.
- The people allegedly exposed to asbestos by Southern's conduct claim that they have suffered bodily injury that took place during the years 1967 to 1991 and thereafter continued and progressed.
- The Asbestos Claimants have asserted numerous lawsuits, many of which are pending in the South Carolina Court, against Southern.
- The amount of this claim is $600,000*.

**The Claimoint reserves the right to amend this Proof of Loss form as additional information becomes available.*

Bedivere WC / EL Policies Issued to or Covering Southern Insulation Inc. Responsive to Bodily Injury Claims

Policy Begin Date	Policy End Date	Insurer	Policy No.	BI Occurrence Limits	Attachment	Named Insured
02/26/1970	02/26/1971	Potomac Insurance Co.	U454500	Statutory	0	Junious Benson Nalley & Jesse Cleveland Smith *dba* Southern Insulation Inc.
02/26/1971	02/26/1972	Potomac Insurance Co.	U475876	Statutory	0	Junious Benson Nalley *dba* Southern Insulation Inc.
02/26/1972	02/26/1973	Potomac Insurance Co.	U511293	Statutory	0	Southern Insulation Inc.
02/26/1973	02/26/1974	Potomac Insurance Co.	U559148	Statutory	0	Southern Insulation Inc.
02/26/1974	02/26/1975	Potomac Insurance Co.	U577442	Statutory	0	Southern Insulation Inc.
02/26/1975	02/26/1976	Potomac Insurance Co.	U623988	Statutory	0	Southern Insulation Inc.

EXHIBIT F

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, Plaintiff, vs. State Auto Property & Casualty Insurance Company f/k/a Southern Home Insurance Company a/k/a Southern Home Insurance Company, Greer, South Carolina; Stokes-Farnham Insurance Agency, Inc.; Arrowood Indemnity Company, f/k/a Royal Indemnity Company, successor-in-interest to Royal Globe Insurance Company of America; Bedivere Insurance Company, individually and as parent and/or successor-in-interest to Potomac Insurance Company of Illinois; United States Fidelity and Guaranty Company; The Continental Insurance Company; Correll Insurance Group, LLC, individually and as parent and/or successor-in-interest to Chandler Insurance, LLC f/k/a R.V. Chandler & Sons, Inc.; R.V. Chandler & Associates, Inc., as successor-in-interest to R.V. Chandler & Sons, Inc.; David D. Rollins; and Linda J. White, Individually and as Personal Representative of the Estate of Lubert F. White, Jr. Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **AMENDED SUMMONS**

TO THE ABOVE NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED and required to answer the Amended Complaint in this action, a copy of which is hereby served upon you, and to serve a copy of your Answer to the said Amended Complaint upon the subscribers at 1329 Blanding Street, Columbia, South Carolina 29201. Within thirty (30) days after service hereof, exclusive of the day of such service, and if you

fail to answer the Amended Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in such Complaint.

s/ Brian M. Barnwell
Brian M. Barnwell
SC Bar number 78249
Rikard & Protopapas, LLC
1329 Blanding Street
Columbia, SC 29201
803.978.6111
bb@rplegalgroup.com

John B. White, Jr.
S.C. Bar No. 5996
Marghretta H. Shisko
S.C. Bar No. 100106
HARRISON WHITE, P.C.
178 W. Main Street (29306)
P.O. Box 3547
Spartanburg, SC 29304
Phone: (864) 585-5100
jwhite@spartanlaw.com
mshisko@spartanlaw.com

Attorneys for the Receiver for Southern Insulation, Inc.

This 10th Day of November, 2020

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, Plaintiff, vs. State Auto Property & Casualty Insurance Company f/k/a Southern Home Insurance Company a/k/a Southern Home Insurance Company, Greer, South Carolina; Stokes-Farnham Insurance Agency, Inc.; Arrowood Indemnity Company, f/k/a Royal Indemnity Company, successor-in-interest to Royal Globe Insurance Company of America; Bedivere Insurance Company, individually and as parent and/or successor-in-interest to Potomac Insurance Company of Illinois; United States Fidelity and Guaranty Company; The Continental Insurance Company; Correll Insurance Group, LLC, individually and as parent and/or successor-in-interest to R.V. Chandler & Sons, Inc.; R.V. Chandler & Associates, Inc., as successor-in-interest to R.V. Chandler & Sons, Inc.; David D. Rollins; and Linda J. White, Individually and as Personal Representative of the Estate of Lubert F. White, Jr. Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **AMENDED COMPLAINT**

NOW COMES the Plaintiff Southern Insulation, Inc. ("Southern") by and through its Receiver, Peter D. Protopapas (the "Receiver") (collectively "Plaintiff"), pursuant to Rule 15(a), and files this Amended Complaint as a matter of right complaining of the above-named defendants as follows:

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

THE PARTIES

1. Peter D. Protopapas was appointed as Southern's Receiver on May 7, 2019, by Order of the Honorable Jean H. Toal of the Fifth Judicial Circuit in the case of *Hopper v. Air & Liquid Sys. Corp., et al.*, No. 2016-CP-40-00076, which is pending in the South Carolina Court of Common Pleas (the "Receivership Order"). The Receiver's primary place of business is Richland County, South Carolina.

2. Southern was incorporated under the laws of South Carolina and had its principal place of business in South Carolina. Southern was administratively dissolved on or about December 5, 1991.

3. Defendant State Auto Property & Casualty Insurance Company f/k/a Southern Home Insurance Company a/k/a Southern Home Insurance Company, Greer, South Carolina ("State Auto") was incorporated under the laws of South Carolina on or about January 24, 1950. On or about November 14, 2006, State Auto was re-domesticated under the laws of Iowa and its current principal place of business is located in Iowa. State Auto is an insurance company authorized to transact business in the State of South Carolina.

4. Defendant Stokes-Farnham Insurance Agency, Inc. ("Stokes-Farnham") is incorporated under the laws of South Carolina with its principal place of business in South Carolina.

5. Arrowood Indemnity Company, f/k/a Royal Indemnity Company, successor-in-interest to Royal Globe Insurance Company of America ("Arrowood"), is incorporated under the laws of Delaware with its principal place of business in Mecklenburg County, North Carolina. Arrowood is an insurance company authorized to transact business in the State of South Carolina.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

6. Bedivere Insurance Company, individually and as successor-in-interest to Potomac Insurance Company of Illinois ("Bedivere"), is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal place of business in the Commonwealth of Pennsylvania. Bedivere is an insurance company authorized to transact business in the State of South Carolina.

7. United States Fidelity and Guaranty Company ("USF&G") is a corporation organized and existing under the laws of the State of Connecticut with its principal place of business in the State of Connecticut. USF&G is an insurance company authorized to transact business in the State of South Carolina.

8. The Continental Insurance Company ("CNA") is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal place of business in the State of Illinois. CNA is an insurance company authorized to transact business in the State of South Carolina.

9. Correll Insurance Group, LLC, individually and as parent and/or successor-in-interest to R.V. Chandler & Sons, Inc., ("Correll") is a limited liability company whose members, upon information and belief, are all South Carolina citizens, and it has its principal place of business in South Carolina.

10. R.V. Chandler & Associates, Inc., as successor-in-interest to R.V. Chandler & Sons, Inc., is incorporated under the laws of South Carolina with its principal place of business in South Carolina.

11. Upon information and belief, both Correll and R.V. Chandler & Associates are successors-in-interest to R.V. Chandler & Sons, Inc. and are liable for its acts and omissions.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

(Collectively Correll and R.V. Chandler & Associates, Inc. may be referred to as the "Chandler Defendants").

12. State Auto, Arrowood, Bedivere, USF&G, and CNA may be collectively referred to herein as "Southern's Insurers."

13. Upon information and belief, Defendant David D. Rollins is a citizen and resident of the State of South Carolina.

14. Upon information and belief, Linda J. White, individually and as personal representative of the Estate of Lubert F. White, Jr. is a citizen and resident of the State of South Carolina.

JURISDICTION AND VENUE

15. This Court has jurisdiction over this suit in as much as this Court appointed the Receiver of Southern, a former South Carolina corporation, and because the issues raised in this suit fall within the Court's subject matter jurisdiction.

16. The Court has personal jurisdiction over the Defendants.

17. Venue is proper in this Court as it is the Receivership Court with cases pending and new filings anticipated in this Court. Further, on May 28, 2019, pursuant to the Order of the Supreme Court of South Carolina, Order Number 2019-05-28-02, the Honorable Jean H. Toal was appointed to have jurisdiction in all circuits in this State to dispose of all pretrial matters and motions, as well as trials, arising out of asbestos and asbestosis litigation filed within the state court system. Thus, the Honorable Jean H. Toal has jurisdiction over this matter.

FACTUAL BACKGROUND

18. Southern was incorporated in South Carolina on or about April 27, 1967.

19. Southern dissolved by forfeiture on or about December 5, 1991.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

20. Throughout its period of operations, Southern is alleged to have exposed numerous employees, clients, and other third-parties to asbestos-containing products, materials, and/or equipment in connection with the installation, repair, replacement, removal and/or disturbance of thermal insulation materials.

21. The people allegedly exposed to asbestos by Southern's conduct, including the individual defendants named herein, (the "Asbestos Claimants") claim that they have suffered bodily injury that took place during the years 1967 to 1991 and thereafter continued and progressed.

22. The Asbestos Claimants have asserted numerous lawsuits, many of which are pending in this Court, against Southern (the "Asbestos Suits").

The State Auto Policy

23. During at least 1979, Joe W. Rochester, d/b/a Rochester's Insulation Company ("Rochester") was a subcontractor for Southern.

24. Upon information and belief, as a subcontractor for Southern, Rochester performed work that exposed the Asbestos Claimants to asbestos-containing materials, resulting in the alleged injuries that are at issue in the Asbestos Suits.

25. According to the South Carolina Secretary of State, Rochester's Insulation Company dissolved on or about March 3, 1986.

26. Upon information and belief, Joe W. Rochester died on or about July 19, 2018.

27. On or about March 16, 1979, Stokes-Farnham issued a Certificate of Insurance to Southern.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

28. The Certificate of Insurance states that Southern Home Insurance Company, n/k/a State Auto, issued a comprehensive general liability policy to Rochester, Policy Number GA016528, with an expiration date of August 4, 1979 (the "State Auto Policy").

29. Upon information and belief, when it issued the Certificate of Insurance, Stokes-Farnham represented and agreed to have Southern named as an additional insured on the State Auto Policy.

30. The Certificate of Insurance is evidence that Southern was named as an additional insured on the State Auto Policy.

31. Because Southern is an additional insured on the State Auto Policy, State Auto has a duty to defend and indemnify Southern in the Asbestos Suits.

32. Upon information and belief, State Auto is in possession of additional policies that name Southern as either an insured or additional insured.

Additional Policies Issued to Southern

33. USF&G, CNA, Bedivere, and Arrowpoint issued general liability and/or manufacturers and contractors policies to Southern.

34. These policies, in varying degrees, provided defense and indemnity coverage for the Asbestos Suits. (Collectively, the State Auto Policy and the policies issued by USF&G, CNA, Bedivere, and Arrowpoint may be referred to as the "Insurance Policies.")

35. R.V. Chandler & Sons, Inc. acted as an agent for one or more of Southern's Insurers when they issued the Insurance Policies, and the Chandler Defendants, as successors-in-interest to R.V. Chandler & Sons, Inc., are liable for its acts and omissions.

36. Plaintiff has tendered the Asbestos Suits to USF&G, CNA, Bedivere, and Arrowpoint.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

37. CNA, Bedivere, and Arrowood have admitted that they insured Southern and have, under a reservation of rights, undertaken their insuring obligations to Southern, including in circumstances where their policies are missing, in whole or in part.

38. USF&G contends that it has been unable to locate a copy of any liability insurance policy issued to Southern, has denied any obligation to Southern, and has refused to perform any insuring obligations.

39. USF&G takes this position despite being presented with secondary evidence, including several certificates of insurance, which establish the terms of the policies issued by USF&G.

40. Southern also has secondary evidence that establishes the terms of the policies issued by CNA, Bedivere, and Arrowood.

41. Additionally, these policies, as well as the State Auto Policy, were issued with standard terms and conditions, and it is the burden of the insurers to prove any limitation to or exclusion of coverage.

Appointment of Receiver

42. On May 7, 2019, the Court appointed the Receiver, giving him the power and authority to fully administer all assets of Southern, to accept service on behalf of Southern, to engage counsel on behalf of Southern, and to take any and all steps necessary to protect the interests of Southern, whatever they may be.

43. Since his appointment, the Receiver has expended substantial time and incurred expenses to identify potential assets and responsive policies and to defend asbestos lawsuits in fulfillment of his responsibility as Receiver.

44. The Receiver will continue to expend substantial time and incur expenses.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

COUNT I
(Declaratory Judgment Against Southern's Insurers, Stokes-Farnham and the Chandler Defendants)

45. Each of the allegations in the foregoing paragraphs are incorporated herein as if repeated verbatim.

46. Pursuant to *Jeffcoat v. Morris*, 300 S.C. 526, 389 S.E.2d 159 (Ct. App. 1989), a receiver holds the property coming into his or her hands by the same right and title as the person for whose property he or she is receiver.

47. Upon information and belief, Southern held an interest in the Insurance Policies. The Insurance Policies, therefore, are property of Southern.

48. As the receiver of Southern, the Receiver is entitled to the Insurance Policies, which are believed to be in the possession of Southern's Insurers, Stokes Farnham, and/or the Chandler Defendants.

49. Plaintiff has requested copies of the Insurance Policies from Southern's Insurers, Stokes Farnham, and the Chandler Defendants, but they have failed to provide complete copies of them.

50. Plaintiff seeks a declaration that he is entitled to copies of all the Insurance Policies and that Southern's Insurers, Stokes Farnham, and/or the Chandler Defendants must provide him with copies of those polices.

51. Plaintiff further seeks a declaration that Southern's Insurers have a duty to defend Southern in the Asbestos Suits.

52. As to all the Insurance Policies, Plaintiff seeks the following declarations:

a. The Insurance Policies cover all Southern Asbestos Suits that allege any bodily injury, personal injury, injurious exposure, progression of injury and/or disease,

manifestation of illness, or death during any of their policy periods;

b. The multiple-year policies and policies that were subject to annual renewal provide for a full separate limit for product liability and completed operations claims and a full per occurrence limit for premises and operations claims separately for each annual period or portion thereof;

c. Each Asbestos Suit "triggers" all the Insurance Policies with policy periods from the date of first alleged exposure to asbestos up through and including the date of discovery, or "manifestation" of an asbestos-related disease;

d. Southern may select the policy or policy years to which to assign or allocate each Asbestos Suit-related loss;

e. In the case of a claimed ambiguity in any Insurance Policy, such ambiguity shall be construed in favor of the broadest coverage afforded under the Insurance Policies and Southern's Insurers bear the burden of proof as to any such ambiguity;

f. The burden of proving any limitation or exclusion to coverage is on Southern's Insurers;

g. Defense costs for the Asbestos Suits are supplemental, and the payment of defense costs does not erode or impair any limit of liability of any of the Insurance Policies;

h. The duty to pay or reimburse defense costs is triggered by the allegations of a complaint asserted against Southern;

i. If any allegation or cause of action in the Asbestos Suits is actually or potentially covered under the Insurance Policies, Southern's Insurers must defend or reimburse in full the costs of defending against all of said allegations and causes of action contained in such complaint;

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

j. Each Insurance Policy is required to pay or reimburse all sums that Southern becomes legally obligated or reasonably required to pay as damages by reason of the Asbestos Suits, unless there is an unambiguous exclusion or limitation that applies to any such suit or there is no bodily injury or allegation thereof during the period of any such Insurance Policy;

k. The Asbestos Suits that allege exposure to asbestos for which Southern is alleged to be liable, during Southern's operations, including Southern's construction, installation, maintenance or removal activities, are subject only to the "per occurrence" limits of the Insurance Policies, and not subject to "aggregate" limits, if any, of the Insurance Policies;

l. Any aggregate limit on coverage in any of the Insurance Policies is a limitation on coverage, and therefore Southern's Insurers have the burden to prove, based on the evidence, any assertion that any particular Asbestos Suit is subject to the aggregate limits in the Insurance Policies, if any;

m. Southern's Insurers have the burden to prove, based on the evidence, that any particular Asbestos Suit is either a "products" claim or a "completed operations" claim, as those terms are defined in the Insurance Policies, in order to subject the claim to the aggregate limits in the Insurance Policies, if any;

n. The "completed operations hazard" described in the Insurance Policies, and the corresponding aggregate limits of liability, apply *only* when a plaintiff is exposed to asbestos products *after* Southern completed its installation or removal operations or work at a particular jobsite;

o. The asbestos insulation contracting, or "operations," claims against Southern have resulted from multiple "occurrences" under the Insurance Policies, thus entitling Plaintiff to multiple "per occurrence" limits of liability to satisfy its asbestos liabilities; and

p. While product liability or completed operations losses are subject to allocation on a "time on the risk" pro rata allocation method, "operations" claims are allocated on an "all sums" basis, and, in either case, in light of its non-operating defunct status, no loss may be allocated to Plaintiff as part of any "time-on-the-risk" allocation scheme.

53. Further, Plaintiff seeks a declaration that if Southern's Insurers did not issue the Insurance Policies to protect Southern, and specifically through Stokes-Farnham and/or the Chandler Defendants, that the Court find that Stokes Farnham and/or the Chandler Defendants are responsible for the defense and indemnification of Southern during those respective years.

54. For each and all of the Insurance Policies that are missing or incomplete, Plaintiff respectfully requests the Court to declare the essential terms and conditions for each such policy and its coverage afforded to Southern, specifically for the Asbestos Suits.

55. An actual and justiciable controversy exists between Plaintiff and Southern's Insurers, Stokes Farnham, and/or the Chandler Defendants concerning their obligations under the Insurance Policies.

56. Judicial declarations are necessary and appropriate at this time, and under the circumstances alleged above, so that Plaintiff may ascertain its rights under the Insurance Policies. A judicial declaration of Plaintiff's rights will obviate *seriatim* litigation and a multiplicity of actions that otherwise would result from the actual and justiciable controversy between Plaintiff

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

and Southern's Insurers concerning their respective rights and obligations under the Insurance Policies.

COUNT II
(Failure to Procure Insurance Against Strokes-Farnham and the Chandler Defendants)

57. Each of the allegations in the foregoing paragraphs are incorporated herein as if repeated verbatim.

58. Stokes-Farnham and the Chandler Defendants had a duty to exercise reasonable skill, care and diligence to procure appropriate insurance coverage for Southern.

59. Stokes-Farnham and the Chandler Defendants breached their duty owed to Southern by failing to place insurance to protect Southern from liability for claims arising from its anticipated business activities and those of its contractors, including Rochester.

60. Upon information and belief, Stokes-Farnham's and the Chandler Defendants' breach of these duties of care include but are not limited to failing to adhere to the applicable standard of care in placing insurance; failing to procure sufficient and appropriate coverage; and in such other and further particulars as may be disclosed in discovery and established at trial.

61. Additionally, Stokes-Farnham breached its duty of care by making misrepresentations to Southern that it was named as an additional insured on the State Auto Policy.

62. Stokes-Farnham and the Chandler Defendants had an obligation to maintain records concerning the Insurance Policies and failed to do so.

63. Plaintiff did not discover that Stokes-Farnham failed to obtain insurance for it and failed to maintain records concerning the Insurance Policies until in or about September 2020 when it failed to provide copies of the Insurance Polices to Plaintiff upon request.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

64. Plaintiff did not discover that the Chandler Defendants failed to obtain insurance for it and failed to maintain records concerning the Insurance Policies until in or about May 2019 when it failed to provide copies of the Insurance Policies to Plaintiff upon request.

65. As a direct and proximate result of Stokes-Farnham's and the Chandler Defendants' negligent actions and breaches of duties Plaintiff has been injured and is entitled to recover damages including, but not limited to, actual damages, punitive damages, prejudgment interest, attorney's fees, the costs of this action, and such other and further relief as the Court deems just and proper. Stokes-Farnham and the Chandler Defendants are further responsible for all damages flowing from the lack of insurance benefits that Plaintiff would have otherwise received if coverage had been appropriately produced.

COUNT III
(Negligence/Negligent Misrepresentation Against Stokes-Farnham)

66. Each of the allegations in the foregoing paragraphs are incorporated herein as if repeated verbatim.

67. This cause of action is pled in the alternative if it is determined the Stokes-Farnham failed to have Southern named as an additional insured on the State Auto Policy.

68. When it provided the Certificate of Insurance to Southern, Stokes-Farnham made the material representation to Southern that Rochester was a holder of the State Auto Policy and that Southern was named as an additional insured under the policy.

69. Stokes-Farnham knew that Southern would rely on this representation in hiring Rochester to work as a subcontractor, and it intended for Southern to rely on its representation. Therefore, Stokes-Farnham had and/or assumed a duty to provide accurate information to Southern.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

70. Stokes-Farnham had a pecuniary interest in representing to Southern that it was named as an additional insured under the State Auto Policy.

71. Southern did, in fact, rely on Stokes-Farnham's representations about the State-Auto Policy, and Southern was justified in doing so.

72. Stokes-Farnham's representations about the State Auto Policy and who it insured were false, and, therefore, it breached the duty it owed to Southern.

73. Plaintiff did not discover that Stokes-Farnham failed to obtain insurance for it and failed to maintain records concerning the Insurance Policies until in or about September 2020 when it failed to provide copies of the Insurance Policies to Plaintiff upon request.

74. As a direct and proximate result of Stokes-Farnham's negligent actions and breaches of duties Plaintiff has been injured and is entitled to recover damages including, but not limited to, actual damages, punitive damages, prejudgment interest, attorney's fees, the costs of this action, and such other and further relief as the Court deems just and proper. Stokes-Farnham is further responsible for all damages flowing from the lack of insurance benefits that Plaintiff would have otherwise received if coverage had been appropriately produced.

COUNT IV
(Declaratory Judgment Against Southern's Insurers and the Asbestos Claimants)

75. Each of the allegations in the foregoing paragraphs are incorporated herein as if repeated verbatim.

76. An actual and justiciable controversy exists between Plaintiff and Southern's Insurers and the Asbestos Claimants, including the individual defendants named here, concerning their rights and obligations with respect to the Receiver.

77. Judicial declarations are necessary and appropriate at this time, under the circumstances alleged above, so that the Receiver may ascertain his rights to compensation for his efforts in fulfilling his duties under the Receivership Order.

78. Pursuant to S.C. Code Ann. § 15-65-100, the Receiver shall be allowed such commissions as may be fixed by the Court appointing the Receiver.

79. Pursuant to the Supreme Court of South Carolina's ruling in *Ex Parte Simons*, 289 S.C. 1, 344 S.E.2d 151 (1986), a Receiver's fee is based on the value of a receiver's services and at the appointing Court's discretion.

80. Southern has no assets with which to compensate the Receiver for his services, aside from its insurance policies.

81. The Receiver has dedicated and will continue to dedicate a substantial amount of time and incur substantial expenses to fulfill his duties.

82. The primary beneficiaries of the time and expenses Plaintiff has put towards this case are the Asbestos Claimants and Southern's Insurers.

83. The Asbestos Claimants and Southern's Insurers have had, and will continue to have, claims processed and suits defended that otherwise would not have been processed or defended, but for the diligent work of the Receiver.

84. For example, Southern's Insurers and the Asbestos Claimants have a representative of Southern toward whom to direct their efforts and process claims against their responsive policies.

85. Plaintiff respectfully requests this Court to declare that Southern's Insurers and the Asbestos Claimants must fairly compensate the Receiver.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

86. If that is not possible, Plaintiff requests that this Court declare which Defendants are responsible for compensating the Receiver for the substantial time, effort, and expenses he put towards his responsibility as Receiver in this case.

COUNT V
(Declaratory Judgment against Individual Defendants)

87. Each of the allegations in the foregoing paragraphs are incorporated as if repeated verbatim herein.

88. Southern seeks a declaration and order that certain rights and interests of the individually named Defendants be limited and curtailed as follows: (1) that any judgment obtained against Southern in the Asbestos Suits be limited to all sums that may be collected from Southern's Insurers individually or collectively; (2) that no form of relief, equitable or monetary, including actual, punitive or exemplary damages, is awardable against the Receiver or the Receiver acting on behalf of Southern pursuant to South Carolina Code §15-65-10; and (3) that any judgment obtained against Southern that is or may be subject to an aggregate limit of any insurance policy or policies issued to Southern must fairly and equitably take into account such other judgments that may be outstanding at the time of such judgment.

COUNT VI
(Breach of Contract Against USF&G)

89. Each of the allegations in the foregoing paragraphs are incorporated as if repeated verbatim herein.

90. Southern was insured by one or more policies of insurance issued by USF&G.

91. Southern provided timely notice to USF&G of the Asbestos Suits.

92. USF&G, unreasonably and without proper cause, has failed to defend Southern in the Southern asbestos suits as required by the policies it issued to Southern.

ELECTRONICALLY FILED - 2020 Nov 10 3:23 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

93. The failure of USF&G to provide a defense to Southern in the Asbestos Suits has caused and will continue to cause harm and damages to Southern.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that the Court grant the declaratory relief requested herein and award it actual damages, punitive damages, attorneys' fees and costs, pre-judgment interest, post-judgment interest, and all other relief the Court deems just and proper.

Respectfully submitted,

s/ Brian M. Barnwell
Brian M. Barnwell
SC Bar number 78249
Rikard & Protopapas, LLC
1329 Blanding Street
Columbia, SC 29201
803.978.6111
bb@rplegalgroup.com

John B. White, Jr.
S.C. Bar No. 5996
Marghretta H. Shisko
S.C. Bar No. 100106
HARRISON WHITE, P.C.
178 W. Main Street (29306)
P.O. Box 3547
Spartanburg, SC 29304
Phone: (864) 585-5100
jwhite@spartanlaw.com
mshisko@spartanlaw.com

Attorneys for the Receiver for Southern Insulation, Inc.

This 10th Day of November, 2020

EXHIBIT G

ELECTRONICALLY FILED - 2022 Jan 07 2:35 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, Plaintiff, vs. State Auto Property & Casualty Insurance Company f/k/a Southern Home Insurance Company a/k/a Southern Home Insurance Company, Greer, South Carolina; Stokes-Farnham Insurance Agency, Inc.; Arrowood Indemnity Company, f/k/a Royal Indemnity Company, successor-in-interest to Royal Globe Insurance Company of America; Bedivere Insurance Company, individually and as parent and/or successor-in-interest to Potomac Insurance Company of Illinois; United States Fidelity and Guaranty Company; The Continental Insurance Company; Correll Insurance Group, LLC, individually and as parent and/or successor-in-interest to Chandler Insurance, LLC f/k/a R.V. Chandler & Sons, Inc.; R.V. Chandler & Associates, Inc., as successor-in-interest to R.V. Chandler & Sons, Inc.; David D. Rollins; and Linda J. White, Individually and as Personal Representative of the Estate of Lubert F. White, Jr., Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **PLAINTIFF'S MOTION TO DISMISS DEFENDANT BEDIVERE INSURANCE COMPANY PURSUANT TO RULE 41(a)(2) SCRCP**

The Plaintiff, Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, pursuant to Rule 41(a)(2) SCRCP, respectfully moves for an Order of this Court dismissing without prejudice all pending claims in this action against Bedivere Insurance Company, individually and as parent and/or successor-in-interest to Potomac Insurance Company of Illinois.

ELECTRONICALLY FILED - 2022 Jan 07 2:35 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

On March 11, 2021, the Commonwealth Court of Pennsylvania issued an order of liquidation of Bedivere Insurance Company. (Exh. A). On or about December 29, 2021, Plaintiff filed claims against Bedivere according to the terms of the liquidation order, and for this reason, dismissal of the pending claims against Bedivere is appropriate. Pursuant to Rule 41(a)(2) SCRCP, dismissal by court order is not an adjudication on the merits.

For the above reasons, Plaintiff respectfully requests that the Court:

Grant this Motion to Dismiss without prejudice the pending claims in this action against Bedivere Insurance Company, individually and as parent and/or successor-in-interest to Potomac Insurance Company of Illinois; and

Grant that each party shall bear its own costs and attorneys' fees.

Respectfully Submitted,

s/ Matthew Richardson
Matthew Richardson
S.C. Bar No. 15647
Eric B. Amstutz
S.C. Bar No. 363
Jessica Monsell
S.C. Bar No. 105232
WYCHE, P.A.
807 Gervais Street, Suite 301
Columbia, SC 29201
803-254-6542
mrichardson@wyche.com
eamstutz@wyche.com
jmonsell@wyche.com

Brian M. Barnwell
S.C. Bar No. 78249
RIKARD & PROTOPAPAS, LLC
2110 N. Beltline Blvd.
Columbia, SC 29204
803-978-6111
bb@rplegalgroup.com

John B. White, Jr.
S.C. Bar No. 5996
Marghretta H. Shisko
S.C. Bar No. 100106
HARRISON WHITE, P.C.
178 W. Main Street (29306)
Spartanburg, SC 29304
864-585-5100
jwhite@spartanlaw.com
mshisko@spartanlaw.com

Attorneys for the Receiver for Southern Insulation, Inc.

January 7, 2022

Columbia, South Carolina

ELECTRONICALLY FILED - 2022 Jan 07 2:35 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

EXHIBIT H

ELECTRONICALLY FILED - 2022 Feb 01 4:03 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, Plaintiff, vs. State Auto Property & Casualty Insurance Company f/k/a Southern Home Insurance Company a/k/a Southern Home Insurance Company, Greer, South Carolina; Stokes-Farnham Insurance Agency, Inc.; Arrowood Indemnity Company, f/k/a Royal Indemnity Company, successor-in-interest to Royal Globe Insurance Company of America; Bedivere Insurance Company, individually and as parent and/or successor-in-interest to Potomac Insurance Company of Illinois; United States Fidelity and Guaranty Company; The Continental Insurance Company; Correll Insurance Group, LLC, individually and as parent and/or successor-in-interest to Chandler Insurance, LLC f/k/a R.V. Chandler & Sons, Inc.; R.V. Chandler & Associates, Inc., as successor-in-interest to R.V. Chandler & Sons, Inc.; David D. Rollins; and Linda J. White, Individually and as Personal Representative of the Estate of Lubert F. White, Jr., Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **ORDER GRANTING PLAINTIFF'S MOTION TO DISMISS BEDIVERE INSURANCE COMPANY PURSUANT TO RULE 41(a)(2) SCRCP WITHOUT PREJUDICE**

This matter comes before the Court upon the motion of the Plaintiff pursuant to Rule 41(a)(2), of the South Carolina Rules of Civil Procedure, seeking an Order dismissing Defendant

Bedivere Insurance Company, individually and as parent and/or successor-in-interest to Potomac Insurance Company of Illinois from this action.

Upon motion of the Plaintiff and for good cause shown, it is hereby ordered that Defendant Bedivere Insurance Company, individually and as parent and/or successor-in-interest to Potomac Insurance Company of Illinois be dismissed from the action without prejudice. This Order is not an adjudication on the merits. Each part shall bear its own costs and attorney's fees.

AND IT IS SO ORDERED.

_____, South Carolina

ELECTRONICALLY FILED - 2022 Feb 01 4:03 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 01 4:03 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

Richland Common Pleas

Case Caption: Southern Insulation Inc , plaintiff, et al vs State Auto Property & Casualty Insurance Company , defendant, et al

Case Number: 2020CP4004385

Type: Order/Dismissal

So Ordered

Jean H. Toal

EXHIBIT I

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
SOUTHERN INSULATION, INC., through its Receiver, Peter D. Protopapas, Plaintiff, vs. ONEBEACON INSURANCE GROUP, LTD. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); ONEBEACON INSURANCE GROUP LLC (n/k/a Intact Insurance Group USA LLC); R.V. CHANDLER & ASSOCIATES, INC.; CHANDLER RENTAL PROPERTIES, INC.; THOMAS S. CHANDLER; JEAN B. OWNBEY, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; GENE N. NORVILLE; the SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION; TREBUCHET US HOLDINGS, INC.; TREBUCHET INVESTMENTS LIMITED; TREBUCHET GROUP HOLDINGS LIMITED (f/k/a Armour Group Holdings Limited); BRAD S. HUNTINGTON, individually; and JOHN C. WILLIAMS, individually. Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **SECOND AMENDED SUMMONS AND COMPLAINT**

TO THE ABOVE-NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED and required to answer the Second Amended Complaint in this action, a copy of which is hereby served upon you, and to serve a copy of your Answer to the Second Amended Complaint upon the Plaintiff at 807 Gervais Street, Suite 301

Columbia, South Carolina 29204 within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the Second Amended Complaint within this time, judgment by default may be entered against you for the relief demanded in the Second Amended Complaint.

Respectfully Submitted,

s/ Matthew Richardson
Matthew Richardson
S.C. Bar No. 15647
Eric B. Amstutz
S.C. Bar No. 363
Jessica Monsell
S.C. Bar No. 105232
WYCHE, P.A.
807 Gervais Street, Suite 301
Columbia, SC 29201
803-254-6542
mrichardson@wyche.com
eamstutz@wyche.com
jmonsell@wyche.com

Brian M. Barnwell
S.C. Bar No. 78249
RIKARD & PROTOPAPAS, LLC
2110 N. Beltline Blvd.
Columbia, SC 29204
803-978-6111
bb@rplegalgroup.com

John B. White, Jr.
S.C. Bar No. 5996
Marghretta H. Shisko
S.C. Bar No. 100106
HARRISON WHITE, P.C.
178 W. Main Street (29306)
Spartanburg, SC 29304
864-585-5100
jwhite@spartanlaw.com
mshisko@spartanlaw.com

Attorneys for the Receiver for Southern Insulation, Inc.

February 18, 2022

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
SOUTHERN INSULATION, INC., through its Receiver, Peter D. Protopapas, Plaintiff, vs. ONEBEACON INSURANCE GROUP, LTD. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); ONEBEACON INSURANCE GROUP LLC (n/k/a Intact Insurance Group USA, LLC); R.V. CHANDLER & ASSOCIATES, INC.; CHANDLER RENTAL PROPERTIES, INC.; THOMAS S. CHANDLER; JEAN B. OWNBEY, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; GENE N. NORVILLE; THE SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION; TREBUCHET US HOLDINGS, INC.; TREBUCHET INVESTMENTS LIMITED; TREBUCHET GROUP HOLDINGS LIMITED (f/k/a Armour Group Holdings Limited); BRAD S. HUNTINGTON, individually; and JOHN C. WILLIAMS, individually. Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **SECOND AMENDED COMPLAINT**

Pursuant to Rule 15(a) and (d), SCRCP, and with consent of all existing Defendants, Plaintiff Southern Insulation, Inc. ("Southern"), by and through its Receiver Peter D. Protopapas

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

(the "Receiver") (collectively "Plaintiff"), files this Second Amended Complaint against the above-named defendants as follows:

THE PARTIES

1. Peter D. Protopapas was appointed as Southern's Receiver, by Order of the Honorable Jean H. Toal of the Fifth Judicial Circuit, see *Hopper v. Air & Liquid Sys. Corp. et al.*, C.A. No. 2019-CP-40-00076; in the South Carolina Court of Common Pleas ("Receivership Order"). The Receiver's primary place of business is in Richland County, South Carolina.

2. Southern was incorporated under the laws of South Carolina and had its principal place of business in South Carolina. Southern was administratively dissolved on or about December 5, 1991.

3. OneBeacon Insurance Group, Ltd., formerly known as White Mountains Insurance Group, Ltd., formerly known as CGU Insurance Company, formerly known as Commercial Union Corporation, formerly known as General Accident Insurance Company of America ("OneBeacon Group Parent"), is a limited liability company organized under the laws of Bermuda with its principal place of business in Plymouth, Minnesota.

4. OneBeacon Insurance Group LLC ("OneBeacon Insurance Group"), now known as Intact Insurance Group USA LLC (under the brand Intact Insurance Specialty Solutions), is a limited liability company organized under the laws of Delaware with its principal place of business in Plymouth, Minnesota. OneBeacon has a South Carolina registered agent, namely Corporation Service Company, located at 508 Meeting Street, Columbia, South Carolina, 29169.

5. OneBeacon Insurance Group is a subsidiary of OneBeacon Group Parent (collectively "OneBeacon").

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

6. R.V. Chandler & Associates, Inc. is incorporated under the laws of South Carolina with its principal place of business in South Carolina.

7. Chandler Rental Properties, Inc., formerly known as R.V. Chandler & Co., Inc., is incorporated under the laws of South Carolina with its principal place of business in South Carolina and a registered agent who is a natural person in Greenville, South Carolina.

8. Thomas S. Chandler is a citizen and resident of Greenville County, South Carolina.

9. Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06, is a citizen and resident of Greenville County, South Carolina.

10. Gene N. Norville is a citizen and resident of Greenville County, South Carolina.

11. Upon information and belief, R.V. Chandler & Associates, Inc.; Chandler Rental Properties, Inc.; Thomas S. Chandler; Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; and Gene N. Norville are successors-in-interest and/or are otherwise liable for the acts and omissions of R.V. Chandler & Sons, Inc. These parties are collectively the "Chandler Defendants."[1]

12. The South Carolina Property and Casualty Insurance Guaranty Association (the "Guaranty Association") is an unincorporated legal entity organized under the laws of South Carolina and is in Columbia, South Carolina.

13. Trebuchet US Holdings, Inc. ("Trebuchet US") is a business corporation incorporated under the laws of Delaware with its principal place of business in Philadelphia, Pennsylvania. It is a wholly owned subsidiary of Trebuchet Investments Limited.

[1] Correll Insurance Group, LLC, a former party to this action, was dismissed after reaching a settlement with the Receiver, and assigned to the Receiver its right to recover against the Chandler Defendants in connection with the crossclaims and third-party claims Correll Insurance Group had asserted in this action against the Chandler Defendants.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

14. Trebuchet Investments Limited ("Trebuchet Investments"), which is organized under the laws of Bermuda, is a wholly owned subsidiary of Trebuchet Group Holdings Limited.

15. Trebuchet Group Holdings Limited ("Trebuchet Group"), which is organized under the laws of Bermuda, is, upon information and belief, the parent or ultimate parent company of Trebuchet Investments, Trebuchet US, and Bedivere Insurance Company, among others. It was formerly known as Armour Group Holdings Limited. Trebuchet US, Trebuchet Investments, and Trebuchet Group when referenced collectively with Defendants Huntington and Williams below are the "Trebuchet Defendants."

16. Brad S. Huntington ("Huntington") is an individual who, upon information and belief, is domiciled and has his primary business address in Philadelphia, Pennsylvania.

17. John C. Williams ("Williams") is an individual who, upon information and belief, is domiciled and has his primary business address in Philadelphia, Pennsylvania.

JURISDICTION AND VENUE

18. This Court has exclusive jurisdiction over this suit because this Court appointed the Receiver for Southern, a South Carolina corporation, and "all of its property wherever located," S.C. Code Ann. 33-14-320(a), in Richland County, South Carolina, and all parties and issues raised in this suit are within this Court's subject matter jurisdiction.

19. Defendants are subject to the jurisdiction of this Court pursuant to due process and the South Carolina Long-Arm Statute, including S.C. Code. Ann. § 36-2-803 in that Defendants:

(1) are residents of this State;

(2) transacted business in this State;

(3) committed tortious acts in whole or in part in this State;

(4) caused injury in this State while regularly doing or soliciting business or while engaging in a persistent course of conduct or deriving substantial revenue from goods or services used in South Carolina;

(5) contracted to supply services in this State; and/or

(6) contracted to insure persons, property, or risk located within this State at the time of contracting.

20. Because the insurance policies at issue were intended to cover losses occurring in South Carolina and losses occurred here in Richland County where the Receiver was appointed and is located, venue is proper in this Court; see S.C. Code Ann. § 15-7-70.

21. Venue is also proper because this Court is the Receivership Court with cases pending and new filings anticipated in this Court. Pursuant to the Order of the Supreme Court of South Carolina, Order Number 2019-05-28-02, the Honorable Jean H. Toal has jurisdiction in all judicial circuits in this State to dispose of all pretrial matters and motions, as well as trials, arising out of asbestos and asbestosis litigation filed within the state court system. Thus, the Honorable Jean H. Toal has jurisdiction over and has been assigned this matter.

GENERAL ALLEGATIONS

22. Southern was incorporated in South Carolina on or about April 27, 1967.

23. Southern was administratively dissolved on or about December 5, 1991.

24. Southern is alleged to have exposed throughout its period of operations numerous employees, clients, and other third parties to asbestos-containing products, materials, and/or equipment in connection with the installation, repair, replacement, removal, and/or disturbance of thermal insulation materials.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

25. The people allegedly exposed to or harmed by asbestos by Southern's conduct ("Asbestos Claimants") claim that they or others whom they represent have suffered bodily injury that took place from 1967 through 1991 and thereafter continued and progressed.

26. The Asbestos Claimants have asserted numerous lawsuits, many of which are pending in this Court, against Southern "Asbestos Suits").

Policies Issued to Southern

27. Potomac Insurance Company ("Potomac")[2] and other insurance companies issued general liability and/or manufacturers and contractors policies to Southern while Southern was in business.

28. These policies (collectively, "Insurance Policies") provide defense and indemnity coverage for the Asbestos Suits.

29. Potomac changed its corporate name several times over the years and in 2014 was known as OneBeacon Insurance Company. It was a direct or indirect wholly owned subsidiary of OneBeacon until December 23, 2014, at which time it became a wholly owned subsidiary of Trebuchet US. In 2015, OneBeacon Insurance Company changed its corporate name to Bedivere Insurance Company.

30. Upon information and belief, R.V. Chandler & Sons, Inc. acted as an agent or broker for Southern, placing insurance covering Southern with one or more of Southern's insurers, including various Insurance Policies. The Chandler Defendants, as successors-in-interest to and/or as individuals or entities otherwise liable for the acts and omissions of R.V. Chandler & Sons, Inc., are liable for the acts and omissions of R.V. Chandler & Sons, Inc.

31. Plaintiff has tendered the Asbestos Suits for defense and coverage.

[2] See *infra* note 3 for identification of a different Potomac Insurance Company.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

32. Most of Southern's insurers have admitted that they insured Southern and have, under a reservation of rights, undertaken their insuring obligations to Southern, including in circumstances where their policies are missing, in whole or in part.

33. Southern also has evidence that establishes the terms of the policies issued by Potomac.

34. Additionally, these policies were issued with standard terms and conditions, and it is the burden of the insurers to prove any limitation to or exclusion of coverage.

OneBeacon's Asset Stripping and Bedivere's Liquidation

35. Upon information and belief, OneBeacon engaged in conduct that caused OneBeacon or its other affiliates to receive substantial and material assets of OneBeacon Insurance Company over time and in return provided inadequate consideration, thereby increasing OneBeacon's assets and enhancing the value of OneBeacon's ownership interest in its other affiliates, while leaving OneBeacon Insurance Company on a path to insolvency and lacking adequate assets to pay the claims of Southern. Upon information and belief, OneBeacon engaged in the same conduct with respect to OneBeacon Insurance Company's subsidiaries and with respect to Potomac II (hereinafter defined), another wholly owned subsidiary of OneBeacon .

36. Upon information and belief, as is set forth more fully below OneBeacon Insurance Company was merely an instrumentality and alter ego of OneBeacon because OneBeacon had effective control of OneBeacon Insurance Company's assets and used them in furtherance of unrelated lines of business of OneBeacon or its other affiliates.

37. Upon information and belief, through a concerted effort that took several months prior to December 23, 2014 to complete, OneBeacon enriched itself and failed to return money or

value to OneBeacon Insurance Company, thus rendering OneBeacon Insurance Company grossly undercapitalized and ultimately insolvent, all at the ultimate expense of Southern.

38. Upon information and belief, through a complex series of transactions, OneBeacon asserted dominion over OneBeacon Insurance Company and usurped its assets. Upon information and belief, OneBeacon treated itself to enormous dividends and systematically stripped OneBeacon Insurance Company of its capital. Specifically, prior to December 23, 2014, capital was transferred from OneBeacon Insurance Company to OneBeacon or its other affiliates. OneBeacon knew that policyholders would continue to file claims on policies issued by Potomac. Nonetheless, OneBeacon proceeded with its and its other affiliates' takeover of OneBeacon Insurance Company's assets and resources. Instead of taking and assuming Southern's asbestos policies or leaving sufficient assets with OneBeacon Insurance Company to pay the certain and expected claims against Southern's asbestos policies, OneBeacon left OneBeacon Insurance Company with such inadequate capitalization that OneBeacon Insurance Company was effectively placed in a position to inevitably become, and now is, insolvent.

39. In addition, on or about December 23, 2014, OneBeacon sold OneBeacon Insurance Company, its two wholly owned runoff insurance companies, and Potomac II to Trebuchet US, which was a direct or indirect wholly owned subsidiary of Trebuchet Investments and Trebuchet Group, in a stock sale transaction (hereinafter the "Transaction").

40. The Transaction changed the corporate parentage of OneBeacon Insurance Company from OneBeacon to the Trebuchet Defendants. Very limited financial statements were made publicly available prior to the Transaction concerning the financial condition of the Trebuchet Defendants, concealing their true financial condition, jeopardizing the stability of OneBeacon Insurance Company, and prejudicing the interests of Southern.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

41. Upon information and belief, prior to the Transaction, OneBeacon had knowingly and materially underestimated its and its subsidiaries' long-tail liability exposures for many years. OneBeacon knew or should have known that OneBeacon Insurance Company's reserves would not be adequate to meet future liabilities under Southern's occurrence insurance policies issued by Potomac.

42. Further, prior to the Transaction, OneBeacon falsely claimed the Transaction would be economically neutral for OneBeacon and portrayed the Transaction as providing increased stability for all parties. Instead, the Transaction was economically beneficial to OneBeacon and devastating to Southern.

43. Using self-serving and fundamentally flawed data, OneBeacon's Pre-Transaction projections materially misrepresented the viability of OneBeacon Insurance Company with the intent of removing from OneBeacon and its other affiliates the long-tail liabilities of OneBeacon Insurance Company.

44. Contrary to these representations, OneBeacon knew that the Transaction substituted the Trebuchet Defendants, a weak group of companies with weak balance sheets, for the financially stronger OneBeacon organization, including OneBeacon's ongoing underwriting operations, assets, and income stream. Moreover, as noted above, OneBeacon Insurance Company was made more vulnerable to this discrepancy by OneBeacon's removal of large amounts of assets and capital from OneBeacon Insurance Company before the Transaction.

45. As a result of the Transaction, OneBeacon Insurance Company was removed from the strong and profitable specialty underwriting business of OneBeacon and consigned to the dramatically weaker resources of the Trebuchet Defendants' runoff business, with large amounts

of capital previously supporting the Insurance Policies having been stripped out of OneBeacon Insurance Company by OneBeacon in advance of the Transaction.

46. The Transaction furthered the interests of OneBeacon and its shareholders at the expense of honoring commitments to Southern under discontinued lines of comprehensive general liability business.

47. OneBeacon knew that OneBeacon Insurance Company had substantial outstanding obligations, which would come due in subsequent years, in the form of claims from its policyholders, such as Southern, on policies written in previous years. Because of OneBeacon's misconduct, OneBeacon Insurance Company has not had the resources needed to pay these certain and expected claims.

48. Despite its knowledge of OneBeacon Insurance Company's long-tail liability exposure and the weak financial position of the Trebuchet Defendants' runoff business, OneBeacon misrepresented to the public and insurance regulators that the Transaction was in the interest of OneBeacon Insurance Company and its policyholders and that OneBeacon Insurance Company and the other then-acquired companies would each maintain adequate capitalization as a member of the Trebuchet Defendants group to cover its existing and potential future liabilities.

49. Upon information and belief, but for OneBeacon's misrepresentations, the Pennsylvania Insurance Commission would not have approved the Transaction and OneBeacon Insurance Company would have remained adequately capitalized and supported as a OneBeacon subsidiary.

50. Upon information and belief, the foregoing actions of OneBeacon were designed or actually intended by OneBeacon to hinder, delay and/or defraud OneBeacon Insurance Company's creditors, including and especially policyholders like Southern.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

51. The obvious and direct consequence of the foregoing actions of OneBeacon was that OneBeacon Insurance Company's creditors would not be able to claim against significant assets previously owned and transferred to OneBeacon and its other affiliates by OneBeacon Insurance Company, that OneBeacon Insurance Company was left with a minimal asset base against which creditors of OneBeacon Insurance Company could recover in the future, and that OneBeacon Insurance Company's creditors were and have been hindered and/or delayed.

52. OneBeacon believed or reasonably should have believed that, after the Transaction, OneBeacon Insurance Company would incur debts beyond its ability to pay as they became due.

53. By effectuating the Transaction and the pre-Transaction transfers, OneBeacon fraudulently caused OneBeacon Insurance Company's assets to be transferred for the benefit of OneBeacon and its other affiliates, without the receipt by OneBeacon Insurance Company of reasonably equivalent value in exchange.

54. By effectuating the Transaction and the pre-Transaction transfers, OneBeacon engaged in a fraudulent transfer of assets, or caused a fraudulent transfer of assets to occur, because the assets were transferred to insiders.

55. On February 9, 2015, OneBeacon Insurance Company changed its corporate name to Bedivere Insurance Company ("Bedivere").

56. On December 9, 2020, Bedivere merged with three affiliated companies, namely the Employers' Fire Insurance Company ("EFIC"), Lamorak Insurance Company ("Lamorak"), and Potomac Insurance Company ("Potomac II").[3]

57. On March 11, 2021, the Pennsylvania Commonwealth Court approved an order of liquidation for Bedivere, recognizing that Bedivere's financial liabilities exceeded its assets.

[3] This Potomac Insurance Company –not to be confused with the issuer of Southern's insurance policies – was incorporated in 1995 and, upon information and belief, has been an affiliate of OneBeacon since its inception.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

58. Bedivere's liquidation was both the natural and intended result of the Transaction and the prior asset transfers described above, delaying and defrauding Southern and its asbestos claimants.

59. OneBeacon's conduct caused Bedivere to become insolvent and placed into liquidation. As a result, Bedivere is inadequately capitalized and unable to pay Southern the money legally obligated to be paid under the Insurance Policies. Accordingly, OneBeacon is ultimately responsible for these losses and the real-party-in-interest under Potomac's Insurance Policies and thus is liable for Potomac's obligations to Southern.

Trebuchet's Asset Stripping and the 2020 Merger

60. Upon information and belief, Huntington and Williams were at all material times subsequent to December 23, 2014 the sole ultimate controlling persons of Trebuchet Group, its wholly owned subsidiary, Trebuchet Investments, its wholly owned subsidiary, Trebuchet US, and its wholly owned subsidiaries, including Bedivere.

61. Upon information and belief, until December 9, 2020, EFIC and Lamorak were wholly owned subsidiaries of Bedivere Insurance Company.

62. Upon information and belief, Huntington and Williams were, therefore, the sole ultimate controlling persons of EFIC and Lamorak.

63. Upon information and belief, as is set forth more fully below, each of Trebuchet US, Bedivere, EFIC and Lamorak was merely an instrumentality and alter ego of defendants Huntington, Williams, Trebuchet Investments, and Trebuchet Group, in that Huntington, Williams, Trebuchet Investments, and Trebuchet Group had and exercised effective control of the assets and liabilities of Trebuchet US, Bedivere, EFIC, and Lamorak and used them in furtherance of unrelated lines of business and/or for personal gain.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

64. Upon information and belief, Huntington and Williams established Trebuchet US in 2012 for the sole purpose of the acquisition of OneBeacon Insurance Company, Potomac II, EFIC, and Lamorak (then known as OneBeacon America Insurance Company).

65. Upon information and belief, on October 1, 2020, Huntington and Williams filed an initial request ("Application") with the Pennsylvania Department of Insurance for approval to merge EFIC, Lamorak, and Potomac II with and into Bedivere Insurance Company, with Bedivere Insurance Company being the survivor (the "Merger").

66. The Pennsylvania Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682 as amended, 40 P.S. §§991.1401 *et seq*., provides that all mergers or other acquisitions of control of domestic insurers must be filed with the Pennsylvania Department of Insurance for approval or disapproval.

67. Upon information and belief, the Application filed by Huntington and Williams was exempt from certain requirements under the law, such as a public hearing, because the Merger did not have the effect of changing or influencing the control of a domestic insurer. 40 P.S. §§991.1402(g). This is because Huntington and Williams controlled all entities concerned, both before and after the Merger.

68. The Pennsylvania Department of Insurance published notice in the *Pennsylvania Bulletin* that the Application for the Merger was submitted by Huntington and Williams.

69. Upon information and belief, Huntington and Williams planned to merge Bedivere, EFIC, Lamorak, and Potomac II as early as August 2020.

70. Upon information and belief, the Agreement and Plan of Merger ("Merger Agreement") was adopted by the boards of directors of Bedivere and Potomac II on August 6,

2020, and the Merger Agreement was approved by Trebuchet US, the sole shareholder of Bedivere and Potomac II, on the same day.

71. Upon information and belief, upon the effective date of the Merger, EFIC, Lamorak, and Potomac II transferred to Bedivere, and Bedivere acquired, all the assets of EFIC, Lamorak and Potomac II and Bedivere assumed and thereby incurred all the debts, obligations, and other liabilities of EFIC, Lamorak, and Potomac II.

72. Upon information and belief, but for these actions of Huntington, Williams, and Trebuchet US, the Merger would not have occurred.

73. Upon information and belief, one significant motivation for the Merger was, among others, the enormous liability and obligation facing Lamorak from asbestos and environmental claims arising in the matter of *Olin Corporation v. Lamorak Insurance Company*, Case No. 1:84-cv-01968-JSR, in the Southern District of New York.

74. Upon information and belief, Huntington and Williams knew that Bedivere, EFIC, Lamorak, and Potomac II were grossly undercapitalized and ill-prepared to pay claims of Southern and other insured companies, like Olin Corporation.

75. Upon information and belief, on December 4, 2020, the Insurance Commissioner of Pennsylvania approved the Merger.

76. The Merger occurred on December 9, 2020. As a result of the Merger, the assets of Bedivere became subject to the liabilities and obligations of EFIC, Lamorak, and Potomac II, including but not limited to Lamorak's liability to Olin Corporation.

77. On February 4, 2021, the United States District Court for the Southern District of New York entered an Opinion and Order in the *Olin Corporation v. Lamorak Insurance Company*

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

case, granting judgment against Lamorak in the principal amount of $25,177,789.00 plus prejudgment interest.

78. Subsequently, on February 12, 2021, the court entered judgment against Lamorak for $49,346,803, reflecting the sum of the principal amount of the judgment plus prejudgment interest of $24,169,014.

79. On February 25, 2021, the Board of Directors of Bedivere unanimously consented to, and Huntington and Williams through their control of Trebuchet US, as the sole shareholder of Bedivere, consented to the entry of an Order of Liquidation for Bedivere. On that date, Bedivere executed a Consent to Entry of Order of Liquidation for Bedivere. On or around March 2, 2021, the Insurance Commissioner of the Commonwealth of Pennsylvania filed a Petition for Liquidation of Bedivere in the Commonwealth Court of Pennsylvania.

80. On March 11, 2021, the Liquidation of Bedivere was ordered.

81. By effectuating the Merger, the Trebuchet Defendants made Bedivere's assets subject to the liabilities and obligations of EFIC, Lamorak, and Potomac II, to the detriment of Southern.

82. By effectuating the Merger, the Trebuchet Defendants fraudulently caused Bedivere to incur obligations for the benefit of other subsidiaries of the Trebuchet Defendants, without the receipt by Bedivere of reasonably equivalent value in exchange.

83. By effectuating the Merger, the Trebuchet Defendants caused a fraudulent incurrence of obligations to occur because one or more of EFIC, Lamorak, and Potomac II was insolvent.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

84. By effectuating the Merger, the Trebuchet Defendants engaged in a fraudulent incurrence of obligations, or caused a fraudulent incurrence of obligations to occur, because the obligations were transferred and incurred to, from, and among insiders.

85. By effectuating the Merger, the Trebuchet Defendants caused a fraudulent incurrence of obligations to occur, because under South Carolina and/or Pennsylvania law, a merger that occurs within a period of one year before a successful petition for liquidation is fraudulent per se. S.C. Code Ann. § 38-27-450; 40 P.S. § 221.28.

86. The timing of the Merger and subsequent liquidation are such that a factfinder can infer actual fraudulent intent.

87. Upon information and belief, the foregoing actions of the Trebuchet Defendants were designed or intended by the Trebuchet Defendants to hinder, delay and/or defraud Southern as a creditor of Bedivere.

88. The obvious and direct consequence of the foregoing actions of the Trebuchet Defendants was that Potomac policyholders and other creditors would not be able to claim against significant assets previously owned by Bedivere. After the Merger, these assets became subject to liabilities and obligations of other companies affiliated with the Trebuchet Defendants, Bedivere was left with an insufficient asset base against which Southern, as a Potomac policyholder, could recover in the future, and Southern was and has been denied, hindered, and/or delayed in receiving payments and benefits under the Insurance Policies.

89. The Trebuchet Defendants believed or reasonably should have believed that, after the Merger, Bedivere would incur debts beyond its ability to pay as they became due.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

90. When viewed in context, the badges of fraud under the fraudulent conveyance statutes of both South Carolina and Pennsylvania are present such that the Merger should be set aside for the benefit of Southern.

Appointment of Receiver

91. On May 7, 2019, the Court appointed the Receiver, giving him the power and authority to fully marshal and administer all assets of Southern, to accept service on behalf of Southern, to engage counsel on behalf of Southern, and to take all steps necessary to protect the interests of Southern, whatever they may be.

92. Since his appointment, the Receiver has expended substantial time and incurred expenses to identify potential assets and responsive policies and to defend asbestos lawsuits in fulfillment of his responsibility as Receiver.

93. The Receiver will continue to expend substantial time and incur expenses on behalf of Southern in the fulfillment of his duties.

Tolling of Statute of Limitations

94. The Receiver has diligently pursued and investigated the claims asserted in this Complaint. Through no fault of his own, the Receiver did not receive notice or learn of the factual basis for his claims against OneBeacon or the Trebuchet Defendants related to the above-described transfers, the Transaction, the Merger, or the injuries suffered until after the March 12, 2021 announcement of Bedivere's liquidation. Consequently, one or more of the following doctrines apply to toll the statute of limitations.

95. ***Discovery Rule Tolling.*** The Receiver did not know or have reason to know about the transfers and Transaction prior to his appointment in May 2019. Moreover, the Receiver did not learn that Bedivere was in liquidation until March 2021. For these reasons, any applicable

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

statutes of limitation have been tolled by operation of the discovery rule with respect to the Receiver's claims against OneBeacon that arise out of the transfers and Transaction and against the Trebuchet Defendants.

96. ***Fraudulent Concealment Tolling.*** Any applicable statutes of limitation have also been tolled by OneBeacon's and the Trebuchet Defendants' knowing and active fraudulent concealment and denial of the true facts relating to and motives underlying the transfers and Transaction.

97. ***Waiver and Estoppel.*** Based on the foregoing, OneBeacon and the Trebuchet Defendants have waived and should be estopped from relying on any statutes of limitations or laches as a defense in this action.

COUNT I
(Declaratory Judgment Against all Defendants)

98. Each of the allegations in the foregoing paragraphs is incorporated herein as if repeated verbatim.

99. Under the South Carolina Property and Casualty Insurance Guaranty Association Act ("the Act"), the Guaranty Association is obligated to process and pay covered claims against insolvent member insurers. *See* S.C. Code Ann. §§ 38-31-10 to -170.

100. Bedivere is an insolvent member insurer, as those terms are defined in S.C. Code Ann. section 38-31-20.

101. As a result of the Asbestos Suits, Southern has submitted multiple claims to Bedivere that remain unpaid and constitute "covered claims" under S.C. Code Ann. section 38-31-20(8).

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

102. Due to Bedivere's insolvency and the Guaranty Association's obligations under the Act, the Guaranty Association must take Bedivere's place in processing and paying Southern's relevant claims.

103. Accordingly, Southern seeks a declaration from this Court that the Guaranty Association is obligated to Southern for covered claims owed to Southern under the terms of the Potomac policies.

104. Pursuant to *Jeffcoat v. Morris*, 300 S.C. 526, 389 S.E.2d 159 (Ct. App. 1989), a receiver holds the property by the same right and title as the person for whose property he or she is receiver.

105. Upon information and belief, Southern held an interest in the Insurance Policies, which, therefore, are property of Southern.

106. As the receiver of Southern, the Receiver is entitled to the Insurance Policies, which are believed to be in the possession or control of Defendants or others.

107. Plaintiff has requested copies of the Insurance Policies, but Defendants have failed to provide complete copies of them.

108. Plaintiff seeks a declaration that he is entitled to copies and documentation of all the Insurance Policies and that Defendants must provide him with copies of those policies and documentation of those policies.

109. Plaintiff further seeks a declaration that Defendants have the duty to defend or pay for the defense of Southern in the Asbestos Suits.

110. As to all the Insurance Policies, Plaintiff seeks the following declarations:

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

a. The Insurance Policies cover all Asbestos Suits that allege any bodily injury, personal injury, injurious exposure, progression of injury and/or disease, manifestation of illness, or death during any of their policy periods;

b. The multiple-year policies and the policies that were subject to annual renewal provide for a full separate limit for product liability and completed operations claims and a full per occurrence limit for premises and operations claims separately for each annual period or portion thereof;

c. Each Asbestos Suit "triggers" all the Insurance Policies with policy periods from the date of first alleged exposure to asbestos up through and including the date of discovery, or "manifestation" of an asbestos-related disease;

d. Southern may select the policy or policy years to which to assign or allocate each Asbestos Suit-related loss;

e. In the case of a claimed ambiguity in any Insurance Policy, such ambiguity shall be construed in favor of the broadest coverage afforded under the Insurance Policies, and Defendants bear the burden of proof as to any such ambiguity;

f. The burden of proving any limitation or exclusion to coverage is on Defendants;

g. Defense costs for the Asbestos Suits are supplemental, and the payment of defense costs does not erode or impair any limit of liability of any of the Insurance Policies;

h. The duty to pay or reimburse defense costs is triggered by the allegations of an Asbestos Suit complaint asserted against Southern;

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

i. If any allegation or cause of action in the Asbestos Suits is actually or potentially covered under the Insurance Policies, Defendants must defend or reimburse in full the costs of defending against all allegations and causes of action contained in such complaint;

j. Each Insurance Policy is required to pay or reimburse all sums that Southern becomes legally obligated or reasonably required to pay as damages by reason of the Asbestos Suits, unless there is an unambiguous exclusion or limitation that applies to the applicable suit or there is no bodily injury or allegation thereof during the period of any such Insurance Policy;

k. The Asbestos Suits that allege exposure to asbestos for which Southern is alleged to be liable, during Southern's operations, including Southern's construction, installation, maintenance, or removal activities, are subject only to the "per occurrence" limits of the Insurance Policies, and not subject to "aggregate" limits, if any, of the Insurance Policies;

l. Any aggregate limit on coverage in any of the Insurance Policies is a limitation on coverage, and thus Defendants have the burden to prove, based on the evidence, any assertion that any particular Asbestos Suit is subject to the aggregate limits in the Insurance Policies, if any;

m. Southern's insurers have the burden to prove, based on the evidence, that any particular Asbestos Suit is either a "products" claim or a "completed operations" claim, as those terms are defined in the Insurance Policies, to subject the claim to the appropriate aggregate limits in the Insurance Policies, if any;

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

n. The "completed operations hazard" described in the Insurance Policies, and the corresponding aggregate limits of liability, apply *only* when a plaintiff is exposed to asbestos products *after* Southern completed its installation or removal operations or work at a particular jobsite;

o. The asbestos insulation contracting, or "operations," claims against Southern have resulted from multiple "occurrences" under the Insurance Policies, thus entitling Plaintiff to multiple "per occurrence" limits of liability to satisfy its asbestos liabilities; and

p. While product liability or completed operations losses are subject to allocation on a "time on the risk" pro rata allocation method, "operations" claims are allocated on an "all sums" basis, and, in either case, considering its non-operating defunct status, no claim of Plaintiff may be reduced as part of any "time-on-the-risk" allocation scheme.

111. Further, Plaintiff seeks a declaration that if the Insurance Policies were not issued to protect Southern, then the Chandler Defendants and/or the Guaranty Association are responsible for the defense and indemnification of Southern for the relevant years.

112. For each of the Insurance Policies that are missing or incomplete, Plaintiff respectfully requests the Court to declare the essential terms and conditions for each such policy and its coverage afforded to Southern, specifically for the Asbestos Suits.

113. An actual and justiciable controversy exists between Plaintiff and Defendants concerning Defendants' obligations under the Insurance Policies and as alleged herein.

114. Judicial declarations are necessary and appropriate at this time, and under the circumstances alleged above, so that Plaintiff may ascertain its rights under the Insurance Policies.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

COUNT II
(Negligent Failure to Procure Insurance Against the Chandler Defendants)

115. Each of the allegations in the foregoing paragraphs is incorporated herein as if repeated verbatim.

116. The Chandler Defendants had a duty to exercise reasonable skill, care, and diligence to procure appropriate insurance coverage for Southern.

117. Upon information and belief, the Chandler Defendants breached their duty to Southern by failing to place insurance to protect Southern from liability for claims arising from its anticipated business activities and those of its contractors.

118. Upon information and belief, the Chandler Defendants' breaches of these duties of care include but are not limited to failing to adhere to the applicable standard of care in placing insurance; failing to procure sufficient and appropriate coverage; and in such other and further particulars as may be revealed in discovery and established at trial.

119. The Chandler Defendants had an obligation to maintain records concerning the Insurance Policies and failed to do so.

120. Plaintiff did not discover that the Chandler Defendants failed to obtain insurance for it and/or failed to maintain records concerning the Insurance Policies until in or about May 2019, when the Chandler Defendants failed to provide copies of the Insurance Policies to Plaintiff upon request.

121. As a direct and proximate result of the Chandler Defendants' negligent actions and breaches of duties, Plaintiff has been injured and is entitled to recover damages including, but not limited to actual damages, punitive damages, prejudgment interest, attorneys' fees, the costs of this action, and such other and further relief as the Court deems just and proper. The Chandler

Defendants are further responsible for all damages flowing from the lack of insurance benefits that Plaintiff would have otherwise received if coverage had been appropriately produced.

COUNT III
(Common Law Fraudulent Conveyance and Violation of the Statute of Elizabeth, S.C. Code Ann. § 27-23-10, *et seq.*, and/or 12 Pa. C.S.A. §§ 5101 *et seq.*, Against OneBeacon Defendants)

122. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

123. Southern has tendered asbestos claims that remain unpaid to the insurers under the Insurance Policies.

124. OneBeacon stripped assets of OneBeacon Insurance Company, later named Bedivere, including its subsidiaries, leaving Southern's Insurance Policies without the financial support needed to pay the claims of Southern.

125. The transfer of assets from Bedivere to OneBeacon or its other affiliates occurred before and after Bedivere incurred a substantial debt of foreseeable asbestos claims in excess of the reserves allocated for claims.

126. Upon information and belief, these assets were assets of Bedivere within the meaning of S.C. Code Ann. §27-23-10 *et seq*. and/or 12 Pa. C.S.A. §§ 5101 *et seq*.

127. Upon information and belief, OneBeacon caused Bedivere to transfer valuable assets to OneBeacon or its other affiliates.

128. As a former direct or indirect owner controlling Bedivere, OneBeacon had a close relationship with Bedivere such that it is an insider within the meaning of S.C. Code Ann. §27-23-10 *et seq*. and/or 12 Pa. C.S.A. §§ 5101 *et seq*.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

129. Bedivere's liquidation is uncontroverted evidence that Bedivere is unable to satisfy its obligations to Southern, and that liquidation resulted from OneBeacon's dominion and control of Bedivere through the transfers of assets to OneBeacon or its other affiliates, as described above.

130. In exchange for the transfers to OneBeacon or its other affiliates, OneBeacon Insurance Company did not receive reasonably equivalent value. OneBeacon effectuated the transfers over time with the express purpose of OneBeacon or its other affiliates taking Bedivere's assets and leaving with Bedivere the policy liabilities. The result of these transfers was Bedivere's inability to pay claims of Southern.

131. Upon information and belief, the foregoing actions of OneBeacon were designed or actually intended by OneBeacon to hinder, delay and/or defraud creditors of Bedivere

132. When Bedivere was made to transfer assets to OneBeacon or OneBeacon's other affiliates for less than reasonably equivalent value, OneBeacon knew or should have known the transfers would cause the assets of Bedivere's operations to be unreasonably small and inadequate for and in relation to the business of Bedivere and to satisfy its insurance contract obligations.

133. When OneBeacon caused OneBeacon Insurance Company to transfer assets to OneBeacon or its other affiliates for less than reasonably equivalent value, OneBeacon intended for OneBeacon Insurance Company to incur, believed it would incur, or reasonably should have believed that it would incur debts far beyond its ability to pay as those debts became due.

134. As a direct result of the transfers, and other misconduct by OneBeacon described above, Bedivere became insolvent and lacks the assets necessary to pay Southern's claims. These claims are not subject to a bona fide dispute.

135. Because OneBeacon caused OneBeacon Insurance Company to transfer assets to OneBeacon or its other affiliates for less than reasonably equivalent value and did so while

knowing (or while it reasonably should have known) that the assets of OneBeacon Insurance Company (and later Bedivere) ultimately would be insufficient to satisfy Bedivere's debts or to pay policyholder claims that were reasonably expected to be accrued into the future, the Bedivere transfers to OneBeacon or its other affiliates are fraudulent and voidable.

136. The fraudulent transfer of assets by OneBeacon Insurance Company, including its subsidiaries, to OneBeacon or its other affiliates has damaged Southern by making it impossible for Bedivere to satisfy its obligations to Southern under the policies issued by Potomac. Consequently, Southern is entitled, at least, to the following equitable relief against defendant OneBeacon:

a. an attachment, or other provisional or post-trial remedy, against the assets fraudulently transferred from OneBeacon Insurance Company to OneBeacon or its other affiliates, such that a portion of these assets may be used to satisfy Bedivere's obligations to Southern;

b. an order requiring OneBeacon to pay Bedivere's obligations to Southern;

c. an order that OneBeacon is estopped from asserting certain defenses to its fraudulent conduct, including the timeliness of such claims by Southern, given the concealment of facts relating to the transfers; and

d. any other remedies available to Southern as a matter of statutory or common law resulting from the fraudulent transfers described herein.

137. Alternatively, because OneBeacon caused OneBeacon Insurance Company's transfers that defrauded Southern and its Asbestos Claimants, the transfers should be deemed void under South Carolina Code section 27-23-10(A) and/or 12 Pa. C.S.A. §§ 5101 *et seq.*; and the transferred assets needed to satisfy the Insurance Policy obligations to Southern should be ordered

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

to be paid by OneBeacon and its applicable affiliates to Southern for its asbestos claims, costs, and liabilities, and for the benefit of Southern's creditors.

COUNT IV
(Common Law Fraudulent Conveyance and Violation of the Statute of Elizabeth, S.C. Code Ann. § 27-23-10 *et seq.*, and/or 12 Pa. C.S.A. §§ 5101 *et seq.*, Against the Trebuchet Defendants)

138. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

139. Southern has tendered asbestos claims that remain unpaid to the insurers under the Insurance Policies.

140. The Trebuchet Defendants caused the assets of Bedivere, through the Merger, to become subject to the liabilities and obligations of EFIC, Lamorak, and Potomac II, leaving Southern's Insurance Policies without the financial support needed to pay the claims of Southern. By subjecting Bedivere's assets to the liabilities and obligations of EFIC, Lamorak, and Potomac II, the Trebuchet Defendants caused Bedivere to incur obligations of companies controlled by the Trebuchet Defendants without receiving in return equivalent value.

141. The Merger occurred before and after Bedivere incurred a substantial debt of foreseeable asbestos claims in excess of the reserves allocated for claims.

142. Upon information and belief, the assets of Bedivere were assets within the meaning of S.C. Code Ann. §27-23-10 *et seq*. and/or 12 Pa. C.S.A. §§ 5101 *et seq*.

143. As a direct or indirect owner controlling Bedivere and the merged companies, each of the Trebuchet Defendants has a close relationship with Bedivere and the merged companies such that it is an insider within the meaning of S.C. Code Ann. §27-23-10 *et seq*. and/or 12 Pa. C.S.A. §§ 5101 *et seq*.

144. Bedivere's liquidation is uncontroverted evidence that Bedivere is unable to satisfy its obligations to Southern, and that liquidation resulted from the dominion and control by the Trebuchet Defendants of Bedivere and the merged companies through the incurrence of obligations, as described above.

145. In exchange for the incurrence of obligations described above, Bedivere did not receive reasonably equivalent value. Upon information and belief, the Trebuchet Defendants effectuated the Merger with the express purpose of subjecting Bedivere's assets to the liabilities and obligations of EFIC, Lamorak, and Potomac II, without Bedivere receiving equivalent value. The result of the Merger was Bedivere's inability to pay claims of Southern.

146. Upon information and belief, the foregoing actions of the Trebuchet Defendants were designed or actually intended by the Trebuchet Defendants to hinder, delay and/or defraud creditors of Bedivere.

147. When the Merger caused Bedivere to incur obligations of the merged companies for less than a reasonably equivalent value, the Trebuchet Defendants knew or should have known that the Merger would cause the assets of Bedivere's operations to be unreasonably small and inadequate for and in relation to its business and to satisfy its insurance contract obligations for policies issued by Potomac.

148. When the Trebuchet Defendants caused Bedivere to incur obligations of the merged companies for less than a reasonably equivalent value, the Trebuchet Defendants intended for Bedivere to incur, believed it would incur, or reasonably should have believed that it would incur debts far beyond its ability to pay as those debts became due.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

149. As a direct result of the incurrence of obligations and other misconduct by the Trebuchet Defendants described above, Bedivere is insolvent and lacks the assets necessary to pay policyholder claims. These claims are not subject to a bona fide dispute.

150. Because the Trebuchet Defendants caused Bedivere to incur obligations of the merged companies for less than reasonably equivalent value, and they did so while knowing (or while they should have known) Bedivere's assets ultimately would be insufficient to satisfy its debts or to pay policyholder claims that were reasonably expected to be accrued into the future, the Bedivere incurrence of obligations effectuated by the Merger is fraudulent and voidable.

151. The fraudulent incurrence by Bedivere of obligations of the merged companies has damaged Southern by making it impossible for Bedivere to satisfy its obligations. Consequently, Southern is entitled, at least, to the following equitable relief against the Trebuchet Defendants:

a. an attachment, or other provisional or post-trial remedy, against the assets owned by Bedivere prior to the Merger, such that a portion of these assets may be used to satisfy the Insurance Policy obligations to Southern;

b. an order requiring the Trebuchet Defendants to pay the Insurance Policy obligations to Southern; and

c. any other remedies available to Southern as a matter of statutory or common law resulting from the fraudulent incurrence of obligations described herein.

152. Alternatively, because the Trebuchet Defendants caused the Merger to occur, which caused EFIC's, Lamorak's, and Potomac II's assets to be transferred to Bedivere, and Bedivere to incur all of the obligations of EFIC, Lamorak, and Potomac II, and as a result thereof caused Bedivere's incurrence of obligations that defrauded Southern and its Asbestos Claimants, the incurrence of obligations should be deemed void under South Carolina Code section 27-23-10(A)

and/or 12 Pa. C.S.A. §§ 5101 *et seq*.; and the assets needed to satisfy the Insurance Policy obligations to Southern should be ordered to be paid to Southern for its asbestos claims, costs, and liabilities, for the benefit of its creditors.

COUNT V
(Unjust Enrichment Against OneBeacon Defendants)

153. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

154. Upon information and belief, in executing the transfers from OneBeacon Insurance Company, OneBeacon and/or its other affiliates acquired and retained substantial assets of OneBeacon Insurance Company and the benefits drawn therefrom to the detriment of Southern.

155. OneBeacon and/or its other affiliates realized substantial value by their acquisition of OneBeacon Insurance Company's assets and, given the nature of the transactions as described herein, it would be inequitable for OneBeacon and/or its other affiliates to retain the benefit of that value.

156. Southern is entitled to restitution and compensation in the form of the defense and indemnification funds to which it is owed under the Insurance Policies and which Southern would have received rightly but for the inequitable transfers described above.

COUNT VI
(Civil Conspiracy Against OneBeacon Defendants)

157. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

158. By executing the fraudulent Transaction and the transfers from OneBeacon Insurance Company, OneBeacon Group Parent and OneBeacon Insurance Group:

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

a. agreed to and did, in fact, act in concert with the intent of stripping OneBeacon Insurance Company of assets needed to compensate its claimants and policyholders; and

b. did strip OneBeacon Insurance Company of its assets, resulting in Bedivere's ultimate liquidation.

159. The transfers and liquidation greatly harmed Southern and its Asbestos Claimants. Specifically, Southern is unable to provide the defense and indemnification it is obligated to provide, and it is damaged by not having the benefit of the Insurance Policies purchased by and issued to Southern.

COUNT VII
(Civil Conspiracy Against the Trebuchet Defendants)

160. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

161. By executing the Merger, Trebuchet Defendants:

a. agreed to and did, in fact, act in concert with the intent of causing Bedivere to incur liabilities without receiving equivalent value, thereby impairing Bedivere's ability to compensate its claimants and policyholders; and

b. did encumber Bedivere with liabilities, resulting in Bedivere's ultimate liquidation.

162. The Merger and liquidation greatly harmed Southern and its Asbestos Claimants. Specifically, Southern is unable to provide the defense and indemnification it is obligated to provide, and it is damaged by not having the benefit of the Insurance Policies purchased by and issued to Southern.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

COUNT VIII
(Negligence Against OneBeacon Defendants)

163. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

164. OneBeacon owed OneBeacon Insurance Company's policyholders, including Southern, duties to act with reasonable diligence and care in applying for, advocating for, and ultimately executing the Transaction and related transfers.

165. OneBeacon breached its duties by unreasonably:

a. siphoning money from OneBeacon Insurance Company to OneBeacon or its other affiliates, leaving OneBeacon Insurance Company grossly undercapitalized with depleted reserves;

b. reviewing and evaluating OneBeacon Insurance Company's existing and future liabilities at the time of the Transaction and the ability to cover its liabilities following the Transaction;

c. contracting for, accepting, and advancing an inadequate and incorrect risk analysis of OneBeacon Insurance Company's future liabilities and financial position;

d. providing false or misleading information to the public and Pennsylvania Insurance Commission regarding OneBeacon Insurance Company's liabilities and the financial strength of OneBeacon Insurance Company and the Trebuchet Defendants' runoff business;

e. transferring OneBeacon Insurance Company to the Trebuchet Defendants, companies with insufficient assets to support OneBeacon Insurance Company,

leaving OneBeacon Insurance Company with insurance liabilities that were not funded or supported by sufficient assets.

166. Southern was greatly harmed as a direct and proximate result of OneBeacon's negligence, which ultimately caused Bedivere's liquidation and inability to provide Southern the defense and indemnification it was obligated to provide under the Insurance Policies Potomac issued to Southern.

COUNT IX
(Negligence Against the Trebuchet Defendants)

167. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

168. The Trebuchet Defendants owed Bedivere's policyholders, including Southern, duties to act with reasonable diligence and care in applying for, advocating for, and ultimately executing the Merger and related transfers.

169. The Trebuchet Defendants breached their duties by unreasonably:

a. causing Bedivere to incur liabilities without receiving equivalent value, leaving Bedivere grossly undercapitalized with depleted reserves;

b. reviewing and evaluating Bedivere's existing and future liabilities at the time of the Merger and the ability to cover its liabilities following the Merger;

c. providing inadequate information to the public and Pennsylvania Insurance Commission regarding Bedivere's liabilities and suppressing information about the Merger to the public and to policyholders;

d. causing the transfer of liabilities to Bedivere, which was insufficiently capitalized to support the liabilities of the merged companies, leaving Bedivere with insurance liabilities that were not funded or supported by sufficient assets.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

170. Southern was greatly harmed as a direct and proximate result of the Trebuchet Defendants' negligence, which ultimately caused Bedivere's liquidation and inability to provide Southern the defense and indemnification it was obligated to provide under the Insurance Policies Potomac issued to Southern.

COUNT X
(Constructive Trust Against OneBeacon Defendants)

171. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

172. The Receiver is informed and believes that OneBeacon and/or its other affiliates has wrongly appropriated and held funds and assets which were intended for the benefit of Potomac's policyholders, including Southern.

173. OneBeacon and/or its other affiliates acquired these funds and assets through OneBeacon's fraud, bad faith, abuse of confidence, and/or violation of fiduciary duty; and as a result, it would be inequitable for OneBeacon and/or its other affiliates to retain those funds and assets.

174. Accordingly, the Receiver asks this Court to exercise its equitable powers and impose a constructive trust upon such funds and assets for the benefit of Southern.

COUNT XI
(Alter Ego and/or Single Business Enterprise Liability Against OneBeacon and Trebuchet Defendants)

175. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

176. Through its siphoning of OneBeacon Insurance Company's and Bedivere's funds and assets, the Transaction, and/or the Merger; each of OneBeacon (prior to December 23, 2014) and the Trebuchet Defendants (after December 23, 2014) exercised total dominion and control

over OneBeacon Insurance Company and Bedivere. OneBeacon Insurance Company and Bedivere were unable to act in their own interests and in the interests of their policyholders and, through this dominion and control by OneBeacon and/or the Trebuchet Defendants, functioned solely to further the interests of OneBeacon and OneBeacon's shareholders (prior to December 23, 2014) and the Trebuchet Defendants (after December 23, 2014).

177. OneBeacon's siphoning of OneBeacon Insurance Company's funds and assets, the Transaction and the Merger were each a blatant demonstration of OneBeacon's and/or the Trebuchet Defendants' complete control over OneBeacon Insurance Company and Bedivere and their assets, the abuse of which led to Bedivere's insolvency. As a result, Southern and its asbestos claimants are without recourse.

178. The siphoning of assets from and the complete exercise of dominion and control over OneBeacon Insurance Company and Bedivere, through and beyond the Transaction and Merger, were easily done by OneBeacon and Trebuchet Defendants because, upon information and belief, the OneBeacon companies and the Trebuchet Defendants' companies operated as single business enterprises, to the detriment of Southern, as a policyholder. Upon information and belief, OneBeacon, Trebuchet Defendants, and their affiliates acted to leverage the amalgamation of their respective corporate interests, including but not limited to shared officers, directors, policy development, underwriting, marketing, policy administration, loss settlement, personnel, purchasing, accounting, data processing, and facilities management. Upon information and belief, funds were transferred among OneBeacon and its affiliates and among the Trebuchet Defendants and their affiliates without obtaining proper collateralization. The singular structure, finance, and operation demonstrates that the companies within OneBeacon and its affiliates and within the Trebuchet Defendants and their affiliates were not operated as separate entities.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

179. The complete control over OneBeacon Insurance Company and Bedivere by OneBeacon and Trebuchet Defendants was leveraged to achieve inequitable results from a grossly undercapitalized insurer driven to insolvency. OneBeacon and the Trebuchet Defendants abused their corporate forms to move assets away from creditors, avoid regulatory scrutiny, and enrich OneBeacon, the Trebuchet Defendants, and their other affiliates, all in violation of public policy. Such abuse of the corporate form warrants disregarding corporate entities where justice requires protection of the rights of policyholders and creditors, like Southern.

180. The retention of OneBeacon's and the Trebuchet Defendants' corporate entities separate from OneBeacon Insurance Company's and Bedivere's corporate identities was an injustice to Southern and its asbestos claimants. OneBeacon's siphoning of funds and assets, the Transaction, and the Merger, which resulted in Bedivere's ultimate liquidation and inability to meet its obligations to its policyholders, are each also against the public policy of South Carolina.

181. OneBeacon and the Trebuchet Defendants (as the case may be) divested themselves or their affiliates of liabilities in transferring and/or diluting assets of OneBeacon Insurance Company and Bedivere—and in so doing, sought to defraud, justify wrong, and defeat public policy. Because insurance companies cannot be allowed through a corporate shell to hide from the normal consequences of doing business, fundamental unfairness would result from recognition of OneBeacon Insurance Company and Bedivere as separate corporate entities from OneBeacon and the Trebuchet Defendants.

182. Accordingly, Southern requests a finding that OneBeacon and the Trebuchet Defendants are the alter egos of OneBeacon Insurance Company and Bedivere for purposes of the Insurance Policies for Southern and that OneBeacon and the Trebuchet Defendants are, therefore,

liable and obligated to perform and pay under the obligations of those Insurance Policies to Southern and for the benefit of Southern for Asbestos Claimants.

183. Southern further requests a finding that OneBeacon and the Trebuchet Defendants, respectively, operated as a single business enterprise to achieve an unjust result such that this court may disregard corporate distinctions among OneBeacon and its affiliates and among the Trebuchet Defendants and their affiliates; and that all are, therefore, liable and obligated to perform and pay under the obligations of those Insurance Policies to Southern and for the benefit of Southern for Asbestos Claimants.

COUNT XII
(Declaratory Judgment Against Defendants for Compensation of Receiver)

184. Each of the allegations in the foregoing paragraphs is incorporated herein as if repeated verbatim.

185. An actual and justiciable controversy exists between Southern and Defendants concerning Southern's rights and obligations under the Insurance Policies from Potomac with respect to the Receiver.

186. Judicial declarations are necessary and appropriate at this time, under the circumstances alleged above, so that the Receiver may ascertain his rights to compensation for his efforts in fulfilling his duties under the Receivership Order.

187. Pursuant to section 15-65-100 of the South Carolina Code, the Receiver shall be allowed such commissions as may be fixed by the Court appointing the Receiver.

188. Pursuant to the Supreme Court of South Carolina's ruling in *Ex Parte Simons*, 289 S.C. 1, 344 S.E.2d 151 (1986), a receiver's fee is based on the value of the receiver's services and at the appointing Court's discretion.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

189. Southern has no assets, aside from its Insurance Policies, with which to compensate the Receiver for his services.

190. The Receiver has dedicated, and will continue to dedicate, a substantial amount of time and incur substantial expenses in the fulfillment of his duties.

191. The primary beneficiaries of the time and expenses the Receiver has put towards this case are the Asbestos Claimants.

192. The Asbestos Claimants have had, and will continue to have, claims processed and suits defended that otherwise would not have been processed or defended but for the diligent work of the Receiver.

193. For example, the Asbestos Claimants have a representative of Southern, namely the Receiver, to whom to direct their efforts and process their claims.

194. Plaintiff respectfully requests this Court to declare that Defendants must fairly compensate the Receiver.

195. If that is not possible, Plaintiff requests that this Court declare which Defendants are responsible for compensating the Receiver for the substantial time, effort, and expenses he has put towards his responsibility as Receiver in this case.

COUNT XIII
(Breach of Contract and Implied Covenant of Good Faith and Fair Dealing Against OneBeacon and the Trebuchet Defendants)

196. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

197. The general liability and/or manufacturers and contractors policies Potomac issued to Southern were mutually binding contracts of insurance that established an insurer-insured relationship between the parties.

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

198. OneBeacon and the Trebuchet Defendants are bound by the terms of these insurance contracts as OneBeacon Insurance Company's and Bedivere's alter egos.

199. Due to its liquidation, Bedivere now cannot fulfill contractual obligations to pay Southern the benefits it is due under the Insurance Policies issued to Southern.

200. Bedivere's inability to pay is the direct result of OneBeacon's and/or the Trebuchet Defendants' transfers of OneBeacon Insurance Company's and/or Bedivere's assets and capital and/or incurrence of obligations by Bedivere prior to and as part of the Transaction and/or the Merger, which transfers were unreasonable and made in bad faith.

201. The transfers of assets and capital and the incurrence of obligations also breached the implied covenant of good faith and fair dealing inherent in the Insurance Policies with Southern; namely, that Southern's insurer would act in good faith to remain adequately capitalized and not deliberately or fraudulently seek to avoid its future obligations to its policyholders.

202. OneBeacon and the Trebuchet Defendants, as OneBeacon Insurance Company's and Bedivere's alter egos, are liable to Southern for the breach of contract and breach of the implied covenant of good faith and fair dealing.

203. OneBeacon's and the Trebuchet Defendants' breaches, directly and as the alter egos of OneBeacon Insurance Company and Bedivere, harmed Southern by preventing fulfillment of the defense and indemnification obligations under the Insurance Policies issued to Southern.

COUNT XIV
(Accounting Against OneBeacon and Trebuchet Defendants)

204. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

205. In order to fully reveal the extent to which OneBeacon siphoned funds from OneBeacon Insurance Company prior to the Transaction, acted as the alter ego with dominion and

control over OneBeacon Insurance Company, and caused the damages described above; the Receiver asks this Court to require OneBeacon to provide the Receiver with a complete and accurate accounting of all transfers of value, whether monetary or otherwise, from OneBeacon Insurance Company and its subsidiaries to OneBeacon or its other affiliates.

206. In order to fully reveal the extent to which the Trebuchet Defendants caused the dilution of Bedivere's assets and incurrence by Bedivere of obligations, caused the Merger, acted as the alter ego with dominion and control over Bedivere, and caused the damages described above, the Receiver asks this Court to require the Trebuchet Defendants to provide the Receiver with a complete and accurate accounting of all transfers of value, whether monetary or otherwise, from Bedivere and incurrence by Bedivere of obligations to or for the benefit of the Trebuchet Defendants or their affiliates and of all dilution of assets of Bedivere.

COUNT XV
(Tortious Interference with Contractual Relations Against OneBeacon and the Trebuchet Defendants)

207. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

208. The Insurance Policies issued for the benefit and protection of Southern created a contractual relationship between Potomac and Southern.

209. Potomac's contractual obligations under the Insurance Policies included defending and indemnifying Southern for losses covered by the policies.

210. OneBeacon and the Trebuchet Defendants knew that Potomac had contractual obligations to Southern.

211. OneBeacon and the Trebuchet Defendants knew that by improperly siphoning assets out of OneBeacon Insurance Company and Bedivere and/or incurrence by Bedivere of

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

obligations for OneBeacon's and/or the Trebuchet Defendants' own benefit and the benefit of its shareholders, OneBeacon Insurance Company and Bedivere would be unable to meet their obligations to Potomac's policyholders. OneBeacon and the Trebuchet Defendants did so nonetheless, thereby causing and procuring Bedivere's ultimate breach of Potomac's policies that were protective of Southern and its Asbestos Claimants.

212. OneBeacon's and the Trebuchet Defendants' intentional conduct was unjustified and resulted in significant harm to Southern, including Southern's inability to realize the benefit of Bedivere's defense and indemnification obligations under its Insurance Policies. OneBeacon and the Trebuchet Defendants are thus liable for all damages caused by the tortious interference with these contracts.

COUNT XVI
(Right to Indemnification as to Chandler Defendants)

213. Each of the allegations in the foregoing paragraphs is incorporated as if repeated verbatim herein.

214. Pursuant to a settlement agreement with the Receiver, Correll Insurance Group, LLC assigned to the Receiver all its rights to recover against the Chandler Defendants in connection with the crossclaims and third-party claims Correll Insurance Group had asserted in this action against the Chandler Defendants.

215. The crossclaims and third-party claims asserted by Correll Insurance Group in its filing with this Court on June 30, 2021 and assigned to the Receiver on August 13, 2021 are hereby incorporated by reference and re-alleged as if written verbatim here against the Chandler Defendants.

216. Upon information and belief, pursuant to an Asset Purchase Agreement dated April 30, 2010 between a predecessor by merger to Correll Insurance Group and the Chandler

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

Defendants, the Chandler Defendants are required, jointly and severally, to defend and indemnify Correll Insurance Group against any and all losses, claims, suits, expenses, costs, reasonable attorneys' fees, witness' fees, investigation fees, court reporters' fees, and other out-of-pocket expenses resulting from or arising from the Chandler Defendants' business activities prior to the Effective Date of the Asset Purchase Agreement.

217. The claims asserted by Plaintiff against Correll Insurance Group in this action arose from the Chandler Defendants' business activities prior to the Effective Date of the Asset Purchase Agreement. As a result of such claims, Correll Insurance Group incurred losses, expenses, costs, reasonable attorneys' fees and other out-of-pocket expenses, which the Chandler Defendants are required to pay under the Asset Purchase Agreement to the Receiver as Correll Insurance Group's assignee.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that the Court grant the relief requested herein and award it actual damages, consequential, special, and punitive damages, along with attorneys' fees and costs, pre-judgment interest, post-judgment interest, and all other relief the Court deems just and proper.

Respectfully submitted,

s/ Matthew Richardson

Matthew Richardson
S.C. Bar No. 15647
Eric B. Amstutz
S.C. Bar No. 363
Jessica Monsell
S.C. Bar No. 105232
WYCHE, P.A.
807 Gervais Street, Suite 301
Columbia, SC 29201
803-254-6542

mrichardson@wyche.com
eamstutz@wyche.com
jmonsell@wyche.com

Brian M. Barnwell
S.C. Bar No. 78249
RIKARD & PROTOPAPAS, LLC
2110 N. Beltline Blvd.
Columbia, SC 29204
803-978-6111
bb@rplegalgroup.com

John B. White, Jr.
S.C. Bar No. 5996
Marghretta H. Shisko
S.C. Bar No. 100106
HARRISON WHITE, P.C.
178 W. Main Street (29306)
Spartanburg, SC 29304
864-585-5100
jwhite@spartanlaw.com
mshisko@spartanlaw.com

Attorneys for the Receiver for Southern Insulation, Inc.

February 18, 2022

ELECTRONICALLY FILED - 2022 Feb 18 5:15 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Apr 13 3:35 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
SOUTHERN INSULATION, INC., through its Receiver, Peter D. Protopapas, Plaintiff, vs. ONEBEACON INSURANCE GROUP, LTD. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); ONEBEACON INSURANCE GROUP LLC (n/k/a Intact Insurance Group USA LLC); R.V. CHANDLER & ASSOCIATES, INC.; CHANDLER RENTAL PROPERTIES, INC.; THOMAS S. CHANDLER; JEAN B. OWNBEY, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; GENE N. NORVILLE; the SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION; TREBUCHET US HOLDINGS, INC.; TREBUCHET INVESTMENTS LIMITED; TREBUCHET GROUP HOLDINGS LIMITED (f/k/a Armour Group Holdings Limited); BRAD S. HUNTINGTON, individually; and JOHN C. WILLIAMS, individually. Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **AFFIDAVIT OF SERVICE**

I, T'Deana Spencer, Barrister and Attorney, of MJM Limited, Thistle House, 4 Burnaby Street, Hamilton in the Islands of Bermuda **MAKE OATH** and **SAY** follows:

1. I attended the registered offices of Trebuchet Investments Limited on 24 March, 2022 at 10:11 am and did leave with June Lewis, receptionist at ASW Law the Second Amended Summons and Complaint in the above matter.

2. Ms Lewis did acknowledge that Compass Administrative Services Limited **("CASL")** is the affiliated corporate service provider for ASW Law. CASL acts as the corporate service provider and is the registered office for Trebuchet Investments Limited. Attached is a signed copy of the letter acknowledging receipt marked **"TS 1"**.

SWORN by the above-named T'Deana Spencer in the City of Hamilton in the Islands of Bermuda this 6th day of April 2022 in the presence of:)

BEFORE ME:)

Notary Public

Janice Gutteridge, Notary Public
Commissioner for Oaths and Affirmations
for and in the Islands of Bermuda
Hamilton, Bermuda.
My Commission is unlimited as to time.
6 / APR /2022

ELECTRONICALLY FILED - 2022 Apr 13 3:35 PM - RICHLAND - COMMON PLEAS - CASE#2022CP4004385

ELECTRONICALLY FILED - 2022 Apr 13 3:35 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
SOUTHERN INSULATION, INC., through its Receiver, Peter D. Protopapas, Plaintiff, vs. ONEBEACON INSURANCE GROUP, LTD. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); ONEBEACON INSURANCE GROUP LLC (n/k/a Intact Insurance Group USA LLC); R.V. CHANDLER & ASSOCIATES, INC.; CHANDLER RENTAL PROPERTIES, INC.; THOMAS S. CHANDLER; JEAN B. OWNBEY, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; GENE N. NORVILLE; the SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION; TREBUCHET US HOLDINGS, INC.; TREBUCHET INVESTMENTS LIMITED; TREBUCHET GROUP HOLDINGS LIMITED (f/k/a Armour Group Holdings Limited); BRAD S. HUNTINGTON, individually; and JOHN C. WILLIAMS, individually. Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **EXHIBIT "TS 1"**

This is the exhibit marked **"TS 1"** referred to in the Affidavit of T'Deana Spencer sworn on the day of April 2022.

Janice Gutteridge, Notary Public
Commissioner for Oaths and Affirmations
for and in the Islands of Bermuda
Hamilton, Bermuda.
My Commission is unlimited as to time.
6 / APR /2022



Notary Public

36353.0001/3889516_.1

MJM BARRISTERS & ATTORNEYS

MJM LIMITED
THISTLE HOUSE
4 BURNABY STREET
HAMILTON HM 11
P.O. BOX HM 1564
HAMILTON HM FX
BERMUDA

TEL 441.292.1345
FAX 441.292.2277
WEB WWW.MJM.BM

ELECTRONICALLY FILED - 2022 Apr 13 3:35 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

24 March 2022

tspencer@mjm.bm
Dir. 441.294.3643
Fax. 441.292.2277
Ref. TRS/mw/35959.0001

BY HAND

Trebuchet Investments Limited
Crawford House
50 Cedar Avenue
Hamilton
HM11

Attention: Brad Huntington

Dear Sirs

Re Southern Insulation, Inc through its Receiver, Peter D. Protopapas vs Onebeacon Insurance Group LLC et al- Case Number 2020-CP-40-04385

We hereby enclose by way of service upon you the Second Amended Summons and Complaint issued on 18 February 2022 in the above captioned action.

Please sign, print, date and indicate the time of service on the enclosed copy of this letter.

Yours faithfully,
MJM LIMITED

MJM Limited

T'Deana Spencer
Associate

Enclosure (1)

T. Lewis
March 24, 2022
10:11 AM

ELECTRONICALLY FILED - 2022 Apr 13 3:11 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
SOUTHERN INSULATION, INC., through its Receiver, Peter D. Protopapas, Plaintiff, vs. ONEBEACON INSURANCE GROUP, LTD. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); ONEBEACON INSURANCE GROUP LLC (n/k/a Intact Insurance Group USA LLC); R.V. CHANDLER & ASSOCIATES, INC.; CHANDLER RENTAL PROPERTIES, INC.; THOMAS S. CHANDLER; JEAN B. OWNBEY, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; GENE N. NORVILLE; the SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION; TREBUCHET US HOLDINGS, INC.; TREBUCHET INVESTMENTS LIMITED; TREBUCHET GROUP HOLDINGS LIMITED (f/k/a Armour Group Holdings Limited); BRAD S. HUNTINGTON, individually; and JOHN C. WILLIAMS, individually. Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **AFFIDAVIT OF SERVICE**

I, T'Deana Spencer, Barrister and Attorney, of MJM Limited, Thistle House, 4 Burnaby Street, Hamilton in the Islands of Bermuda **MAKE OATH** and **SAY** follows:

1. I attended the registered offices of Trebuchet Group Holdings Limited on 24 March, 2022 at 10:11 am and did leave with June Lewis, receptionist at ASW Law the Second Amended Summons and Complaint in the above matter.

2. Ms Lewis did acknowledge that Compass Administrative Services Limited **("CASL")** is the affiliated corporate service provider for ASW Law. CASL acts as the corporate service provider and is the registered office for Trebuchet Investments Limited. Attached is a signed copy of the letter acknowledging receipt marked **"TS 1"**.

SWORN by the above-named T'Deana Spencer in the City of Hamilton in the Islands of Bermuda this 6 day of April 2022 in the presence of:

BEFORE ME:

Notary Public

Janice Gutteridge, Notary Public
Commissioner for Oaths and Affirmations
for and in the Islands of Bermuda
Hamilton, Bermuda.
My Commission is unlimited as to time.
6 / APR /2022

ELECTRONICALLY FILED - 2022 Apr 13 3:11 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2022 Apr 13 3:11 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
SOUTHERN INSULATION, INC., through its Receiver, Peter D. Protopapas, Plaintiff, vs. ONEBEACON INSURANCE GROUP, LTD. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); ONEBEACON INSURANCE GROUP LLC (n/k/a Intact Insurance Group USA LLC); R.V. CHANDLER & ASSOCIATES, INC.; CHANDLER RENTAL PROPERTIES, INC.; THOMAS S. CHANDLER; JEAN B. OWNBEY, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; GENE N. NORVILLE; the SOUTH CAROLINA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION; TREBUCHET US HOLDINGS, INC.; TREBUCHET INVESTMENTS LIMITED; TREBUCHET GROUP HOLDINGS LIMITED (f/k/a Armour Group Holdings Limited); BRAD S. HUNTINGTON, individually; and JOHN C. WILLIAMS, individually. Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **EXHIBIT "TS 1"**

This is the exhibit marked **"TS 1"** referred to in the Affidavit of T'Deana Spencer sworn on the day of April 2022.

Janice Gutteridge, Notary Public
Commissioner for Oaths and Affirmations
for and in the Islands of Bermuda
Hamilton, Bermuda.
My Commission is unlimited as to time.
6 / APR /2022

Notary Public

36353.0001/3889516_.1

MJM BARRISTERS & ATTORNEYS

MJM LIMITED
THISTLE HOUSE
4 BURNABY STREET
HAMILTON HM 11
P.O. BOX HM 1564
HAMILTON HM FX
BERMUDA

TEL 441.292.1345
FAX 441.292.2277
WEB WWW.MJM.BM

ELECTRONICALLY FILED - 2022 Apr 13 3:11 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

24 March 2022

tspencer@mjm.bm
Dir. 441.294.3643
Fax. 441.292.2277
Ref. TRS/mw/35959.0001

BY HAND

Trebuchet Group Holdings Limited
Crawford House
50 Cedar Avenue
Hamilton
HM11

Attention: Brad Huntington

Dear Sirs

Re Southern Insulation, Inc through its Receiver, Peter D. Protopapas vs Onebeacon Insurance Group LLC et al- Case Number 2020-CP-40-04385

We hereby enclose by way of service upon you the Second Amended Summons and Complaint issued on 18 February 2022 in the above captioned action.

Please sign, print, date and indicate the time of service on the enclosed copy of this letter.

Yours faithfully,
MJM LIMITED

MJM Limited

T'Deana Spencer
Associate

Enclosure (1)

J. Lewis
March 24, 2022
10:12am

EXHIBIT J

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Senior Health Insurance	:	
Company of Pennsylvania	:	
(In Rehabilitation)	:	No. 1 SHP 2020

ORDER

AND NOW, this 2nd day of June, 2022, upon consideration of the Statutory Rehabilitator's Application and Petition for Issuance of Rule to Show Cause (Application) on Intervenors, the Superintendent of the Maine Bureau of Insurance and the Insurance Commissioner of Washington (collectively, Respondents), the Court hereby issues the Rule to Show Cause and ORDERS as follows:

(1) Respondents must show:

(a) Why each Administrative Action described in the Application and any related proceedings should not be dissolved, and why the Maine Administrative Action and the Washington Administrative Action should not be terminated;

(b) Why each Administrative Action and any related proceedings are not null and void with respect to the Rehabilitator, the Special Deputy Rehabilitator, or the Approved Plan of Rehabilitation of Senior Health Insurance Company of Pennsylvania (SHIP) (In Rehabilitation);

(c) Why each Administrative Action and any related proceedings are not in violation of this Court's orders;

(d) Why Respondents' policyholder communications related to implementation of SHIP's Approved Plan of Rehabilitation are not in violation of this Court's orders; and

(e) Why Respondents should not be enjoined from any further interference with SHIP's rehabilitation.

(2) Respondents shall:

(a) Identify all steps taken in furtherance of their efforts to impair SHIP's rehabilitation as described in the Application; and

(b) Identify all steps taken or proposed to be taken to protect SHIP's policyholders from the harm caused by Respondents' interference with SHIP's Approved Plan of Rehabilitation.

(3) Respondents shall answer this Rule to Show Cause within 20 days of service;

(4) The request for relief shall be decided in accordance with the procedure stated in Pennsylvania Rule of Civil Procedure No. 206.7 as modified by this Court in the exercise of its statutory authority over these proceedings; and

(5) Oral argument and an evidentiary hearing on disputed issues of fact, if any, shall be scheduled by separate order.

Respondents shall not take any actions to further any administrative proceedings or enforce any administrative actions directed to the Rehabilitator, the Special Deputy Rehabilitator, or the rehabilitation of SHIP until such time as this Court issues an Order on the relief requested by the Rehabilitator.

MARY HANNAH LEAVITT, President Judge Emerita

Order Exit
06/02/2022

EXHIBIT K

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

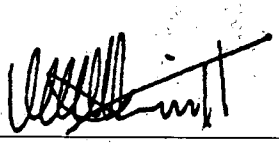
IN RE: Senior Health Insurance Company of Pennsylvania (In Rehabilitation)	:	No. 1 SHP 2020

ORDER

AND NOW, this 25th day of August, 2022, upon consideration of the Statutory Rehabilitator's Application and Petition for Issuance of Rule to Show Cause (Application) on Intervenors, the Superintendent of the Maine Bureau of Insurance and the Insurance Commissioner of Washington (collectively, Intervenors); Intervenors' Answer; the Rehabilitator's Reply; and Intervenors' Reply, the Court hereby finds that Intervenors have taken steps to impair implementation of this Court's order approving the Second Amended Plan of Rehabilitation for Senior Health Insurance Company of Pennsylvania (SHIP) (Approved Plan). *See In Re: Senior Health Insurance Company of Pennsylvania (In Rehabilitation)* (Pa. Cmwlth., No. 1 SHP 2020, order filed August 24, 2021, and amended November 4, 2021). The Commonwealth of Pennsylvania has exclusive jurisdiction over the insolvency of SHIP and its assets pursuant to Article V of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, added by the Act of December 14, 1977, P.L. 280, *as amended*, 40 P.S. §221.1 – 221.63.

Accordingly, the Court ORDERS Intervenors to cease and desist from taking any action to interfere with the implementation of the Approved Plan. The Court further ORDERS the Rehabilitator to continue implementation of the Approved Plan without regard to the administrative orders described in the Application, which the Court concludes are nullities. The Court deems this order "necessary and proper to prevent … (iii) interference with the receiver or with the

proceeding; (iv) waste of the insurer's assets; … [and] (xi) any other threatened or contemplated action that might lessen the value of the insurer's assets or prejudice the rights of policyholders … or the administration of the proceeding." Section 505(a) of Article V, 40 P.S. §221.5(a).



MARY HANNAH LEAVITT, President Judge Emerita

Order Exit
08/25/2022

EXHIBIT L

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: Senior Health Insurance Company of Pennsylvania (In Rehabilitation)	:	No. 1 SHP 2020

ORDER

AND NOW, this 7th day of July, 2022, upon consideration of the Statutory Rehabilitator's Petition for Issuance of Rule to Show Cause as to Plan Injunction Actions (Application) on James J. Donelon, Commissioner of Insurance for the State of Louisiana, and Michael Wise, Acting Director of the South Carolina Department of Insurance (collectively, Respondents), the Court hereby issues the Rule to Show Cause and ORDERS as follows:

(1) Respondents must show:

(a) On what authority they purport to supplant this Court's exercise of its exclusive *in rem* jurisdiction over the assets of Senior Health Insurance Company of Pennsylvania (in rehabilitation) (SHIP) and the interests of affected policyholders;

(b) On what basis the policies subject to the injunctions obtained by Respondents in Louisiana and South Carolina (Excluded Policies or Policy) should be treated differently from all other SHIP policies;

(c) Why the pending proceedings before this Court and the Supreme Court of Pennsylvania are not and should not be the exclusive fora for management and distribution of SHIP's assets, and for evaluation of the Approved Plan of Rehabilitation for SHIP (Approved Plan);

(d) The legal foundation for Respondents' assertion that the courts in South Carolina and Louisiana have sufficient jurisdiction and

authority to circumvent the orders of this Court and the Supreme Court of Pennsylvania, and to direct the Rehabilitator and Special Deputy Rehabilitator regarding implementation of the Approved Plan;

(e) What steps Respondents have taken to date to impede SHIP's rehabilitation or otherwise force SHIP into liquidation, including but not limited to any legal or administrative proceedings begun or pursued by Respondents, any other communications related to SHIP or the Approved Plan sent to SHIP's policyholders, and any communications with the regulators of any other state designed to impede SHIP's rehabilitation;

(f) What measures Respondents have implemented or propose to implement as to the Excluded Policies to avoid unlawful preferences, harm to the holders of the Excluded Policies and other adverse consequences of their injunctions;

(g) Why the Excluded Policies issued in Louisiana and South Carolina should not be treated as opt-in policies under the Approved Plan;

(h) Why an Excluded Policy issued in a state other than Louisiana or South Carolina, even if the policyholder now resides in Louisiana or South Carolina, should not be governed by the decision of the chief insurance regulator of the state in which the Excluded Policy was issued with respect to the opt-out provision in the Approved Plan;

(i) Why Respondents should not be ordered to withdraw their litigation and cause the injunctions they have procured against implementation of the Approved Plan to be dissolved immediately so that the holders of Excluded Policies may make elections under the Approved Plan; and

(j) Why, in the event Respondents cannot address these issues to the Court's satisfaction, the Court should not enter an order providing that:

i. Effective on the later of ninety days from the date of this

Order or the date as of which Opt-In Policies[1] are modified under the Approved Plan, the Maximum Benefit Period of every Excluded Policy shall be adjusted to what can be funded by the current premium (whether or not waived) on an If Knew premium basis, subject to a guaranty fund "floor" consistent with Subsection VI.5 of the Approved Plan.

ii. Within sixty days of the date of this Order, the holder of any Excluded Policy affected by the previous paragraph may request from the Rehabilitator (a) the impact of a modified calculation of the Maximum Benefit Period consistent with the Order, and/or (b) information about how his or her policy would change if he or she elected one of the Opt-in Options as described in Section III of the Approved Plan.

iii. Each holder of any Excluded Policy shall have the right to make an alternative election from among the Opt-in Options by communicating the same in writing to the Rehabilitator no later than ninety days after entry of this Order.

iv. The Rehabilitator shall serve a copy of the Order on the holder of any Excluded Policy in a manner compliant with Pennsylvania Rule of Civil Procedure 404. In addition, the Rehabilitator shall post this Order on the websites of SHIP and the Pennsylvania Insurance Department, just as has been done with prior orders of this Court. Such service of the Court's Order and posting on SHIP's website shall not constitute a communication by the Rehabilitator with policyholders in violation of the Louisiana and South Carolina preliminary injunctions.

v. The Rehabilitator is hereby authorized to take any steps reasonably necessary to implement the requirements of this Order.

---

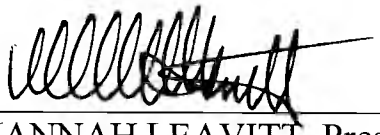
[1] Capitalized terms in this section shall have the meanings ascribed to them in the Approved Plan.

vi. This Order is within the Court's ancillary authority under Pennsylvania Rule of Appellate Procedure 1701 and does not constitute an amendment to the Approved Plan.

(2) The Rehabilitator shall serve this Rule to Show Cause on each Respondent. Respondents shall answer the rule within 20 days of service;

(3) The request for relief shall be decided in accordance with the procedure stated in Pennsylvania Rule of Civil Procedure 206.7 as modified by this Court in the exercise of its statutory authority over these proceedings; and

(4) Oral argument and an evidentiary hearing on disputed issues of fact, if any, shall be scheduled by separate order.



MARY HANNAH LEAVITT, President Judge Emerita

Order Exit
07/07/2022

EXHIBIT M

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, Plaintiff, vs. OneBeacon Insurance Group, Ltd. (n/k/a Intact Insurance Group USA Holdings, Inc.); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); R.V. Chandler & Associates, Inc.; Chandler Rental Properties, Inc.; Thomas S. Chandler; Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; Gene N. Norville; the South Carolina Property and Casualty Insurance Guaranty Association; Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually, Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **PLAINTIFF'S FIRST REQUESTS FOR PRODUCTION TO TREBUCHET US HOLDINGS, INC.; TO TREBUCHET INVESTMENTS LIMITED; TO TREBUCHET GROUP HOLDINGS LIMITED; AND TO BRAD S. HUNTINGTON AND JOHN C. WILLIAMS, EACH INDIVIDUALLY**

TO: TREBUCHET US HOLDINGS, INC.; TREBUCHET INVESTMENTS LIMITED; TREBUCHET GROUP HOLDINGS LIMITED; AND TO BRAD S. HUNTINGTON AND JOHN C. WILLIAMS, EACH INDIVIDUALLY (EACH, A "TREBUCHET DEFENDANT," AND COLLECTIVELY, THE "TREBUCHET DEFENDANTS"):

Pursuant to Rule 34 of the South Carolina Rules of Civil Procedure, Plaintiff, Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, (hereinafter "Plaintiff" or "Southern Insulation") hereby request that each of the **TREBUCHET DEFENDANTS** produce the following documents for inspection and copying within thirty (30) days. Production is to be made at the offices of Wyche, P.A., 807 Gervais Street, Suite 301, Columbia, South Carolina 29201.

After responding to the following Requests, should further information called for herein come to your knowledge, or the knowledge of your counsel, you are required to properly transmit such other information by supplemental response to this Request to the undersigned attorneys in accordance with Rule 26(e) of the South Carolina Rules of Civil Procedure.

DEFINITIONS

1. When in use in these Requests the words "You" or "your" means each and all of **THE TREBUCHET DEFENDANTS;** and any and all agents, attorneys, successors, or assigns or any person acting on behalf of such Defendants.

2. When in use in these requests, the words "Plaintiff" and "Southern Insulation" shall be used to refer to Southern Insulation, Inc., and Peter D. Protopapas, acting as Receiver for Southern Insulation, Inc., and all attorneys or other persons acting, or purporting to act on behalf of Plaintiff.

3. The term "document," whether or not capitalized, is used in its broadest sense and shall include any written, printed, typed, recorded, electronic, digital, computer data or graphic matter of every type and description, however and by whomever prepared, produced, reproduced, disseminated or made, in any form, including, but not limited to, letters, correspondence, e-mail, telegrams, memoranda, records, minutes, contracts, agreements, leases, communications, microfilm, bulletins, circulars, pamphlets, tests, studies, reports, notices, diaries, summaries, books, messages, instructions, work assignments, notes, notebooks, drafts, data sheets, data compilations, PowerPoint presentations, computer records (including printouts, disks or magnetic storage media), worksheets, statistics, speeches, tapes, tape recordings, and other writings, magnetic, photographic, electronic, and sound recordings. The term "document" includes each copy or reproduction which is not identical to the original or any other produced copy.

4. The term "Armour Group" refers to "Armour Group Holdings Limited."

5. "Asbestos Claimants" has the meaning assigned to it in Paragraph 25 of the Second Amended Complaint.

6. "Asbestos Suits" has the meaning assigned to it in Paragraph 26 of the Second Amended Complaint.

7. "Atlantic Specialty Insurance Company" or "ASIC" is, on information and belief, a direct or indirect wholly owned subsidiary of OneBeacon Insurance Group LLC.

8. "Bedivere" refers to Bedivere Insurance Company, formerly known as Potomac Insurance Company.

9. The term "Board" refers to the Board(s) of Directors of any entity(ies) denoted in a Request.

10. "Camden Fire" refers to Camden Fire Insurance Association, one of the entities merged into OBIC prior to the Transaction.

11. "Commercial Union" means Commercial Union Corporation.

12. "The Employer's Fire Insurance Company" or "EFIC" was, on information and belief, a direct or indirect wholly owned subsidiary of OBIC, and was acquired by the Trebuchet Defendants pursuant to the Transaction.

13. "General Accident" means General Accident Insurance Company of America.

14. "Houston General" refers to Houston General Insurance Company, one of the entities merged into OBIC prior to the Transaction.

15. The terms "Huntington" and "Williams" refer, respectively, to Brad S. Huntington and John C. Williams, as described in the Second Amended Complaint.

16. "Insurance Policies" (each, an "Insurance Policy") are described in Paragraphs 27 and 28 of the Second Amended Complaint, and include all insurance policies that insure Southern Insulation directly or indirectly.

17. The term "Merger" has the meaning assigned to it in Paragraph 65 of the Second Amended Complaint.

18. The term "Merger Agreement" has the meaning assigned to it in Paragraph 70 of the Second Amended Complaint.

19. The term "Olin" refers to Olin Corporation, an entity which was party to the Olin Litigation described below.

20. The term "Olin Litigation" refers to *Olin Corp. v. Lamorak Ins. Co.,* 84-cv-1968, described in 332 F. Supp. 3d 818, 2018 U.S. Dist. LEXIS 119212, 2018 WL 3442955 (S.D.N.Y July 17, 2018) and related litigation, including the "Five Sites" and "Crab Orchard" litigation.

21. "OneBeacon Defendants" refers, collectively, to OneBeacon Insurance Group, Ltd. (now known as Intact Insurance Group USA Holdings Inc.), and OneBeacon Insurance Group LLC (now known as Intact Insurance Group USA LLC).

22. "OneBeacon America Insurance Company" or "OBA" was, on information and belief, a direct or indirect wholly owned subsidiary of OBIC, and was acquired by the Trebuchet Defendants pursuant to the Transaction.

23. "OneBeacon Insurance Company" or "OBIC" was, on information and belief, a direct or indirect wholly owned subsidiary of the OneBeacon Defendants, and was acquired by the Trebuchet Defendants pursuant to the Transaction.

24. "OneBeacon Group" refers to the OneBeacon Defendants, and includes their parents, subsidiaries, and affiliates.

25. "Potomac Insurance Company" or "Potomac" is the entity later known as Bedivere Insurance Company, described in paragraphs 27 and 29 of the Second Amended Complaint as "Potomac." Potomac was, on information and belief, at some point prior to the Transaction, renamed "OneBeacon Insurance Company" and, prior to the Transaction, was a direct or indirect wholly owned subsidiary of OneBeacon Insurance Group LLC.

26. "Potomac II" is the entity described in Paragraphs 39 and 56 of the Second Amended Complaint, and was acquired by the Trebuchet Defendants pursuant to the Transaction.

27. "Traders" means Traders & General Insurance Company, one of the entities merged into OBIC prior to the Transaction.

28. The term "Transaction" has the meaning assigned to it in Paragraph 39 of the Second Amended Complaint.

29. The term "Trebuchet Defendants" has the meaning assigned to it in Paragraph 39 of the Second Amended Complaint, and includes Huntington and Williams.

30. The term "Trebuchet US" has the meaning assigned to it in Paragraph 13 of the Second Amended Complaint.

31. The term "Trebuchet Investments" has the meaning assigned to it in Paragraph 14 of the Second Amended Complaint.

32. The term "Trebuchet Group" has the meaning assigned to it in Paragraph 15 of the Second Amended Complaint.

33. "White Mountains" means White Mountains Insurance Group, Ltd.

INSTRUCTIONS

1. "All Documents" means every document, as defined above, in your possession, custody or control and includes documents which are not in your possession, custody, or control, which are known to you and can be located or discovered by reasonably diligent efforts. To the extent a given responsive Document is a part of an official public record, such as a hearing file, you may cite the specific internet address where that Document is located, but should nonetheless provide all other responsive Documents in your possession, custody or control, including any responsive Documents which were indexed but withheld from public posting.

2. "Including" means including but not by way of limitation.

3. "Related", "relates", or "relating to" means constituting, comprising, evidencing, containing, setting forth, showing, disclosing, describing, explaining, summarizing, concerning, or referring to, directly or indirectly.

4. "Identify", "identification", or to "give the identity of" means:

   a. In the case of an individual, reflecting his or her name, present or last known residence, present or telephone numbers, business affiliates, business address, job description, and, if different from the latter, positions and offices held and, if applicable, dates of employment by or for the Defendant.

   b. In the case of a document, whether or not such document is deemed to be privileged, objectionable, or subject to any claims of privilege, to provide the following information:

      (1) the title or other means of identification of each such document;

      (2) the subject matter of each such document;

      (3) the date each such document was prepared;

      (4) the identity of the person or persons who prepared each such document;

      (5) the identity of the person or persons receiving the document or for whom such document was prepared as well as the identity of each person receiving copies of said documents;

(6) the present location of all copies of each such document in your possession, custody, or control;

(7) whether you claim any privilege or other reason for non-production with respect to each such document or copies thereof, and, if so, the factual and legal basis for the alleged privilege or non-production.

In lieu of the foregoing, a copy of each such document may be provided.

c. If any requested document existed at one time and was in your possession, custody, or control, but has been lost, discarded or destroyed, or removed from your possession, custody or control, indicate for each such document:

(1) the identity of the document and a description of its contents indicating its date, title and type of document;

(2) when the document was most recently in your possession, custody or control and what disposition was made of it;

(3) the identity of any person which currently possesses the document; and

(4) whether the document was transferred or destroyed, the person who transferred or destroyed the document and the person who authorized its transfer or destruction or who knows of its transfer or destruction, and the reason why the document was transferred or destroyed, and the identities of all persons having knowledge of the contents of each document.

5. References to any entity shall be deemed to include any other names by which it may have been known during the time period for which documents are requested.

6. Requests are not intended to be duplicative, and should be interpreted to include the words: "... to the extent not produced in response to a Request above."

7. "Subsidiary" means any direct or indirect subsidiary.

8. Unless defined otherwise in this Request, any capitalized term has the meaning assigned to it in the Second Amended Complaint.

9. Unless stated to the contrary in these Requests, the time period for requested documents is from January 1, 2011 to March 1, 2021.

10. Production of documents in response to these Requests shall be governed by Exhibit A (Production Formatting), attached hereto and specifically incorporated by reference herein.

11. Please refer to the attached order in Covil Corp. v. Pennsylvania National Mutual Casualty Insurance Co. for recent guidance from the Receivership Court regarding the standard for an appropriate policy search. See Exhibit B, Order on Discovery Motions, Covil Corp. v. Pennsylvania National Mutual Casualty Insurance Co., C.A. No. 2020-CP-40-02098 (Ct. Com. Pl. for Richland Cnty. May 5, 2022) (reconsideration denied May 26, 2022).

PRIVILEGE

Whenever a Request calls for information pertaining to a communication claimed by you to be privileged, supply a privilege log of sufficient factual detail to enable the Court to determine whether or not such communication is entitled to a claim of privilege, including (1) the date or dates of the communication; (2) the name and position of each person who received or participated in the communication, and such persons' respective roles; (3) the general subject matter of the communication; and (4) the basis for the claim of privilege.

REQUESTS FOR PRODUCTION

Please provide All Documents relating to the following:

1. All Insurance Policies insuring Southern Insulation, directly or indirectly, including all certificates of insurance, underwriting documents, and insurance policies issued by any of the following insurers: General Accident, White Mountains, Commercial Union, Potomac, OBIC, Bedivere, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II.

2. Correspondence relating to insurance coverage for claims under any of the above-requested Insurance Policies between or among any of the Trebuchet Defendants (or any of their subsidiaries and affiliates) and any of the following persons or entities: Southern Insulation, Southern Insulation's insurance brokers (including any of the Chandler Defendants), Southern Insulation's counsel, any other

Trebuchet Defendant or subsidiary thereof, any of the OneBeacon Defendants (or any of their subsidiaries and affiliates), counsel for any of the OneBeacon Defendants, Bedivere, counsel for Bedivere, the Liquidator of Bedivere, Potomac, the Pennsylvania Department of Insurance, the South Carolina Insurance Department, counsel for any insurance regulatory agency or body, any actuary, or any consultant, from January 1, 2011 to March 1, 2021.

3. Any form policies adopted by insurance industry organizations (including but not limited to "Insurance Services Office"/ISO forms), and used in connection with manufacturers, contractors, or comprehensive general liability ("CGL") insurance coverage, from 1966 through 1991, by any issuer of the Insurance Policies, including Houston General, Camden Fire, Traders, Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, or Potomac II.

4. Standard form or specimen policies filed with either the Pennsylvania Department of Insurance or the South Carolina Department of Insurance which are consistent with any asbestos coverage issued by any of: Potomac, OBIC, Bedivere, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, between 1966 and 1991.

5. All corporate or other entity meeting minutes of each of Potomac, OBIC, Bedivere, OBA, Lamorak, EFIC, and the Trebuchet Group entities, including all documents distributed or presented to participants in connection with such meetings, all Board and shareholder resolutions, relating to the Insurance Policies, from January 1, 2011 to March 1, 2021.

6. All corporate or other entity meeting minutes (including all documents distributed or presented to participants in connection with such meetings) of each of Potomac, OBIC, Bedivere, OBA, Lamorak, EFIC, and any of the Trebuchet Defendant entities, including all Board and shareholder resolutions, relating to the Olin Litigation, since January 1, 2011.

7. Pursuant to South Carolina Rule of Civil Procedure 26(b)(2), copies of all insurance agreements with any insurer that may be liable to satisfy part or all of a judgment against you in this lawsuit.

8. All agreements between or among a Trebuchet Defendant (or its subsidiary or affiliate) and any other entity, under which such entity is required to indemnify, defend, or hold you harmless in connection with the claims asserted in this lawsuit.

9. All claims for defense or coverage and the disposition of such claims, under any Insurance Policy in connection with alleged liability of Southern Insulation, including claims by Asbestos Claimants and claims pursuant to Asbestos Suits.

10. Claims registers and microfiche or other archive entries related to the Asbestos Suits and claims related to Asbestos Claimants, from 1966 to present.

11. All reserve accounts established by any of: any Trebuchet Defendant, Potomac, Bedivere, OBIC, OBA, EFIC, Lamorak, and Potomac II for claims or potential claims related to any Insurance Policy requested in these Requests, including reserves for claims by Asbestos Claimants and claims pursuant to Asbestos Suits, – since January 1, 2011.

12. The calculation, determination and establishment of reserves for actual and contingent liabilities of each of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Potomac II, Trebuchet US, Trebuchet Investments, and Trebuchet Group, including the amount of their respective claim reserves and unearned premium reserves, since January 1, 2011.

13. Adverse loss development on long-tail insurance lines, and all other Documents reflecting long-tail insurance liability, including all information, estimates and projections assessing long-tail liability exposure, including exposure for Asbestos Suits, for claims by Asbestos Claimants, for asbestos claims, manufacturers and contractors policy claims liability, and commercial general liability, for each of the following entities: Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, and Potomac II, at all times from January 1, 2011 to March 1, 2021.

14. Any of the Trebuchet Defendants' pre-Transaction and pre-Merger projections concerning the viability of any of Potomac, Bedivere, OBIC, OBA, EFIC, Lamorak, and Potomac II, sinceJanuary 1, 2011.

15. The information and belief of any Trebuchet Defendant concerning the Trebuchet Defendants' strengths and weaknesses (financial and otherwise) when compared to the OneBeacon Defendants, including underwriting operations and assets, liabilities, and income streams, during the period from January 1, 2011 to December 31, 2014.

16. All Documents effectuating the transfer by any of Potomac, OBIC, Bedivere, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak and Potomac II, of any specialty line claims liability or related assets to ASIC or to any Trebuchet Defendant, since January 1, 2011.

17. The reasonableness of the reserves established by any of: any Trebuchet Defendant, Potomac, OBIC, Bedivere OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, , and any other subsidiaries of or Potomac II, including the amount of reserves and unearned premium reserves and any communications with auditors regarding reserves, from January 1, 2011 to March 1, 2021.

18. All projections sinceJanuary 1, 2011, concerning the viability of any of: Potomac, Bedivere, OBIC, OBA, EFIC, Lamorak, any other Bedivere subsidiary, and Potomac II, since January 1, 2011.

19. Adverse development coverage obtained by Potomac II, or by any other Trebuchet Defendant entity or subsidiary, from General Re, January 1, 2011 to March 1, 2021.

20. Any other adverse development coverage obtained by any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, and Potomac II, from January 1, 2011 to March 1, 2021.

21. All communications from January 1, 2011 to March 1, 2021 between any Trebuchet Defendant and any of the Chandler Defendants (or anyone on behalf of any Chandler Defendant, including counsel), regarding any of the following subjects: reinsurance, specialty lines, the Transaction, the Merger, and the Insurance Policies, relating to Potomac, Bedivere OBIC, OBA, Lamorak, EFIC, or Potomac II.

22. Correspondence between (or among) any of the Trebuchet Defendants or any of their subsidiaries and any other person(s) or entity(ies) regarding the reinsurance described in Paragraph 23, from January 1, 2011 to March 1, 2021.

23. Any Trebuchet Defendant's (or its subsidiaries') reinsurance arrangements covering any portion of the liability of any of: Potomac, OBIC, OBA, EFIC, Lamorak, Bedivere, and Potomac II, for claims against Southern Insulation (including Asbestos Suits and claims by Asbestos Claimants), or otherwise to cover Southern Insulation's liabilities, from January 1, 2011 to March 1, 2021.

24. The commutation of Potomac II's NICO reinsurance contracts, from January 1, 2015 through March 1, 2021.

25. Efforts to identify or locate any Insurance Policies (including any correspondence sent to or received by any of the Trebuchet Defendants or any of their subsidiaries, any subpoenas issued in an effort to locate Insurance Policies, and responses to such subpoenas), since January 1, 2011.

26. The document retention and destruction policies of any issuer of Insurance Policies, including General Accident, Commercial Union, White Mountains, Houston General, Camden Fire, Traders, Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, and Potomac II, including policies for purging or deleting information and documents, and for notifying insureds of such policies or the destruction of insurance policy documents, from 1966 to March 1, 2021.

27. The document retention and destruction policies of the Trebuchet Defendants and their subsidiaries, since January 1, 2011s.

28. The policies of the Trebuchet Defendants, and their respective subsidiaries, for notifying insureds of the destruction of insurance policy documents or of the transfer of insurance policies to another carrier for the period since 1991.

29. Any Documents showing the ownership (direct and indirect) of each of the following entities, and of each of their respective subsidiaries, transferees, and successors in interest, since January 1, 2011, including the identity of all owners, their manner of ownership, their ownership interests, and the modification of those ownership interests throughout that period of time: Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Potomac II, Camden Fire, Houston General, Traders, and ASIC.

30. Ownership (direct and indirect) of each of the following entities: Trebuchet US, Trebuchet Investments, and Trebuchet Group, since January 1, 2011, including the identity of all owners, their manner of ownership, their ownership interests, and the modification of those ownership interests throughout that period of time.

31. The corporate structure of each of the Trebuchet Defendants and their respective subsidiaries, including organizational charts showing the identity and relation (to one another) of parent and subsidiary entities (including direct and indirect relationships), from January 1, 2011 to March 1, 2021.

32. The corporate structure of each of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Camden Fire, Houston General, Traders, ASIC, and Potomac II, including organizational charts showing the identity and relation (to one another) of parent and subsidiary entities (including direct and indirect relationships) from January 1, 2011 through the Transaction.

33. All corporate or other entity meeting minutes showing the identity of any of the Board members and officers of each of the Trebuchet Defendants and their subsidiaries, and each of their respective direct and indirect parent companies, since January 1, 2011.

34. All corporate or other entity meeting minutes showing the identity of Board members and officers of any of: Potomac, Bedivere, OBIC, OBA, EFIC, Lamorak, Camden Fire, Houston General, Traders, ASIC, and Potomac II, from January 1, 2011 through March 1, 2021.

35. The biographies (and curricula vitae) of the officers, managers and directors of any Trebuchet Defendant (and of each of their subsidiaries and affiliates, including

Potomac, OBIC, Bedivere, EFIC and Lamorak), including but not limited to Huntington and Williams, from January 1, 2011 to March 1, 2021.

36. The rationale for the creation of Trebuchet US.

37. How OBA became known as Lamorak, including All Documents effectuating this change.

38. How OBIC became known as Bedivere, including All Documents effectuating this change.

39. The rationale for adoption of the name "Bedivere."

40. All audited and unaudited financial statements, income statements, cash flow statements, and balance sheets (annual, quarterly and monthly), from January 1, 2011 to March 1, 2021, for each of the following entities:

(a) Potomac
(b) Potomac II
(c) EFIC
(d) OBIC
(e) OBA
(f) Lamorak
(g) Bedivere
(h) Trebuchet US
(i) Trebuchet Investments
(j) Trebuchet Group

41. All filings and submissions provided to any of the following, relating to the financial condition of any of the Trebuchet Defendants (and their respective subsidiaries and affiliates) made to any of the following: banks, financing entities, and regulatory entities.

42. All Documents distributed or presented to the participants of any meetings in which any officer, director, manager, or member of a Trebuchet Defendant (or subsidiary) participated, including meetings of the Boards of any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Potomac II, Trebuchet US, Trebuchet Investments, and Trebuchet Group, relating to the Transaction or the Merger, since January 1, 2011.

43. The decision, strategy and rationale for the Transaction, including the business strategy, purpose or motivation of any Trebuchet Defendant in engaging in the Transaction.

44. The Transaction, the Merger, or the liquidation of Bedivere (including the decision to liquidate), since January 1, 2011.

45. All exhibits and schedules to the Transaction Stock Purchase Agreement.

46. Administrative and management agreements related to the Transaction, including all exhibits and schedules to each agreement, since January 1, 2011.

47. Any discussion of the reasons for selecting or not selecting particular managers, directors, officers and employees to serve at companies acquired in the Transaction, since January 1, 2011.

48. Any Trebuchet Defendant's proposal to appoint replacement managers, directors, officers and employees to serve at any companies acquired in the Transaction, since January 1, 2011.

49. All business plans prepared in connection with the Transaction, including business plans submitted to any regulatory authority, since January 1, 2011.

50. Communications between any Trebuchet Defendant or subsidiary and any OneBeacon Defendant or subsidiary regarding the Transaction, including any of their respective agents or counsel, from January 1, 2011 to March 1, 2021.

51. All Documents distributed or presented to the participants of any meetings in which any officer, director, manager, or member of a Trebuchet Defendant (or subsidiary) participated, including meetings of the Boards of any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Potomac II, Trebuchet US, Trebuchet Investments, and Trebuchet Group, related to the Merger, from January 1, 2011 to March 1, 2021.

52. The decision, strategy and rationale for the Merger, including the business strategy, purpose or motivation of the Trebuchet Defendants, since January 1, 2011.

53. The Trebuchet Defendants' knowledge, information and belief concerning the impact the Merger could have on the ability of any of the following entities to pay all insurance claims: OBIC, Bedivere, OBA, EFIC, Potomac II, and Lamorak, from January 1, 2011 to March 1, 2021.

54. The understanding of any Trebuchet Defendant concerning the impact asset or cash transfers to any Trebuchet Defendant (or to its subsidiaries or affiliates) could have on the ability of any of Potomac, Bedivere, OBIC, OBA, Lamorak, EFIC, and Potomac II, to pay existing or contingent liabilities or claims, from December 1, 2014 to March 1, 2021.

55. All business plans prepared in connection with the Merger, including business plans submitted to any regulatory authority since January 1, 2015.

56. All corporate or other entity minutes of the Trebuchet Defendants and their affiliates, including all Board and shareholder resolutions, concerning management fees and fees for other inter-company services received by a Trebuchet Defendant or any of its subsidiaries, from any of Potomac, Bedivere, OBIC, OBA, EFIC, Lamorak, or Potomac II, since January 1, 2015.

57. Any payment or asset transfer of any kind (including fees or dividends), made directly or indirectly, from any of Potomac, Bedivere, OBIC, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, or Potomac II, to any Trebuchet Defendant, or to any Trebuchet Defendant subsidiary, or to any Trebuchet Defendant entity (including any Trebuchet Defendant affiliate) officer, director, member, manager, or shareholder, including descriptions of any such transfer in any Documents distributed or presented (such as PowerPoint presentation slides) to participants of any meetings attended by any officers or directors of a Trebuchet Defendant (or subsidiary) relating to any such payments or transfers, from January 1, 2011 to March 1, 2021.

58. The reasons for any asset or cash transfers from any of Potomac, Bedivere, OBIC, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, to any Trebuchet Defendant, Trebuchet Defendant affiliate, or Trebuchet Defendant subsidiary, or to any officer or director of any of the foregoing entities, from January 1, 2011 to March 1, 2021.

59. The actions of any Trebuchet Defendant relating to seeking and consenting to the Order of Liquidation for Belvidere, since January 1, 2018.

60. Any Schedule P to any NAIC Annual Statement filed by any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, from January 1, 2011 to March 1, 2021.

61. Any NAIC Enterprise Risk Reports filed, or that should have been filed, on behalf of any of: any Trebuchet Defendant, any Trebuchet Defendant subsidiary or affiliate, Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, from January 1, 2011 to March 1, 2021.

62. All pre-acquisition Notification Statements of the Potential Competitive Impact of a Proposed Acquisition or Merger (a/k/a Form E), related to the Transaction, for the years 2011, 2012, 2013 and 2014.

63. All pre-acquisition Notification Statements of the Potential Competitive Impact of a Proposed Acquisition or Merger (a/k/a Form E), related to the Merger, for the years 2018, 2019, 2020 and 2021.

64. All NAIC Annual Statements (or drafts) of any of: any Trebuchet Defendant, Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houseton General, Traders, Camden Fire, any other subsidiaries of Bedivere, and Potomac II, from January 1, 2011 to March 1, 2021.

65. The NAIC Insurance Regulatory information System ("IRIS") ratios of any of: the Trebuchet Defendants, Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houston General, Traders, Camden Fire, and Potomac II, since January 1, 2011, including

any Documents reflecting the failure of any of the foregoing entities concerning a NAIC IRIS test.

66. Any NAIC Enterprise Risk Reports filed (or that should have been filed) on behalf of any of: Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, any other subsidiaries of Bedivere, and Potomac II, since January 1, 2011.

67. Any Management Discussion and Analysis or similar documents filed with any regulatory authority by a Trebuchet Defendant (or its respective subsidiaries) for the years 2011-2021.

68. Exchanges and communications between any of: the Trebuchet Defendants, their respective subsidiaries, and their respective officers, directors, managers or members, and the Pennsylvania Department of Insurance, including any Documents filed in connection with a business plan, since January 1, 2011.

69. Corporate or other entity meeting minutes of the Board of any Trebuchet Defendant (or subsidiary), concerning its NAIC filings, IRIS Ratios, Enterprise Risk Reports, or business plans, including any such Documents relating to any Trebuchet Defendant subsidiary, from January 1, 2011 to March 1, 2021.

70. All Documents distributed or presented to the participants of any Trebuchet Defendant meetings, including Documents distributed or presented at any Board meetings, related to NAIC filings, IRIS Ratios, Enterprise Risk Reports, or business plans, from January 1, 2011 to March 1, 2021.

71. All Documents distributed or presented to the participants of any meetings of the Board of any of Potomac, Bedivere, OBIC, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, including Documents distributed at any Board meetings, related to NAIC filings, IRIS Ratios, Enterprise Risk Reports, or business plans, from January 1, 2011 to March 1, 2021.

72. All Documents submitted to any regulatory authority (such as the Pennsylvania Department of Insurance) relating to the transfer by any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak and Potomac II, of specialty line claims liability or related assets, and any response received, from January 1, 2011 to March 1, 2021.

73. All representations of any Trebuchet Defendant to any of: Potomac, OBIC, OBA, Bedivere, Lamorak, EFIC, Houston General, Camden Fire, Traders, or Potomac II, concerning the financial condition of any of the Trebuchet Defendants or subsidiaries, or concerning the impact of any Trebuchet Defendant's actions on any of the foregoing entities, including assumption of liabilities, from January 1, 2011 to March 1, 2021.

74. Any representations by any Trebuchet Defendant (or by its subsidiaries, officers, directors, members or managers) relating to the effect of the Transaction on policyholders of any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, or Potomac II, which were made to any of: a) the public; b) insurance regulators or any other regulatory authorities; and c) any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, and Potomac II, from January 1, 2011 to March 1, 2021.

75. Any representations by any Trebuchet Defendant (or by its subsidiaries, officers, directors, members or managers) relating to the effect of the Merger on policyholders of any of OBIC, Bedivere, OBA, EFIC, Lamorak, any other subsidiary of Bedivere, and Potomac II, made to any of: a) the public; b) insurance regulators;c) any other regulatory authorities; and d) any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Potomac II, and any other subsidiary of OBIC or Bedivere, from January 1, 2015 to March 1, 2021.

76. The understanding of any of Potomac, OBIC, OBA, Bedivere, Lamorak, EFIC, Houston General, Camden Fire, Traders, any other subsidiary of Potomac, OBIC or Bedivere, and Potomac II, as to the financial condition of any of the Trebuchet Defendants and subsidiaries, during the period from January 1, 2011 to March 1, 2021.

77. All applications by any Trebuchet Defendant for (and orders approving or denying) proposed consolidations, mergers, acquisitions, or dispositions of entities, and supporting materials, submitted to any regulatory body from January 1, 2011 to March 1, 2021, relating to Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, or Potomac II.

78. Any restrictions imposed by the Pennsylvania Department of Insurance on the entities acquired in the Transaction, since January 1, 2011.

79. Bedivere's stand-alone authorized control level risk-based capital ratio, for each of 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

80. Discussions by a Trebuchet Defendant with the Pennsylvania Department of Insurance regarding a corrective plan for Bedivere, for each of 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

81. All OneBeacon Defendant (and subsidiary) internal studies of legacy A&E ("asbestos and environmental") exposure, and all quarterly A&E reports, from 2010-2014.

82. All Trebuchet Defendant (and subsidiary) internal studies of legacy A&E exposure, and all quarterly A&E reports, from 2015-2021.

83. All reports, projections, and modeling created by any consultant for any Trebuchet Defendant or for any Trebuchet subsidiary, relating to potential business strategies to limit liability for existing and contingent liabilities (including contingent liability

for the Olin Litigation, and contingent liability for asbestos claims) of any of: Potomac, OBIC, OBA, Bedivere, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, from January 1, 2011 to March 1, 2021.

84. All consultant reports relating to the pre-Transaction reserves for any of Potomac OBIC, OBA, EFIC, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014.

85. All consultant reports relating to the post-Transaction reserves for any of Potomac, OBIC, Bedivere, OBA, EFIC, and Potomac II, from December 1, 2014 to March 1, 2021.

86. All consultant reports relating to the Transaction, from January 1, 2011 to December 31, 2014.

87. All consultant reports relating to the Merger, from December 1, 2014 to March 1, 2021.

88. All consultant reports relating to any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, from January 1, 2011 to March 1, 2021.

89. Actuarial opinions relating to any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, from January 1, 2011 to February 4, 2021, including any exhibits, appendices, and other attachments to any such actuarial opinions.

90. All independent auditor reports for any of the following entities: Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, from January 1, 2011 to March 1, 2021.

91. All correspondence between any Trebuchet Defendant (or its subsidiary) and an independent auditor concerning audit reports for any of itself, Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Camden Fire, Houston General, Traders, and Potomac II, from January 1, 2011 to March 1, 2021.

92. Exchanges between any Trebuchet Defendant (or any Trebuchet Defendant's subsidiary) and an external auditor, concerning the Trebuchet Defendant's relationship(s) with any of the following: a) any OneBeacon Defendant (or its subsidiaries, officers, directors, managers, or members); b) Huntington; and or c) Williams, from January 1, 2011 to March 1, 2021.

93. Exchanges between any Trebuchet Defendant (or any Trebuchet Defendant subsidiary) and an external auditor, relating to the off-loading of the actual and contingent liabilities of any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak,

Houston General, Camden Fire, Traders, and Potomac II, from January 1, 2011 through March 1, 2021.

94. All adverse opinions rendered by auditors relating to any of Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, from January 1, 2011 to March 1, 2021.

95. All agreements in place between any Trebuchet Defendant (or its subsidiary) and ASIC relating to reinsurance, from December 1, 2014 to March 1, 2021, including all exhibits and attachments.

96. All agreements in place between any Trebuchet Defendant (or its subsidiary) and any of Potomac, OBIC, Bedivere, EFIC, Lamorak, and Potomac II, from January 1, 2011 to March 1, 2021, including all exhibits and attachments.

97. All inter-company and other agreements to which any Trebuchet Defendant (or its subsidiary), or any Trebuchet Defendant officer, director, member, manager, or shareholder was a party, including all exhibits and attachments, relating to any of: Potomac, OBIC, Bedivere, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorakand Potomac II, from December 1, 2014 to March 1, 2021.

98. All Trebuchet Defendant (or subsidiary) inter-company loan agreements, related party transactions, and other related party agreements or transactions that materially affected the assets or liabilities of any of: Potomac, OBIC, Bedivere, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, from December 1, 2014 to March 1, 2021.

99. The knowledge, information, and belief of any Trebuchet Defendant (or the knowledge, information, and belief of any Trebuchet Defendant officer or director) concerning the potential effect of the Olin Litigation on the financial condition (including financial condition on a consolidated basis) of any of: Potomac, OBIC, Bedivere, OBA, Lamorak, EFIC, Houston General, Camden Fire, Traders, Potomac II, and on any Trebuchet Defendant, since January 1, 2011.

100. Negotiations of Lamorak with Olin after January 1, 2011.

101. Analyses and reports related to the financial impact of the Olin Litigation on any of Potomac, OBIC, Bedivere, OBA, EFIC, and Lamorak, , from January 1, 2011 through March 1, 2021.

102. Analyses and reports related to the financial impact of the Olin Litigation on any Trebuchet Defendant (including its subsidiaries and entities), since January 1, 2011.

103. All Documents relating to the asbestos policies and liabilities of any of Potomac, OBIC, and Bedivere, since January 1, 2011.

104. All pleadings where any Trebuchet Defendant, its affiliate or subsidiary was the defendant, other than this case, alleging that it was liable because of any of the

following: a) it was the *alter ego* of another company; b) it had committed fraud *per se*, common law fraud, or had made a fraudulent conveyance; c) it had been unjustly enriched at the expense of another entity; d) it had committed civil conspiracy; and e) it should have had your corporate veil pierced.

These Requests are continuing such that if, after answering, Defendants discover additional documents which are covered by these Requests, Defendants are required to promptly produce them.

Respectfully Submitted,

s/Matthew Richardson
Matthew Richardson
S.C. Bar No. 15647
Eric B. Amstutz
S.C. Bar No. 363
WYCHE, P.A.
807 Gervais Street, Suite 301
Columbia, SC 29201
803-254-6542
mrichardson@wyche.com
eamstutz@wyche.com

Brian M. Barnwell
S.C. Bar No. 78249
RIKARD & PROTOPAPAS, LLC
2110 N. Beltline Blvd.
Columbia, SC 29204
803-978-6111
bb@rplegalgroup.com

John B. White, Jr.
S.C. Bar No. 5996
Marghretta H. Shisko
S.C. Bar No. 100106
Griffin L. Lynch
S.C. Bar No. 72518
John B. White, Jr. P.A.
291 S. Pine Street
P.O. Box 2465 (29304)
Spartanburg, SC 29302
(864) 594-5988

jwhite@johnbwhitelaw.com
mshisko@johnbwhitelaw.com
glynch@johnbwhitelaw.com

Attorneys for the Receiver for Southern Insulation, Inc.

February 7, 2023

Columbia, South Carolina

EXHIBIT A

PRODUCTION FORMATTING

REPOSITORIES

1. Digital communications (any email account – including personal emails, voicemail, texting, instant messaging);

2. Electronic devices (cell phones, smart phones, tablets, iPads, laptops, notebooks, and others);

3. Data created with the use of mobile phones, smart phones, or any other mobile devices;

4. Document management systems, network file shares, or shared collaboration sites (e.g., Teams, SharePoint, Slack, Asana, Trello, Podio, Flock, Ryver, etc.);

5. Word processing documents (such as Word or Word Perfect documents, including drafts and revisions);

6. Spreadsheets and tables (such as Excel, Google Sheets, or Lotus 123 worksheets, including drafts and revisions);

7. Image and facsimile files (such as .pdf, .tiff, .jpg, .gif images);

8. Sound recordings and voicemail files (such as .wav and .mp3 files);

9. Databases (such as Access, Oracle, SQL and SAP server data);

10. Computer logs;

11. Contact and relationship management data (such as Outlook or Lotus Notes);

12. Calendar and diary application data (such as Outlook PST, Gmail, Yahoo, or blog tools);

13. Personal calendars;

14. Telephone logs, bills, and records;

15. Presentation data or slide shows produced by presentation software (such as Microsoft PowerPoint);

16. Social media posts, messages, or other communications (e.g., WhatsApp, WeChat, Snapchat, Facebook, Facebook Messenger, Instagram, Tumblr, Twitter, YouTube, Pinterest, LinkedIn, Skype, Telegram, Reddit, TikTok, Quoro, Nextdoor, Line, Tinder, Whisper, Taringa, Foursquare, REnren, Tagged, Badoo, Myspace, Flickr, MeetMe, Meetup, Tout, Mixi, Vero, Douban, StumbleUpon, The Dots, Kiwibox, Skyrock, Snapfish, Delicious, ReverbNation,Flixster, Care2, CafeMom, Ravelry, Viber, Sina Weibo, Line,

Baidu Tieba, QZone, QQ, YY, Vkontakte, WAyn, Cellufun, Vine, Classmates, MyHeritage, Viadeo, Xing, Xanga, LiveJournal, Friendster, FunnyorDie, Gaia, We Heart It, Buzznet, DevianArt, Spreely, Discord, etc.);

17. Internet usage files;

18. Network access and server activity logs;

19. Back-up and archival files, hard drives, external drives, or other external media (CD, DVDs, flash drives, etc.);

20. Cloud storage accounts (such as Box, Dropbox, iCloud, OneDrive, Google Drive, etc.);

21. Mimecast;

22. Metadata, system files, and logs generated on or relating to electronic systems or devices and their usage;

23. Files of hard copies of documents.

PRODUCTION FORMATTING REQUESTS

A. Image Files: In addition to the production required by the paragraphs below, any documents produced in response to this Request should be provided as a multi-page TIFF and/or single-page TIFF/JPG file(s) and prepared in 8.5 x 11 inch page size that reflects how the source document would have appeared if printed. TIFF Image files shall be produced as 300 dots per inch (dpi) multi-page Group IV TIFF images. JPG images shall be produced as 300 dots per inch (dpi) images. Each image filename shall be named with the starting production bates number that is endorsed on that document or if it is a single page image, the production bates number that is endorsed on that page. Image filenames cannot contain embedded spaces or symbols other than the hyphen or underscore symbols. Documents containing color may be produced black and white unless color is material to the interpretation of the document, in which case it will be produced in color. However, upon reasonable request, please be prepared to produce a color copy of any requested document that is indicated in the load file as having original color content and was produced in black and white. Each color page shall be produced as a JPG file and the JPG file shall

be named with the same production bates number that is endorsed on its page. Hidden content, tracked changes, edits, comments, notes, and other similar information viewable within the native file shall, to the extent reasonably practicable, also be imaged so that this information is captured on the produced image file. Documents embedded within a document shall be extracted as separate documents and treated as attachments to the document.

B. Emails: Parent-child relationships (the association between an attachment and its parent document) should be preserved. Document families, such as an email and its attachment(s), shall be produced together and shall preserve the document-family relationship (e.g., an email and its attachment(s) shall be produced sequentially, with the email preceding the attachment in the Bates numbering scheme).

C. Text Files: Document level text files containing extracted text or OCR should be provided for each document produced. The filename of the text file shall be named with the starting production bates number that is endorsed on its related image file. Filenames cannot contain embedded spaces or symbols other than the hyphen or underscore symbols." When possible, the text of native files should be extracted directly from the native file. To the extent that extracted text does not exist, the images should be run through Optical Character Recognition (OCR) using a commercially acceptable technology for optical character recognition "OCR" so that they are fully searchable. These text files will not contain the redacted portions of the documents and instead the document will be OCR'd again and the new 'redacted' OCR text files will be substituted instead of extracted text files for redacted documents. Text files should end with the extension .TXT.

D. Load Files: Load files shall be produced with each production of documents with extracted metadata for each document (objective coding) included in the load file. The data file

shall include the fields and type of content set forth below. Objective coding shall be labeled and produced on Production Media in accordance with the provisions set forth above.

(1) The data load file should contain all of the metadata fields (both system and application – see list below) from original native documents with an extension .CSV or .TXT for loading into the review platform.

(2) The load file of extracted metadata should be delimited with ASCII 020 for the comma character and ASCII 254 for the quote character. All values in a multi-value field shall be separated by a semi-colon ASCII 059. The use of commas and quotes as delimiters is not acceptable.

(3) The header row for the load files should contain the metadata field names which are listed below.

(4) The image load file should contain an extension .OPT or .LFP.

E. Hard Copy Document Unitization: The boundaries of a document shall be based upon the smallest physical binding (i.e., staple, paper clip, binder clip, etc.) associated with that document. In the event there is a series of loose pages that have no small physical bindings, the document boundary shall be based upon the largest physical binding (i.e., folder, redwell, binder, etc.). The boundaries of the parent/child attachment relationship shall be based upon the largest physical binding (i.e., binder clip, folder, redwell, etc.) associated with that family of documents. The document boundaries and corresponding parent/attachment relationships shall be provided in the load files furnished with each production. For each hardcopy document, the following information shall be produced and provided in the data load file at the same time that the TIFF images and the OCR acquired text files are produced. Each index field shall be labeled as listed below:

(a) Beginning Production Number (BegBates);

(b) Ending Production Number (EndBate);

(c) Beginning Attachment Production Number (BegAttach);

(d) End Attachment Production Number (EndAttach);

(e) Custodian Source;

(f) Confidentiality.

F. Bates Numbering and Redactions: Each page of a produced document shall have a legible, unique page identifier (Bates number) electronically branded onto the image at a location that does not obliterate, conceal, or interfere with any information from the source document. In order to ensure that the Bates numbers do not obscure portions of the documents, the images may be proportionally reduced to create a larger margin in which the Bates number may be branded. There shall be no other legend or stamp placed on the document image, except those sections of a document that are redacted to eliminate material protected from disclosure by the attorney-client or work product privileges shall have the legend "REDACTED" placed in the location where the redaction(s) occurred or shall otherwise note the location and/or location of the information for which such protections are claimed.

G. Production Media: All documents should be produced on CD-ROM, DVD, or external hard drive with standard Windows PC compatible interface (the production media) or access to a secure On-Line Repository agreed upon by the Parties) or via secure FTP site.

H. Native Format for Excel and Access Databases: To the extent that requested documents exist in Excel or another spreadsheet program, produce the document in its native format. To the extent that the document format constitutes a database created or maintained in Access or another software program, produce the document in its native format. A single page

TIFF image placeholder should be provided for each document provided in native format. Each TIFF placeholder shall contain the phrase "DOCUMENT PRODUCED IN NATIVE FORMAT" and contain the Bates number corresponding to the native file.

I. **PowerPoint Presentations:** Presentations should be produced in full slide image format along with speaker notes (which should follow the full images of the slides) with related searchable text, metadata, and bibliographic information. Presentations should also be produced in native format (e.g., as .PPT files).

J. **Audio and Video Data:** The production of audio/video data shall be produced in native, usable format. Care shall be taken to ensure that all responsive audio and video data and their metadata are preserved. These data types may be stored in audio or video recordings, voicemail text messaging, and related/similar technologies.

K. **Production Exception Handling:** Any documents produced which cannot be converted to a TIFF image due to a processing error shall be reported along with the corresponding Bates number. Once an exception report for production is received, counsel may request to see the native file for that exception.

L. **Deduplication:** You are only required to produce a single copy of a responsive document. Parties may de-duplicate globally/horizontally based on hash values using a commercially acceptable technology prior to production. Deduplication shall be done in a manner that does not break up document families (such as emails and attachments) and preserves the original ESI. For emails with attachments, the hash value shall be generated based on parent/child document grouping. When documents are de-duplicated from each custodian, their names shall be listed in a "Duplicate Custodians" field showing that they also had a copy of the de-duplicated document.

L. Password Protected Files: With respect to any ESI items that are password-protected or encrypted, break the protection or encryption so that the document can be reviewed and/or produced.

M. Compressed File Types: Compressed files (e.g., CAB, .GZ, .TAR, .Z, .ZIP) shall be decompressed in a reiterative manner to ensure that a zip within a zip is decompressed into the lowest possible compression resulting in individual folders and/or files.

N. To the extent ESI produced pursuant to this ESI Protocol cannot be rendered or viewed without the use of proprietary third-party software, the Parties shall cooperate and seek to attempt to minimize any expense or burden associated with production of such ESI. The Parties shall meet and confer to address such issues as may arise with respect to obtaining access to any such software and operating manuals which are the property of a third party.

O. For all electronic documents produced, provide the following metadata fields, where available:

REQUIRED METADATA FIELDS	
FIELD NAME	**FIELD DESCRIPTION**
BEGDOC	Beginning Bates number (production number)
ENDDOC	End Bates number (production number)
BEGATT	First Bates number of family range (i.e., Bates number of the first page)
ENDATT	Last Bates number of family range (i.e., Bates number of the last page of the last attachment)
ATTACHMENT COUNT	Number of attachments to an email
ATTACHMENT NAMES	Populate parent records with original filenames of all attached records, separated by semi-colons
CUSTODIAN	Name of person from whose files the document is produced
AUTHOR	Author of the e-doc or attachment
RECIPIENTS	Recipients of e-doc
FROM	Sender of email
TO	Recipient of email
CC	Additional recipients of email
BCC	Blind additional recipients of email
FILESIZE	Size of the file
PGCOUNT	Number of pages in the e-doc

EMAIL RECEIVED DATE	(mm/dd/yyyy) Date email was received
EMAIL RECEIVED TIME	Time email was received
EMAIL SENT DATE	(mm/dd/yyyy) Date sent
EMAIL SENT TIME	Time sent
DOC CREATED DATE	(mm/dd/yyyy) Date created
DOC CREATED TIME	Time created
DATE MODIFIED	(mm/dd/yyyy) Date last modified
TIME MODIFIED	Time last modified
TITLE	Title field value extracted from the metadata of the native file
MODIFIED BY	Name of person(s) who modified e-doc
EMAIL SUBJECT	The value in the subject field of and e-doc or e-attachment
FILENAME	The full name of the native file.
FILE EXT	The extension of the file
MD5HASH	MD5 Hash Value created during processing
FULLPATH	File source path for all electronically collected documents, which includes location, folder name, file name, and file source extension
RECORDTYPE	Should contain the value of email, e-doc or e-attachment
FILE TYPE	Name of the application used to open the file
COMMENT	Values extracted from comments metadata field
ENTRYID	Unique identifier of emails in mail stores
ATTLIST	List of all of the filenames for the attachments to an email
FAMILYDATE	(mm/dd/yyyy) Date value of parent file (email or e-doc)
NATIVELINK	The full path to the produced native on the production deliverable
DUPCUSTODIAN	When documents are de-duplicated from each custodian, their names shall be listed in a "Duplicate Custodians" field showing that they also had a copy of the de-duplicated document.
TEXTPATH	The full path to the produced text files on the production deliverable

Q. SEARCH TERMS. Prior to production of responsive documents, You will confer with counsel for Southern Insulation regarding the search terms You will use to identify potentially responsive documents within a larger universe of ESI. You also will meet and confer with counsel for Southern, in good faith, regarding your use of search terms.

R. De-NISTing. Electronic files shall be "De-NISTed" by removing the commercially available operating system and application files contained on any NIST file list. If no NIST file list currently exists, You will contact counsel for Southern in order to agree on a NIST file list to be used in connection with Discovery in this action.

Exhibit B

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	C.A. No. 2020-CP-40-02098 **ORDER ON DISCOVERY MOTIONS**

This matter is before the Court on various discovery disputes between the Receivership for Covil Corporation ("Covil") and Pennsylvania National Mutual Casualty Insurance Company ("Penn National"). There are numerous matters before the Court at this time, including Ellis & Winters LLP's March 22, 2022 letter report on its inquiry into the existence and storage of certain historic policy documents pursuant to this Court's November 5, 2021 Discovery Order;[1] the Receiver's February 24, 2022 Motion to Compel and April 1, 2022 Supplemental Motion to Compel; the Receiver's March 17, 2022 Motion to Challenge the Confidentiality of Certain Documents; Penn National's December 22, 2021 Motions to Quash; and Penn National's April 7, 2022 Motion to Seal.[2]

[1] The Court also considered the prior letter reports filed by Penn National in response to the Court's November 5, 2021 Discovery Order.

[2] Also before the Court is the Receiver's motion to compel Penn National in the non-Covil Receiverships. Specifically, the Receiver seeks insurance policies and policy-related documents from Penn National for 14 other entities for which Mr. Protopapas is currently the receiver. In response to the Receiver's Subpoenas *Duces Tecum*, Penn National produced boiler plate objections and zero documents. *See* March 1, 2022 Motion to Compel filed against Penn National on behalf of the Receiver for Flame Refractories, Inc. and United Construction Co. of Rome, Inc., General Boiler Casing Company, Inc., Payne & Keller Company, Piedmont Insulation, Inc. and Reynolds Insulation, Pipe & Boiler Insulation, Inc. and Carolina Industrial Insulating Co., Presnell Insulation, Co., Standard Insulation Company of N.C.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

BACKGROUND

Peter D. Protopapas was appointed by this Court in 2018 as the Receiver for Covil, a defunct South Carolina corporate entity. Covil engaged in the business of installing, removing and sometimes selling insulation made with asbestos materials in the State of South Carolina and in other places in the Southeast for many years between the 1960s and the 1990s. Covil has been sued in many asbestos lawsuits, and this Court was appointed to manage the asbestos docket at the direction of the Chief Justice of the Supreme Court of South Carolina. This Court therefore charged the Receiver with marshalling Covil's assets, including all occurrence-based liability insurance policies, that may respond to the asbestos suits pending against Covil.

Prior to the Receiver's appointment, this Court had a regular situation occur in which Covil Corporation would not respond to requests for information, necessitating orders compelling compliance with discover obligations. Ultimately, after granting numerous motions to compel with no response, this Court struck Covil's pleadings in an underlying asbestos case as a sanction for its failure to respond to discovery.

This Court learned subsequently that, after letting its charter lapse from the State of South Carolina, Covil had been effectively managed by the attorneys for certain insurance companies that covered Covil.[3] The strategic litigation approach adopted on Covil's behalf by other insurers was to not participate in discovery. Rather, it was to accept the pleadings on Covil's behalf and then engage in a course of conduct of waiting until the last moment and then settling the cases at a nuisance value. The other insurers appeared to want to be as minimally responsive as possible

---

Inc., Davis Mechanical Contractors, Inc., Great Barrier Insulation Co., HEFCO, Inc., J. & L. Insulation, Inc., and J.R. Deans Company, Inc., in Case Numbers 2020-CP-40-04475, 2021-CP-40-03484, 2020-CP-40-01821, 2020-CP-40-05526, 2021-CP-40-01364, and 2020-CP-40-01952. Penn National takes the position that it cannot reasonably search its historic policies contained on microfiche cards unless the Receiver provides a specific policy number.

[3] Penn National was not providing a defense in the underlying asbestos cases for Covil at that time.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

to avoid discovery of the occurrence-based general liability policies covering Covil. When this Court learned of certain Covil insurers' conduct, it appointed a receiver to manage Covil's assets. And the only assets Covil had at that time, and has to this day, are the coverage provided by the "legacy" occurrence-based general liability insurance policies covering Covil that were issued during the time it was an active asbestos insulation company.[4]

Covil, under the guidance of the Receiver, has identified numerous insurance policies issued by several different insurance companies covering its defense and indemnity obligations for the asbestos suits. A court-approved Qualified Settlement Fund ("QSF") has been created and funded by the proceeds of settlements with at least six insurers. Those insurance companies went through a long process of disclosure and negotiation, resulting in approval by the Court of settlement proposals that initially funded the QSF.

Penn National is now the company with which the Receiver is seeking information and documents related to the "legacy" occurrence-based liability policies it issued covering Covil as a primary or additional insured. Penn National first came to this Court's attention in connection with the *Finch* case, which was an asbestos case tried in federal court in North Carolina resulting in a $32.7 million judgment against Covil. Specifically, certain general liability insurance policies issued by Penn National that covered Covil were located by Penn National in response to an asbestos claimant subpoena in the *Finch* case that provided specific policy numbers for certain policies issued by Penn National to Covil. After his appointment, the Receiver subsequently requested insurance policy information from Penn National as well.

[4] In PCS Nitrogen, Inc. v. Continental Casualty Company, et al., the SC Supreme Court adopted "the post-loss exception and [held] insurer consent is not required for an assignment of liability insurance coverage rights made after a loss." No. 28093, 2022 WL 1101704, at *4 (S.C. April 13, 2022).

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Throughout the Covil litigation, Penn National has taken the position that it is unable to access any possible historic occurrence-based liability coverage, from its Iron Mountain, Inc. storage facility[5] or any other storage facility, for Covil or any other policyholder it may have insured in the past unless it is provided with a policy number. It was then developed that Penn National has stored a significant amount of historic policy-related material on microfiche cards. But, again, Penn National has repeatedly taken the position that given that its historic policy related documents are stored on microfiche by policy number, and due to the fact that the material is so voluminous, it cannot search its historic policy related documents on microfiche unless it is given a policy number.

Covil diligently pursued discovery of all insurance policies issued by Penn National that cover Covil, in any way, through written requests for information as well as multiple depositions. This Court has now gone through several hearings with Penn National and the Receiver on motions to compel relating to the ability to locate policies in Penn National's historic repositories to discover whether any of them relate to Covil or to other receiverships that have been established in this state, of which Mr. Protopapas is the Receiver. No material has been forthcoming from Penn National's historic or "legacy" microfiche archives unless it was provided with a policy number. That is still where the Court finds itself today.

It is axiomatic that insurers, such as Penn National, have a duty to cooperate with the Receiver in the search for historic liability policies by complying with their discovery obligations. Failure to do so increases expenses and wastes this Court's time. This Court fully expects that an insurance company served with discovery requests from a receiver in this state, seeking the

[5] Iron Mountain Inc. is a national document management firm which provides storage and information management services, including information management, digital transformation, secure storage, secure destruction, data centers, cloud services, and art storage and logistics. It is highly likely this firm could provide services that would digitize and make searchable all policies and documents that Penn National stores with it.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

identification and production of insurance policies issued to the company as a named insured or which otherwise includes the company as a supplemental or additional insured, will search its entire repository of insurance policies and policy-related information for documents identifying the defunct company at issue. The Receiver need only provide the insurance company with the name of the defunct company for which it is seeking to marshal insurance assets. For the avoidance of doubt, this Court flatly rejects any assertion that an insurance company may refuse to search its repositories of insurance policies for responsive documents unless and until it is provided with a specific policy number.

Penn National has totally and completely failed to meet this most basic discovery obligation here. Penn National's discovery conduct has created considerable burdens for Covil and this Court. The Receiver has diligently sought discovery of Covil insurance policies and related documentation from Penn National for several years. However, Penn National refused to review its own microfiche and paper policy related historical documents unless it was provided with a policy number for the specific policy requested. Covil was therefore forced to file numerous motions to compel. This Court conducted multiple hearings on Penn National's discovery intransigence and issued multiple discovery orders compelling Penn National to meaningfully participate in discovery. A brief summary follows:

- At the January 25, 2021 discovery hearing, the Court ordered the Receiver for Covil to develop a specific inquiry and issue a new subpoena, if necessary, providing a list of job sites and owners to Penn National and ordered Penn National to conduct the searches and to respond with its findings promptly.

- On April 22, 2021, Covil filed a second motion to compel when Penn National refused to comply with its discovery obligations. Following a hearing, the Court granted the motion, finding that "Penn National has a duty to fully, completely, and thoroughly search both its electronic records and its hard copy paper records for the information and documents sought by the Receiver." July 1, 2021 Order at 6. The Court ordered Penn National to "thoroughly search its paper records using the list

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

of contractors and facilities provided by the Receiver in connection with [Covil's] February 8, 2021, subpoena to Penn National." *Id.*

- On August 20, 2021 and September 8, 2021, Covil filed additional motions to compel in which Covil informed the Court that, among other things, Penn National, despite the Court's previous orders, continued to take the position that it could only search its historic policies contained on microfiche cards by policy number. On October 28, 2021, the Court held a motions hearing, and on November 5, 2021, the Court granted Covil's motions to compel, ordering that Covil's defense counsel in underlying asbestos cases, Ellis & Winters LLP, use its professional judgment to develop and implement an effective scope of document review to identify any additional Penn National policies that may provide coverage for Covil as either a primary or additional insured and make "suggestions for meeting Covil's needs to identify responsive coverage" while "not wasting Penn National's resources".

- Most recently, in light of Penn National's failure to issue a litigation hold to prevent the routine or automatic destruction of documents related to the Covil litigation, on February 11, 2022 the Court granted Covil's motion for a protective order, prohibiting Penn National from destroying its historic-policy related documents until the Court holds otherwise.

Despite this Court's prior orders, as of November 5, 2021, Penn National had not performed a complete manual search of its historic insurance policies contained on microfiche cards. Nor had it processed the microfiche cards so that the information could be searched electronically. It had not even sought estimates to do such work from vendors with experience imaging microfiche. This information is critical and discoverable not only in this coverage action, but also in the numerous underlying asbestos lawsuits in which Covil is a defendant. Covil has been sued in asbestos liability cases in South Carolina state courts and federal courts, and Covil needs its insurance policies to respond to routine discovery.[6]

[6] *See* Rule 26(b)(2), SCRCP ("A party may obtain discovery of the existence and contents of any insurance agreement under which any person carrying on an insurance business may be liable to satisfy part or all of a judgment which may be entered in the action or to indemnify or reimburse for payments made to satisfying the judgment."); Rule 33(b)(4), SCRCP standard interrogatory (4) ("Set forth the names and addresses of all insurance companies which have liability insurance coverage relating to the claim and set forth the number or numbers of policies involved and the amount or amounts of liability coverage provided in each policy); *see also* Fed. R. Civ. P. 26(a)(1)(A)(iv) ("a party must . . . provide to the other parties . . . for inspection and copying . . . any insurance agreement under which an insurance business may be liable to satisfy all or part of a possible judgment in the action or to indemnify or reimburse for payments made to satisfy the judgment").

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Ellis & Winters LLP was appointed by Covil's insurers to defend Covil in the underlying asbestos cases. Ellis & Winters' defense costs have been funded by Covil's insurers, including Penn National. This Court therefore ordered Penn National to open its repository of insurance policies and to facilitate a review performed by Covil's insurer-appointed defense counsel, Ellis & Winters. The Court directed the firm to perform this review using its own sound professional judgment and to report back to the Court with suggestions for meeting Covil's needs to identify responsive coverage while not wasting Penn National's resources. This Court entrusted Ellis & Winters with responsibility for this search because the insurance information is important and discoverable in its work as Covil's underlying asbestos defense counsel.

Approximately 120 days later, Ellis & Winters filed its March 22, 2022 report with this Court ("the Report"). After years of assurances from Penn National that it could not locate historic policies without a policy number, the Report provided an array of options for imaging and review of Penn National's policies, even in the absence of a policy number. As is relevant here, the "third option" involves imaging commercial line policy microfiche cards, eliminating certain cards solely by policy prefix. Specifically, Ellis & Winters selects a subset of commercial line microfiche cards to image by eliminating cards bearing prefixes that correspond to certain non-commercial liability policy types. The Report also explained that, after one day of in-person searching within microfiche cards at Penn National's headquarters, Ellis & Winters located three newly discovered policies covering Covil that Penn National had not produced to Covil, which all spanned the relevant timeframe of 1984 to 1986 and consisted of one inland marine policy, one boiler machinery policy, and one auto policy. Penn National's failure to independently identify and produce these additional insurance policies to Covil, which were requested years ago, is cause for great concern not only here but also in other Receivership litigation involving Penn National.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

This Court has now lost all confidence in Penn National's willingness and ability to independently participate in discovery. The Court finds that Penn National's conduct with respect to its searches for historic Covil insurance policies (as well as non-Covil Receivership policies) amounts to a total and complete refusal to comply with its discovery obligations. It could well have done exactly what Ellis & Winters has proposed here. Penn National could have selected a vendor, processed the information on its microfiche cards, and conducted a review. It did not. Instead, Penn National took the defiant stance that it could not search for historic policies on its microfiche cards without being provided a policy number. That position turns out not to be so. This Court is left with no choice but to allow the Receiver to examine the records.

RULINGS AND ORDERS

1. Ellis & Winters' Report and Recommendations

A. Imaging and Review of Penn National's Microfiche Cards

After careful consideration, the Court is persuaded that the third option recommended by Ellis & Winters in its March 22 report will meet Covil's needs to identify responsive coverage while conserving Penn National's resources.

The Court finds that Ellis & Winters has effectively narrowed the universe of potentially responsive documents down to a set of microfiche cards containing historic insurance policies and policy-related information issued prior to 1992 and maintained by Penn National. The Court finds that Ellis & Winters' third option provides a reasonable and intentional process for further reducing that universe by policy number prefix to identify types of policies that are not relevant and can be excluded from scanning.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

The Court therefore adopts the "third option" recommended by Ellis & Winters and DIRECTS Ellis & Winters to use its professional judgment[7] to develop a methodology to select a subset of commercial line microfiche cards to image by eliminating certain cards bearing prefixes that correspond to certain non-commercial liability policy types.[8] The methodology will be shared with both the Receiver and Penn National. However, Ellis & Winters is not required to receive the approval of either the Receiver or Penn National in developing its methodology.

The Court also DIRECTS Ellis & Winters to use its professional judgment to solicit bids from two or more vendors with experience imaging microfiche, to select an appropriate vendor (the "selected vendor"), to award the bid, and to supervise the selected vendor's imaging of the microfiche cards into a format that is in a searchable database. Ellis & Winters will advise the Court and the parties as to the identity of the selected vendor and the terms of the selection.

Once the universe of records to image is determined by Ellis & Winters, images are scanned by the selected vendor, and information is available in a searchable database, the Court DIRECTS Ellis & Winters to provide Penn National and the Receiver with full access, on a rolling basis, to the database to conduct document reviews in order to search for responsive information for the Covil Receivership as well as the other Receiverships for which Peter D. Protopapas has been appointed Receiver.

To be clear, Ellis & Winters is not charged with reviewing the policies in the final database for responsiveness to the Receiver's discovery requests. Ellis & Winters and its selected vendor are the vehicles to get the policies into a database where the information can be reviewed for responsiveness by the Receiver and his outside counsel. The Receiver and his outside counsel

---

[7] Both the Receiver for Covil and Penn National have expressed confidence in the professional judgment of Ellis & Winters. *See* November 5, 2021 Discovery Order at 2.

[8] The non-commercial liability policy types include business owner, fidelity bond, surety bond, and personal umbrella policies.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

therefore must have full and unfettered access to every page of every insurance policy and policy-related document that Ellis & Winters and its selected vendor make available in the database. This will necessarily include reviewing records of other insureds' policies.

The Receiver will be entitled to review the policy records uploaded to the database to identify potentially responsive documents. The Receiver will be entitled to examine each and every policy to understand whether it is a policy that in any way, shape, or form covers Covil's asbestos responsibilities and liabilities. Because of Penn National's intransigence, the Court will not limit the Receiver's access to any of the information in the microfiche database. Ellis & Winters, however, should continue to make itself available to assist the Receiver search the records for the information that is needed to provide Covil with knowledge about its assets, including information concerning Penn National's policy prefixes and the identification of prefixes with policy lines of business identified in Ellis & Winters' report.

This Court DIRECTS Ellis & Winters to initiate and facilitate the above-referenced process immediately and to report back to the Court, on an interim basis, regarding progress made and any impediments to its progress. Time is of the essence.

Penn National is ORDERED to make all of its microfiche cards immediately available for review and imaging by Ellis & Winters and its selected vendor.

Penn National is also ORDERED to produce immediately to Covil all code keys for its policy prefixes, including but not limited to the documentation identifying prefixes with policy lines of business identified in Ellis & Winters' report.[9]

[9] Ellis & Winters explained to the Court at the April 11, 2022 hearing that it learned during its inquiry that Penn National policy numbers are constructed typically to have a numeric or an alpha prefix that indicates the type of policy. The Receiver is entitled to all information Penn National provided to Ellis & Winters regarding its policy prefixes. *See, e.g.*, Ellis & Winters' Report at 2.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Penn National is further ORDERED to produce immediately to Covil all information that was disclosed to Ellis & Winters and used as a basis for identifying policy numbers for the three newly discovered Covil insurance policies located by Ellis & Winters on March 17, 2022. *See* Report at 3. This Court is deeply troubled that Penn National had access to these policy numbers in its underwriting files but did not disclose the existence of this information to the Court or bother to produce the three policies to Covil for several years.

Finally, Penn National is ORDERED to produce immediately all underwriting documentation in its possession, custody, or control for all the Receiverships for which Mr. Protopapas is the court-appointed Receiver.

B. Ellis & Winters Fees – Work to Date

Ellis & Winters reported at the April 11, 2022 hearing that all of its invoices for work to date, totaling approximately $67,000, have been submitted to Penn National and/or Penn National's outside counsel at Goldberg Segalla LLP for payment but that those invoices have not been paid.

The Court finds that the fees and costs incurred by Ellis & Winters to date are reasonable for the tasks that were performed.

The Court hereby ORDERS Penn National to pay all outstanding invoices submitted by Ellis & Winters to Penn National and/or Penn National's outside counsel at Goldberg Segalla LLP in connection with this Court's November 5, 2021 Order within ten business days from the date of this Order.

C. Ellis & Winters and Selected Vendor Fees – Work Going Forward

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

This Court DIRECTS Ellis & Winters to set up a system of periodic billing to Penn National through Penn National's outside counsel at Goldberg Segalla for its work and its selected vendor's work in accordance with this Order.

This Court ORDERS that Penn National will pay all reasonable fees and costs invoiced by Ellis & Winters and its selected vendor for the work undertaken in accordance with this Order within thirty calendar days of receipt of the invoice.

This Court finds that the reasonable fees and costs that will be paid by Penn National are proportional to the needs of this case as well as the numerous other Receiverships for which this Court has appointed Mr. Protopapas. The Court is also in agreement with Ellis & Winters' well-reasoned evaluation at the April 11 hearing that its "third option" proposal constitutes "fairly typical discovery" in the context of the microfiche cards that are stored at Penn National.

This Court DIRECTS Ellis & Winters to advise the Receiver and the Court, on a periodic basis, of the expenses incurred for the work performed in accordance with this Order.

D. Confidentiality

This Court ORDERS Ellis & Winters and its selected vendor to keep confidential all insurance policies and policy-related documents processed from the microfiche cards and uploaded to the database.

This Court ORDERS the Receiver and his outside counsel to keep confidential all insurance policy or policy-related documents processed from the microfiche cards and uploaded to the database, and information obtained from those documents, that provide coverage to Covil or any other entities under Receiverships for which Mr. Protopapas is the court-appointed Receiver, except to the extent that such policies or information need to be disclosed in connection with mediation or any other court-supervised activity, including litigation.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

This Court further ORDERS the Receiver to keep confidential all non-Covil and non-Receivership policies and policy related documents processed from the microfiche cards and uploaded to the database.

2. Covil's Motion to Challenge Confidentiality and Penn National's Motion to Seal

Covil moves to lift the confidential designation on the Document Retention Policies and Litigation Hold Procedure that Penn National produced to the Receiver on March 9, 2022 as "confidential material." This Court GRANTS the motion.

Penn National has not demonstrated that the documents contain propriety or commercially sensitive information worthy of protection under South Carolina law. The Court is also persuaded that Penn National has waived its argument that its document retention policies are confidential given that it made its retention document publicly available in other coverage litigation.[10] Penn National's arguments to the contrary are unpersuasive and border on being specious.

Penn National is therefore ORDERED to remove the confidential designation from its Document Retention Policies and Litigation Hold Procedures and to produce all of them to Covil within five business days.

Penn National also filed a Motion to Seal Exhibit 12 to its opposition to Covil's Motion and Supplemental Motion to Compel. Covil has no objection to the motion. The motion is GRANTED, and Exhibit 12, which is a spreadsheet that purportedly shows information regarding non-workers compensation insurance policies issued by Penn National, is SEALED.

3. Penn National's Motion to Quash Deposition(s) and Covil's Motions to Compel

[10] *See, e.g., Pennsylvania Nat'l Mut. Cas. Ins. Co. v. Tate Andale, Inc.*, No. 1:17-cv-00670 (D. Md.), ECF No. 50-32.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

During the January 11, 2022 motions hearing, this Court noted that it would hold Penn National's motion to quash Covil's Rule 30(b)(6) deposition in abeyance until the Receiver has had an opportunity to develop the record more thoroughly through written discovery.

On January 18, the Receiver served requests for admission, requests for production, and interrogatories on Penn National. On February 17, Penn National produced its written responses to the Receiver's discovery requests and, on March 9, it produced certain documents.

Covil argues that Penn National failed to produce all responsive documents and failed to disclose all relevant information in response to its discovery requests. Covil also argues that Penn National, in certain instances, provided evasive answers. Covil therefore moved for an order compelling Penn National to provide revised and complete discovery responses.

This Court DENIES Penn National's motion to quash and DIRECTS Covil to serve a Rule 30(b)(6) deposition notice on Penn National for a deposition to take place as soon as practicable based on the date of this Order. With respect to at least one of the topics at the Rule 30(b)(6) deposition, this Court further ORDERS Penn National to provide a corporate representative to testify as to why Penn National uses the terminal digit filing system to store its historic occurrence-based liability policies.[11]

Finally, the Court will HOLD IN ABEYANCE Covil's Motion to Compel and Supplemental Motion to Compel until the Receiver has had an opportunity to conduct the Rule 30(b)(6) deposition. If, after the deposition, the parties still cannot resolve any outstanding disputes, then they are ordered to report back to this Court to identify any remaining issues.

---

[11] This Court learned from Ellis & Winters during the April 11 hearing that Penn National used a terminal digit system to file its historic insurance policies and policy-related documents. That is, Penn National used approximately eight- or nine-digit policy numbers and filed the policies not by the numbers on the left side but by the numbers on the right side. Ellis & Winters' IT professional, Brian Flatley, could not speak to why a corporate entity, such as Penn National, would utilize such a system. However, this Court observes that such a system appears to make it much harder to find historic insurance policies when requested by their insureds.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

CONCLUSION

This Court has serious concerns that Penn National's systemic failure to search for and produce insurance policy information to its insured in this case, unless it is given a specific policy number, may impact other South Carolina consumers who no longer have access to their policy numbers as well. The Court therefore DIRECTS the Receiver to transmit a copy of this order to the South Carolina Department of Insurance, Office of Consumer Services, for its review and information, at the following address: P.O. Box 100105, Columbia, South Carolina 29202-3105.

This Order applies in this case as well as in any other matters in which Mr. Protopapas is appointed the Receiver.

[ELECTRONIC SIGNATURE ON FOLLOWING PAGE]

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Richland Common Pleas

Case Caption: Covil Corporation By And Through Its Receiver , plaintiff, et al vs Pennsylvania National Mutual Casualty Insurance Co , defendant, et al

Case Number: 2020CP4002098

Type: Order/Other

So Ordered

Jean H. Toal

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, Plaintiff, vs. OneBeacon Insurance Group, Ltd. (n/k/a Intact Insurance Group USA Holdings, Inc.); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); R.V. Chandler & Associates, Inc.; Chandler Rental Properties, Inc.; Thomas S. Chandler; Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; Gene N. Norville; the South Carolina Property and Casualty Insurance Guaranty Association; Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually, Defendants.	Case Number: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **PLAINTIFF'S FIRST REQUESTS FOR PRODUCTION TO ONEBEACON DEFENDANTS**

TO ONE BEACON INSURANCE GROUP, LTD., N/K/A INTACT INSURANCE GROUP; USA HOLDINGS INC., AND ONEBEACON INSURANCE GROUP LLC, N/K/A INTACT INSURANCE GROUP USA LLC (COLLECTIVELY HEREIN DENOTED THE "ONEBEACON DEFENDANTS"):

Pursuant to Rule 34 of the South Carolina Rules of Civil Procedure, Plaintiff, Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, (hereinafter "Plaintiff" or "Southern Insulation") hereby request each of **THE ONEBEACON DEFENDANTS** produce the following documents for inspection and copying within thirty (30) days. Production is to be made at the offices of Wyche, P.A., 807 Gervais Street, Suite 301, Columbia, South Carolina 29201.

After responding to the following Requests, should further information called for herein come to your knowledge, or the knowledge of your counsel, you are required to properly transmit such other information by supplemental response to this Request to the undersigned attorneys in accordance with Rule 26(e) of the South Carolina Rules of Civil Procedure.

DEFINITIONS

1. When in use in these Requests the words "You" or "your" means each and all **THE ONEBEACON DEFENDANTS,** and any and all agents, attorneys, successors, or assigns or any person acting on behalf of such Defendants.

2. When in use in these requests, the words "Plaintiff" and "Southern Insulation" shall be used to refer to Southern Insulation, Inc., and Peter D. Protopapas, acting as Receiver for Southern Insulation, Inc., and all attorneys or other persons acting, or purporting to act, on behalf of Plaintiff.

3. The term "document," whether or not capitalized, is used in its broadest sense and shall include any written, printed, typed, recorded, electronic, digital, computer data or graphic matter of every type and description, however and by whomever prepared, produced, reproduced, disseminated or made, in any form, including, but not limited to, letters, correspondence, e-mail, telegrams, memoranda, records, minutes, PowerPoint presentations, contracts, agreements, leases, communications, microfilm, bulletins, circulars, pamphlets, tests, studies, reports, notices, diaries, summaries, books, messages, instructions, work assignments, notes, notebooks, drafts, data sheets, data compilations, computer records (including printouts, disks or magnetic storage media), worksheets, statistics, speeches, tapes, tape recordings, and other writings, magnetic, photographic, electronic, and sound recordings. The term "document" includes each copy or reproduction which is not identical to the original or any other produced copy.

4. The term "Armour Group" refers to "Armour Group Holdings Limited."

5. "Asbestos Claimants" has the meaning assigned to it in Paragraph 25 of the Second Amended Complaint.

6. "Asbestos Suits" has the meaning assigned to it in Paragraph 26 of the Second Amended Complaint.

7. "Atlantic Specialty Insurance Company" or "ASIC" is, on information and belief, a direct or indirect wholly owned subsidiary of OneBeacon Insurance Group LLC.

8. "Bedivere" refers to Bedivere Insurance Company, formerly known as Potomac Insurance Company.

9. The term "Board" refers to the Board(s) of Directors of any entity(ies) denoted in a Request.

10. "Camden Fire" refers to Camden Fire Insurance Association, one of the entities merged into OBIC prior to the Transaction.

11. "Commercial Union" means Commercial Union Corporation.

12. "The Employer's Fire Insurance Company" or "EFIC" was, on information and belief, a direct or indirect wholly owned subsidiary of OBIC, and was acquired by the Trebuchet Defendants pursuant to the Transaction.

13. "General Accident" means General Accident Insurance Company of America.

14. "Houston General" refers to Houston General Insurance Company, one of the entities merged into OBIC prior to the Transaction.

15. The terms "Huntington" and "Williams" refer, respectively, to Brad S. Huntington and John C. Williams, as described in the Second Amended Complaint.

16. "Insurance Policies" (each, an "Insurance Policy") are described in Paragraphs 27 and 28 of the Second Amended Complaint, and include all insurance policies that insure Southern Insulation directly or indirectly.

17. The term "Merger" has the meaning assigned to it in Paragraph 65 of the Second Amended Complaint.

18. The term "Merger Agreement" has the meaning assigned to it in Paragraph 70 of the Second Amended Complaint.

19. The term "Olin" refers to Olin Corporation, an entity which was party to the Olin Litigation described below.

20. The term "Olin Litigation" refers to *Olin Corp. v. Lamorak Ins. Co.*, 84-cv-1968, described in 332 F. Supp. 3d 818, 2018 U.S. Dist. LEXIS 119212, 2018 WL 3442955 (S.D.N.Y July 17, 2018) and related litigation, including the "Five Sites" and "Crab Orchard" litigation.

21. "OneBeacon Defendants" refers, collectively, to OneBeacon Insurance Group, Ltd. (now known as Intact Insurance Group USA Holdings Inc.), and OneBeacon Insurance Group LLC (now known as Intact Insurance Group USA LLC).

22. "OneBeacon America Insurance Company" or "OBA" was, on information and belief, a direct or indirect wholly owned subsidiary of OBIC, and was acquired by the Trebuchet Defendants pursuant to the Transaction.

23. "OneBeacon Insurance Company" or "OBIC" was, on information and belief, a direct or indirect wholly owned subsidiary of the OneBeacon Defendants, and was acquired by the Trebuchet Defendants pursuant to the Transaction.

24. "OneBeacon Group" refers to the OneBeacon Defendants, and includes their parents, subsidiaries, and affiliates.

25. "Potomac Insurance Company" or "Potomac" is the entity later known as Bedivere Insurance Company, described in paragraphs 27 and 29 of the Second Amended Complaint as "Potomac." Potomac was, on information and belief, at some point prior to the Transaction, renamed "OneBeacon Insurance Company" and, prior to the Transaction, was a direct or indirect wholly owned subsidiary of OneBeacon Insurance Group LLC.

26. "Potomac II" is the entity described in Paragraphs 39 and 56 of the Second Amended Complaint, and was acquired by the Trebuchet Defendants pursuant to the Transaction.

27. "Traders" means Traders & General Insurance Company, one of the entities merged into OBIC prior to the Transaction.

28. The term "Transaction" has the meaning assigned to it in Paragraph 39 of the Second Amended Complaint.

29. The term "Trebuchet Defendants" has the meaning assigned to it in Paragraph 39 of the Second Amended Complaint, and includes Huntington and Williams.

30. The term "Trebuchet US" has the meaning assigned to it in Paragraph 13 of the Second Amended Complaint.

31. The term "Trebuchet Investments" has the meaning assigned to it in Paragraph 14 of the Second Amended Complaint.

32. The term "Trebuchet Group" has the meaning assigned to it in Paragraph 15 of the Second Amended Complaint.

33. "White Mountains" means White Mountains Insurance Group, Ltd.

INSTRUCTIONS

1. "All Documents" means every document, as defined above, in your possession, custody or control and includes documents which are not in your possession, custody, or control, which are known to you and can be located or discovered by reasonably diligent efforts. To the extent a given responsive Document is a part of an official public record, such as a hearing file, you may cite the specific internet address where that Document is located, but should nonetheless provide all other responsive Documents in your possession, custody or control, including any responsive Documents which were indexed but withheld from public posting.

2. "Including" means including but not by way of limitation.

3. "Related", "relates", or "relating to" means constituting, comprising, evidencing, containing, setting forth, showing, disclosing, describing, explaining, summarizing, concerning, or referring to, directly or indirectly.

4. "Identify", "identification", or to "give the identity of" means:

a. In the case of an individual, reflecting his or her name, present or last known residence, telephone numbers, business affiliates, business address, job description, and, if different from the latter, positions and offices held and, if applicable, dates of employment by or for the Defendant.

b. In the case of a document, whether or not such document is deemed to be privileged, objectionable, or subject to any claims of privilege, to provide the following information:

(1) the title or other means of identification of each such document;

(2) the subject matter of each such document;

(3) the date each such document was prepared;

(4) the identity of the person or persons who prepared each such document;

(5) the identity of the person or persons receiving the document or for whom such document was prepared as well as the identity of each person receiving copies of said documents;

(6) the present location of all copies of each such document in your possession, custody, or control;

(7) whether you claim any privilege or other reason for non-production with respect to each such document or

copies thereof, and, if so, the factual and legal basis for the alleged privilege or non-production.

In lieu of the foregoing, a copy of each such document may be provided.

c. If any requested document existed at one time and was in your possession, custody, or control, but has been lost, discarded or destroyed, or removed from your possession, custody or control, indicate for each such document:

(1) the identity of the document and a description of its contents indicating its date, title and type of document;

(2) when the document was most recently in your possession, custody or control and what disposition was made of it;

(3) the identity of any person which currently possesses the document; and

(4) whether the document was transferred or destroyed, the person who transferred or destroyed the document and the person who authorized its transfer or destruction or who knows of its transfer or destruction, and the reason why the document was transferred or destroyed, and the identities of all persons having knowledge of the contents of each document.

5. References to any entity shall be deemed to include any other names by which it may have been known during the time period for which documents are requested.

6. Capitalized terms shall have the meaning defined for them in the Second Amended Complaint, unless specifically defined in this document.

7. Requests are not intended to be duplicative, and should be interpreted to include the words: "... to the extent not produced in response to a Request above."

8. "Subsidiary" means any direct or indirect subsidiary.

9. Unless stated to the contrary in these Requests, the time period for requested documents is January 1, 2011 to March 1, 2021.

10. Production of documents in response to these Requests shall be governed by Exhibit A (Production Formatting), attached hereto and specifically incorporated by reference herein.

11. Please refer to the attached order in Covil Corp. v. Pennsylvania National Mutual Casualty Insurance Co. for recent guidance from the Receivership Court regarding the standard for an appropriate policy search. See Exhibit B, Order on Discovery Motions, Covil Corp. v. Pennsylvania National Mutual Casualty Insurance Co., C.A. No. 2020-CP-40-02098 (Ct. Com. Pl. for Richland Cnty. May 5, 2022) (reconsideration denied May 26, 2022).

PRIVILEGE

Whenever a Request calls for information in a communication claimed by you to be privileged, please provide a privilege log of sufficient factual detail to enable Plaintiff and the Court to determine whether such communication is entitled to a claim of privilege, including (1) the date or dates of the communication; (2) the name and position of each person who sent, received or participated in the communication, and such persons' respective roles; (3) the general subject matter of the communication; and (4) the basis for the claim of privilege.

REQUESTS FOR PRODUCTION

Please provide All Documents related to the following:

1. All Insurance Policies insuring Southern Insulation, directly or indirectly, including all certificates of insurance, underwriting documents, and insurance policies issued by any of the following insurers: General Accident, White Mountains, Commercial Union, Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, whenever issued.

2. Correspondence relating to insurance coverage under any of the above-requested Insurance Policies, between or among any of the OneBeacon Defendants (or any of their subsidiaries and affiliates) and any of the following persons or entities: Southern Insulation, Southern Insulation's insurance brokers (including any of the Chandler Defendants), Southern Insulation's counsel, any other OneBeacon Group entity (or any of their subsidiaries and affiliates), Bedivere, counsel for Bedivere, the Liquidator of Bedivere, any of the Trebuchet Defendants, counsel for any of the Trebuchet Defendants, the Pennsylvania Department of Insurance, the South Carolina Insurance Department, counsel for any insurance regulatory agency or body, any consultant, or any actuary, since January 1, 2011.

3. Pursuant to South Carolina Rule of Civil Procedure 26(b)(2), copies of all insurance agreements with any insurer that may be liable to satisfy part or all of a judgment against a OneBeacon Defendant in this lawsuit.

4. Agreements between or among a OneBeacon Defendant (or its subsidiary or affiliate) and any other entity, under which such entity is required to indemnify,

defend, or hold harmless any OneBeacon Defendant in connection with the claims asserted in this lawsuit.

5. All claims for defense or coverage, and the disposition of such claims, under any Insurance Policy in connection with alleged liability of Southern Insulation, including claims by Asbestos Claimants and claims pursuant to Asbestos Suits.

6. Claims register and microfiche or other archive entries for Southern Insulation claims related to Asbestos Suits and Asbestos Claimants, from 1966 to the present.

7. All projections concerning the financial viability of Potomac, Bedivere, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, known, received or provided by You since January 1, 2011.

8. Adverse loss development on long-tail insurance lines and documents reflecting long-tail insurance liability, estimates, and projections assessing long-tail liability exposure, (including exposure for Asbestos Suits, asbestos claims, manufacturers and contractors policy claims liability, and commercial general liability) for Potomac, Bedivere, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014.

9. Analyses and reports related to the impact of the Olin Litigation on the OneBeacon Group and any of its subsidiaries and entities, since January 1, 2011.

10. OneBeacon Group reserve accounts, including claim reserves and unearned premium reserves, established for claims or potential claims covered by any requested Insurance Policy since January 1, 2011.

11. The reserves, unearned premium reserves, and any other actual or contingent liabilities of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014, including the reasonableness of such reserves.

12. The calculation and determination of the reserves and any other liabilities requested herein, from January 1, 2011 to December 31, 2014.

13. Reinsurance related (directly and indirectly) to the actual or contingent liabilities (including liability for Asbestos Suits and claims by Asbestos Claimants) of Potomac, Bedivere, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014.

14. Correspondence between or among any of the OneBeacon Group entities or any of their subsidiaries and any other person(s) or entity(ies) regarding the reinsurance requested herein since January 1, 2011.

15. Efforts to identify or locate any Insurance Policies (including any correspondence sent to or received by any of the OneBeacon Group entities, any subpoenas issued in an effort to locate Insurance Policies, and responses to such subpoenas) since January 1, 2011.

16. The document retention policies of each OneBeacon Defendant (and its direct or indirect subsidiary, including Potomac, OBIC, OBA, EFIC, Lamorak, and Potomac II), including its policies for purging or deleting information and documents, and for notifying insureds of such policies or the destruction of insurance policy documents, from 1966 to 2014.

17. Form policies adopted by insurance industry organizations (including but not limited to "Insurance Services Office"/ISO forms) used in connection with manufacturers, contractors, or comprehensive general liability ("CGL") insurance coverage, from 1966 through 1991, by any issuer of the Insurance Policies, including Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II.

18. Standard form or specimen policies filed with either the Pennsylvania Department of Insurance or the South Carolina Department of Insurance which are consistent with any asbestos coverage issued by any OneBeacon Defendant, Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, or Potomac II, between 1966 and 1991.

19. The ownership (direct and indirect) of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, their respective subsidiaries, transferees, and successors in interest, including the identity of their owners, manner of ownership, ownership interests, and modification of those ownership interests since January 1, 2011.

20. The ownership (direct and indirect) of each of the OneBeacon Defendants, including the identity of their owners, manner of ownership, ownership interests, and modification of those ownership interests since December 1, 2011.

21. The corporate structure of each of the OneBeacon Defendants, including all organizational charts showing the identity and relation of OneBeacon Defendant parent and subsidiary entities (including direct and indirect relationships), since January 1, 2011.

22. The reporting structure within each of the OneBeacon Defendants and their respective subsidiaries, from January 1, 2011 to the December 31, 2014, including documents showing their respective officers and directors.

23. All corporate or other entity meeting minutes showing the identity of the Board members or officers of Bedivere, and each of Bedivere's direct and indirect parent companies, at all times since January 1, 2011.

24. Biographies (and curricula vitae) of officers, members, managers and directors of each of the OneBeacon Defendants.

25. All corporate or other entity minutes, including all Board and shareholder resolutions, concerning the restructuring of any OneBeacon Group entities, including but not limited to the sale or merger of any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, and the Transaction, from January 1, 2011 to December 31, 2014.

26. All Documents related to the Transaction, from January 1, 2011 to December 31, 2014.

27. Documents distributed or presented to the participants of any meetings in which any officer, director, manager or member of any OneBeacon Defendant participated, including meetings of the Boards of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, related to restructuring of any OneBeacon Defendant (or of any OneBeacon Defendant subsidiary), including the Transaction, from January 1, 2011 to December 31, 2014.

28. The merger (in or about 2013) of Houston General, Camden Fire, and Traders into OBIC, including the reasons for the merger.

29. Documents received by any OneBeacon Defendant from any potential purchaser of any direct or indirect interest in Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014.

30. Documents provided or sent to any potential purchaser of any direct or indirect interest in Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, or Potomac II, from January 1, 2011 to December, 31, 2014.

31. All audited and unaudited financial statements, including income statements, cash flow statements, and balance sheets (annual, quarterly and monthly), from January 1, 2011 to December 31, 2014, of the following entities:

    (a) Potomac
    (b) OBIC
    (c) EFIC
    (d) Houston General
    (e) Camden Fire
    (f) Traders
    (g) OBA
    (h) Potomac II
    (i) ASIC

32. The audited and unaudited financial statements of each of the OneBeacon Defendants, since January 1, 2011.

33. The information and belief of the OneBeacon Defendants concerning their respective strengths and weaknesses (financial and otherwise), when compared to

the Trebuchet Defendants, including underwriting operations and assets, liabilities, and income streams, from January 1, 2011 to December 31, 2014.

34. The business strategy, purpose, rationale, motivation, or decision of any of OneBeacon Defendants or their subsidiaries to engage in the Transaction or transactions related to the Transaction.

35. Business plans prepared in connection with the Transaction, including drafts, from January 1, 2011 to December 31, 2014.

36. Showing replacement managers, members, directors, officers or employees proposed by any Trebuchet Defendant to serve at any company purchased in the Transaction.

37. The reasons for selecting or not selecting particular managers, members, directors, officers or employees to serve after the Transaction at any company purchased in the Transaction.

38. The Transaction, including all exhibits and schedules to the Stock Purchase Agreement.

39. Administrative and management agreements prepared in connection with the Transaction, including all exhibits and schedules to each agreement.

40. Any management fees, salaries, or bonuses paid by any OneBeacon Defendant or its subsidiary to any Trebuchet Defendant, Trebuchet Defendant subsidiary, Trebuchet Defendant officer, director, member, manager, or shareholder, directly or indirectly, from 2011 to present.

41. Any payments, cash and asset transfers, including dividends, by any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II to any OneBeacon Defendant, OneBeacon Defendant subsidiary, OneBeacon Defendant officer, director, member, manager, or shareholder, directly or indirectly, since January 1, 2011.

42. Any payments, cash and asset transfers by any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, to any Trebuchet Defendant (directly or indirectly) or to any of its respective subsidiaries and affiliates, officers, directors, members, managers, or shareholders, since January 1, 2011.

43. Any payments, cash and asset transfers by any of any OneBeacon Defendant or its subsidiary, directly or indirectly, to any Trebuchet Defendant, Trebuchet Defendant subsidiary, or Trebuchet Defendant officer, director, member, manager, or shareholder, since January 1, 2011.

44. Documents reflecting the reasons for any asset and cash transfers from any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, to any OneBeacon Defendant, since January 1, 2011.

45. Documents reflecting the understanding of any OneBeacon Defendant concerning the impact asset and cash transfers described in Requests 41-44 could have on the ability of any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire,

Traders, Lamorak, and Potomac II, to pay existing or contingent liabilities or claims, since January 1, 2011.

46. Documents effectuating the transfer by any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II of any specialty line claims liability or related assets to ASIC or to any OneBeacon Group entity, from January 1, 2011 to December 31, 2014.

47. Any Documents distributed or presented (such as presentation slides) to participants of meetings attended by any officers or directors of a OneBeacon Defendant (or subsidiary), relating to any of the payments or transfers requested herein, from January to 1, 2011 to March 1, 2021.

48. Annual Statements filed with the National Association of Insurance Commissioners ("NAIC") on behalf of any OneBeacon Defendant, or Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II and any drafts thereof, from January 1, 2011 to December 31, 2014 (each, an "Annual Statement").

49. The Schedule P Documents for each Annual Statement filed by any of the OneBeacon Defendants, Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014.

50. The Pre-acquisition Notification Statements of the Potential Competitive Impact of a Proposed Acquisition or Merger (a/k/a Form E), related to the Transaction, for 2011, 2012, 2013, and 2014.

51. Documents submitted to any regulatory authority (such as the Pennsylvania Department of Insurance) relating to the transfer by any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II of specialty line claims liability or related assets, and any response received, from January 1, 2011 to December 31, 2014.

52. The NAIC Insurance Regulatory information System ("IRIS") ratios of any of the following: Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014, including all documents reflecting failure of any IRIS test.

53. Any NAIC Enterprise Risk Reports filed on behalf of any of the following: any OneBeacon Defendant, any OneBeacon Defendant subsidiary or affiliate, Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014.

54. A Management Discussion and Analysis or similar documents filed with any regulatory authority by a OneBeacon Defendant or its respective subsidiaries, or by Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II for the years 2011-2014.

55. All applications for and orders approving or denying proposed consolidations, mergers, acquisitions, purchases of entities, and supporting materials, submitted to

any regulatory body by any OneBeacon Defendant from January 1, 2011 to December 31, 2014.

56. Communications or exchanges between any OneBeacon Defendant and the Pennsylvania Department of Insurance, including any such documents filed in connection with a business plan, from 2011 through 2014.

57. All meeting minutes for any OneBeacon Defendant, including Board meetings or other meetings attended by any of their officers, directors, agents, representatives, members, or managers related to NAIC filings, IRIS Ratios, Enterprise Risk Reports, or business plans from January 1, 2011 to December 31, 2014.

58. Documents distributed or presented to participants of any OneBeacon Defendant meetings attended by any of their officers, directors, members or managers related to NAIC filings, IRIS Ratios, Enterprise Risk Reports, or business plans from January 1, 2011 to December 31, 2014.

59. All meeting minutes of the Boards of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, related to NAIC filings, IRIS Ratios, Enterprise Risk Reports, or business plans from January 1, 2011 to December 31, 2014.

60. All corporate or other entity meeting minutes of each of Potomac, OBIC, Bedivere, OBA, Lamorak, EFIC, and the OneBeacon entities, including all Board and shareholder resolutions, relating to the Insurance Policies, since January 1, 2011.

61. All corporate or other entity meeting minutes (including all documents distributed or presented to participants in connection with such meetings) of each of Potomac, OBIC, Bedivere, OBA, Lamorak, EFIC, and any of the OneBeacon Defendant entities, including all Board and shareholder resolutions, relating to the Olin Litigation, since January 1, 2011.

62. Documents distributed or presented to participants of any Board or other entity meetings attended by any officers, directors, members or managers of any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II relating to NAIC filings, IRIS Ratios, Enterprise Risk Reports, or business plans from January 1, 2011 to December 31, 2014.

63. Documents containing representations that any defendant in this case made to any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, concerning the financial condition of any of the Trebuchet Defendants or subsidiaries, or concerning the impact of any Trebuchet Defendant's actions on any of the foregoing entities, including assumption of liabilities, from January 1, 2011 to December 31, 2014.

64. Documents reflecting the understanding of any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, as to the financial condition of any of the Trebuchet Defendants and subsidiaries, during the period from January 1, 2011 to December 31, 2014.

65. Documents reflecting the understanding of any of the OneBeacon Defendants as to the financial condition of the Trebuchet Defendants (individually and collectively), during the period from January 1, 2011 to December 31, 2014.

66. Documents reflecting the understanding of any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, as to the financial condition of OneBeacon Group during the period from January 1, 2011 to December 31, 2014.

67. OneBeacon Defendant (and subsidiary) internal studies of legacy A&E ("asbestos and environmental") exposure, and all quarterly A&E reports, from 2010-2014.

68. Representations by any OneBeacon Defendant or by any OneBeacon Defendant subsidiary, officer, director, member, or manager, concerning the effect of the Transaction on policyholders of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, or Potomac II, made to any of the following: (a) the public, (b) any insurance regulators and other regulatory authorities, (c) any Trebuchet Defendant, or (d) OBIC, OBA, EFIC, Potomac, or Potomac II.

69. The identity of all financial advisors and consultants for any OneBeacon Defendants, or any OneBeacon Defendant's subsidiaries, from January 1, 2011 to December 31, 2014.

70. Documents prepared for any OneBeacon Defendant or any of its subsidiaries regarding the assets, liabilities, or business strategies of any of the OneBeacon Defendants, Potomac, OBIC, OBA, EFIC, Lamorak, Houston General, Camden Fire, Traders, and Potomac II, from January 1, 2011 to December 31, 2014.

71. All Documents, including reports, projections, and stochastic or or other modeling prepared by a consultant for any OneBeacon Defendant or affiliated entity, regarding potential business strategies to limit existing and contingent liabilities of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, or Potomac II, from January 1, 2011 to December 31, 2014.

72. Consultant reports concerning the restructuring of OneBeacon Group, including reports related to the Transaction, from January 1, 2011 to December 31, 2014.

73. Actuarial opinions related to any OneBeacon Defendant or to any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014, including any exhibits, appendices, and other attachments to any such actuarial opinions.

74. Communications with auditors regarding any reserves for Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, or Potomac II, from January 1, 2011 to December 31, 2014,

75. Documents exchanged between or among any OneBeacon Defendant or affiliated entity and an external auditor concerning the relationship of any One Beacon Defendant or affiliated entity or any of their officers, directors, members, or managers with any Trebuchet Defendant, including Huntington or Williams, from January 1, 2011 to the present.

76. Documents exchanged between any OneBeacon Defendant or affiliated entity and any external auditor concerning the off-loading of OneBeacon Defendant or affiliated entity's actual or contingent liabilities, including actual or contingent liabilities of any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II above, from January 1, 2011 to the present.

77. Any administrative services provided by OBIC to ASIC, including services related to runoff business, from 2011 to present.

78. Any administrative services to be provided by ASIC to any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, for any type of business, from 2011 to present.

79. Copies of all agreements between any of the following entities: any OneBeacon Defendant or affiliated entity, Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II and ASIC, including all exhibits and attachments, from January 1, 2011 to present.

80. All agreements relating to any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, to which any OneBeacon Defendant officer, director, member, manager, or shareholder was a party, including all exhibits and attachments, from December 1, 2014 to March 1, 2021.

81. Copies of all agreements between any OneBeacon Group entity or its officer, director, member, manager, or shareholder, and any Trebuchet Defendant or its subsidiary, member or manager, including all exhibits and attachments, from January 1, 2011 to present.

82. Any OneBeacon Defendant inter- or intra-company loan agreements, related party transactions, or other related party arrangements that affected the assets or liabilities of any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014.

83. All communications between any OneBeacon Defendant (or its subsidiary) and any insurance broker, agent, or brokerage company or agency regarding any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, including but not limited to communications regarding reinsurance, specialty lines, the Transaction, or the Insurance Policies, from January 1, 2011 to December 31, 2014.

84. Communications between or among any OneBeacon Defendant (or its subsidiary) and any of the Trebuchet Defendants (or their subsidiaries), related to reserves, inter-company agreements, management fees, reinsurance, specialty lines, the Olin Litigation, or the Transaction, for any of Potomac, OBIC, OBA, EFIC, Houston General, Camden Fire, Traders, Lamorak, and Potomac II, from January 1, 2011 to December 31, 2014.

85. All cases or claims where any OneBeacon Defendant, OneBeacon Group subsidiary, or any of their affiliates, members, managers, officers, or directors are parties ,other than this case, alleging that it was liable (a) as the *alter ego* of another company; or (b) had committed fraud *per se* or common law fraud, or had made a

fraudulent conveyance; or (c) had been unjustly enriched at the expense of another entity or individual; or (d) had committed civil conspiracy, between January 1, 1991 and March 1, 2021.

86. The financial impact of the Olin Litigation on Potomac, OBIC, Lamorak, or any OneBeacon Defendant, from January 1, 2011 through December 31, 2014.

These Requests are continuing such that if, after answering, Plaintiffs discover additional documents which are covered by these Requests, Defendants are required to promptly produce them.

Respectfully Submitted,

s/Matthew Richardson
Matthew Richardson
S.C. Bar No. 15647
Eric B. Amstutz
S.C. Bar No. 363
WYCHE, P.A.
807 Gervais Street, Suite 301
Columbia, SC 29201
803-254-6542
mrichardson@wyche.com
eamstutz@wyche.com

Brian M. Barnwell
S.C. Bar No. 78249
RIKARD & PROTOPAPAS, LLC
2110 N. Beltline Blvd.
Columbia, SC 29204
803-978-6111
bb@rplegalgroup.com

John B. White, Jr.
S.C. Bar No. 5996
Marghretta H. Shisko
S.C. Bar No. 100106
Griffin L. Lynch (S.C. Bar No. 72518)
JOHN B. WHITE, JR. P.A.
291 S. Pine Street
P.O. Box 2465 (29304)

Spartanburg, SC 29302
(864) 594-5988
jwhite@johnbwhitelaw.com
mshisko@johnbwhitelaw.com
glynch@johnbwhitelaw.com
Attorneys for the Receiver for Southern Insulation, Inc.

February 7, 2023

Columbia, South Carolina

EXHIBIT A

PRODUCTION FORMATTING

REPOSITORIES

1. Digital communications (any email account – including personal emails, voicemail, texting, instant messaging);

2. Electronic devices (cell phones, smart phones, tablets, iPads, laptops, notebooks, and others);

3. Data created with the use of mobile phones, smart phones, or any other mobile devices;

4. Document management systems, network file shares, or shared collaboration sites (e.g., Teams, SharePoint, Slack, Asana, Trello, Podio, Flock, Ryver, etc.);

5. Word processing documents (such as Word or Word Perfect documents, including drafts and revisions);

6. Spreadsheets and tables (such as Excel, Google Sheets, or Lotus 123 worksheets, including drafts and revisions);

7. Image and facsimile files (such as .pdf, .tiff, .jpg, .gif images);

8. Sound recordings and voicemail files (such as .wav and .mp3 files);

9. Databases (such as Access, Oracle, SQL and SAP server data);

10. Computer logs;

11. Contact and relationship management data (such as Outlook or Lotus Notes);

12. Calendar and diary application data (such as Outlook PST, Gmail, Yahoo, or blog tools);

13. Personal calendars;

14. Telephone logs, bills, and records;

15. Presentation data or slide shows produced by presentation software (such as Microsoft PowerPoint);

16. Social media posts, messages, or other communications (e.g., WhatsApp, WeChat, Snapchat, Facebook, Facebook Messenger, Instagram, Tumblr, Twitter, YouTube, Pinterest, LinkedIn, Skype, Telegram, Reddit, TikTok, Quoro, Nextdoor, Line, Tinder, Whisper, Taringa, Foursquare, REnren, Tagged, Badoo, Myspace, Flickr, MeetMe, Meetup, Tout, Mixi, Vero, Douban, StumbleUpon, The Dots, Kiwibox, Skyrock, Snapfish, Delicious, ReverbNation,Flixster, Care2, CafeMom, Ravelry, Viber, Sina Weibo, Line,

Baidu Tieba, QZone, QQ, YY, Vkontakte, WAyn, Cellufun, Vine, Classmates, MyHeritage, Viadeo, Xing, Xanga, LiveJournal, Friendster, FunnyorDie, Gaia, We Heart It, Buzznet, DevianArt, Spreely, Discord, etc.);

17. Internet usage files;

18. Network access and server activity logs;

19. Back-up and archival files, hard drives, external drives, or other external media (CD, DVDs, flash drives, etc.);

20. Cloud storage accounts (such as Box, Dropbox, iCloud, OneDrive, Google Drive, etc.);

21. Mimecast;

22. Metadata, system files, and logs generated on or relating to electronic systems or devices and their usage;

23. Files of hard copies of documents.

PRODUCTION FORMATTING REQUESTS

A. Image Files: In addition to the production required by the paragraphs below, any documents produced in response to this Request should be provided as a multi-page TIFF and/or single-page TIFF/JPG file(s) and prepared in 8.5 x 11 inch page size that reflects how the source document would have appeared if printed. TIFF Image files shall be produced as 300 dots per inch (dpi) multi-page Group IV TIFF images. JPG images shall be produced as 300 dots per inch (dpi) images. Each image filename shall be named with the starting production bates number that is endorsed on that document or if it is a single page image, the production bates number that is endorsed on that page. Image filenames cannot contain embedded spaces or symbols other than the hyphen or underscore symbols. Documents containing color may be produced black and white unless color is material to the interpretation of the document, in which case it will be produced in color. However, upon reasonable request, please be prepared to produce a color copy of any requested document that is indicated in the load file as having original color content and was produced in black and white. Each color page shall be produced as a JPG file and the JPG file shall

be named with the same production bates number that is endorsed on its page. Hidden content, tracked changes, edits, comments, notes, and other similar information viewable within the native file shall, to the extent reasonably practicable, also be imaged so that this information is captured on the produced image file. Documents embedded within a document shall be extracted as separate documents and treated as attachments to the document.

B. Emails: Parent-child relationships (the association between an attachment and its parent document) should be preserved. Document families, such as an email and its attachment(s), shall be produced together and shall preserve the document-family relationship (e.g., an email and its attachment(s) shall be produced sequentially, with the email preceding the attachment in the Bates numbering scheme).

C. Text Files: Document level text files containing extracted text or OCR should be provided for each document produced. The filename of the text file shall be named with the starting production bates number that is endorsed on its related image file. Filenames cannot contain embedded spaces or symbols other than the hyphen or underscore symbols." When possible, the text of native files should be extracted directly from the native file. To the extent that extracted text does not exist, the images should be run through Optical Character Recognition (OCR) using a commercially acceptable technology for optical character recognition "OCR" so that they are fully searchable. These text files will not contain the redacted portions of the documents and instead the document will be OCR'd again and the new 'redacted' OCR text files will be substituted instead of extracted text files for redacted documents. Text files should end with the extension .TXT.

D. Load Files: Load files shall be produced with each production of documents with extracted metadata for each document (objective coding) included in the load file. The data file

shall include the fields and type of content set forth below. Objective coding shall be labeled and produced on Production Media in accordance with the provisions set forth above.

(1) The data load file should contain all of the metadata fields (both system and application – see list below) from original native documents with an extension .CSV or .TXT for loading into the review platform.

(2) The load file of extracted metadata should be delimited with ASCII 020 for the comma character and ASCII 254 for the quote character. All values in a multi-value field shall be separated by a semi-colon ASCII 059. The use of commas and quotes as delimiters is not acceptable.

(3) The header row for the load files should contain the metadata field names which are listed below.

(4) The image load file should contain an extension .OPT or .LFP.

E. Hard Copy Document Unitization: The boundaries of a document shall be based upon the smallest physical binding (i.e., staple, paper clip, binder clip, etc.) associated with that document. In the event there is a series of loose pages that have no small physical bindings, the document boundary shall be based upon the largest physical binding (i.e., folder, redwell, binder, etc.). The boundaries of the parent/child attachment relationship shall be based upon the largest physical binding (i.e., binder clip, folder, redwell, etc.) associated with that family of documents. The document boundaries and corresponding parent/attachment relationships shall be provided in the load files furnished with each production. For each hardcopy document, the following information shall be produced and provided in the data load file at the same time that the TIFF images and the OCR acquired text files are produced. Each index field shall be labeled as listed below:

(a) Beginning Production Number (BegBates);

(b) Ending Production Number (EndBate);

(c) Beginning Attachment Production Number (BegAttach);

(d) End Attachment Production Number (EndAttach);

(e) Custodian Source;

(f) Confidentiality.

F. Bates Numbering and Redactions: Each page of a produced document shall have a legible, unique page identifier (Bates number) electronically branded onto the image at a location that does not obliterate, conceal, or interfere with any information from the source document. In order to ensure that the Bates numbers do not obscure portions of the documents, the images may be proportionally reduced to create a larger margin in which the Bates number may be branded. There shall be no other legend or stamp placed on the document image, except those sections of a document that are redacted to eliminate material protected from disclosure by the attorney-client or work product privileges shall have the legend "REDACTED" placed in the location where the redaction(s) occurred or shall otherwise note the location and/or location of the information for which such protections are claimed.

G. Production Media: All documents should be produced on CD-ROM, DVD, or external hard drive with standard Windows PC compatible interface (the production media) or access to a secure On-Line Repository agreed upon by the Parties) or via secure FTP site.

H. Native Format for Excel and Access Databases: To the extent that requested documents exist in Excel or another spreadsheet program, produce the document in its native format. To the extent that the document format constitutes a database created or maintained in Access or another software program, produce the document in its native format. A single page

TIFF image placeholder should be provided for each document provided in native format. Each TIFF placeholder shall contain the phrase "DOCUMENT PRODUCED IN NATIVE FORMAT" and contain the Bates number corresponding to the native file.

I. **PowerPoint Presentations:** Presentations should be produced in full slide image format along with speaker notes (which should follow the full images of the slides) with related searchable text, metadata, and bibliographic information. Presentations should also be produced in native format (e.g., as .PPT files).

J. **Audio and Video Data:** The production of audio/video data shall be produced in native, usable format. Care shall be taken to ensure that all responsive audio and video data and their metadata are preserved. These data types may be stored in audio or video recordings, voicemail text messaging, and related/similar technologies.

K. **Production Exception Handling:** Any documents produced which cannot be converted to a TIFF image due to a processing error shall be reported along with the corresponding Bates number. Once an exception report for production is received, counsel may request to see the native file for that exception.

L. **Deduplication:** You are only required to produce a single copy of a responsive document. Parties may de-duplicate globally/horizontally based on hash values using a commercially acceptable technology prior to production. Deduplication shall be done in a manner that does not break up document families (such as emails and attachments) and preserves the original ESI. For emails with attachments, the hash value shall be generated based on parent/child document grouping. When documents are de-duplicated from each custodian, their names shall be listed in a "Duplicate Custodians" field showing that they also had a copy of the de-duplicated document.

L. Password Protected Files: With respect to any ESI items that are password-protected or encrypted, break the protection or encryption so that the document can be reviewed and/or produced.

M. Compressed File Types: Compressed files (e.g., CAB, .GZ, .TAR, .Z, .ZIP) shall be decompressed in a reiterative manner to ensure that a zip within a zip is decompressed into the lowest possible compression resulting in individual folders and/or files.

N. To the extent ESI produced pursuant to this ESI Protocol cannot be rendered or viewed without the use of proprietary third-party software, the Parties shall cooperate and seek to attempt to minimize any expense or burden associated with production of such ESI. The Parties shall meet and confer to address such issues as may arise with respect to obtaining access to any such software and operating manuals which are the property of a third party.

O. For all electronic documents produced, provide the following metadata fields, where available:

REQUIRED METADATA FIELDS	
FIELD NAME	**FIELD DESCRIPTION**
BEGDOC	Beginning Bates number (production number)
ENDDOC	End Bates number (production number)
BEGATT	First Bates number of family range (i.e., Bates number of the first page)
ENDATT	Last Bates number of family range (i.e., Bates number of the last page of the last attachment)
ATTACHMENT COUNT	Number of attachments to an email
ATTACHMENT NAMES	Populate parent records with original filenames of all attached records, separated by semi-colons
CUSTODIAN	Name of person from whose files the document is produced
AUTHOR	Author of the e-doc or attachment
RECIPIENTS	Recipients of e-doc
FROM	Sender of email
TO	Recipient of email
CC	Additional recipients of email
BCC	Blind additional recipients of email
FILESIZE	Size of the file
PGCOUNT	Number of pages in the e-doc

EMAIL RECEIVED DATE	(mm/dd/yyyy) Date email was received
EMAIL RECEIVED TIME	Time email was received
EMAIL SENT DATE	(mm/dd/yyyy) Date sent
EMAIL SENT TIME	Time sent
DOC CREATED DATE	(mm/dd/yyyy) Date created
DOC CREATED TIME	Time created
DATE MODIFIED	(mm/dd/yyyy) Date last modified
TIME MODIFIED	Time last modified
TITLE	Title field value extracted from the metadata of the native file
MODIFIED BY	Name of person(s) who modified e-doc
EMAIL SUBJECT	The value in the subject field of and e-doc or e-attachment
FILENAME	The full name of the native file.
FILE EXT	The extension of the file
MD5HASH	MD5 Hash Value created during processing
FULLPATH	File source path for all electronically collected documents, which includes location, folder name, file name, and file source extension
RECORDTYPE	Should contain the value of email, e-doc or e-attachment
FILE TYPE	Name of the application used to open the file
COMMENT	Values extracted from comments metadata field
ENTRYID	Unique identifier of emails in mail stores
ATTLIST	List of all of the filenames for the attachments to an email
FAMILYDATE	(mm/dd/yyyy) Date value of parent file (email or e-doc)
NATIVELINK	The full path to the produced native on the production deliverable
DUPCUSTODIAN	When documents are de-duplicated from each custodian, their names shall be listed in a "Duplicate Custodians" field showing that they also had a copy of the de-duplicated document.
TEXTPATH	The full path to the produced text files on the production deliverable

Q. SEARCH TERMS. Prior to production of responsive documents, You will confer with counsel for Southern Insulation regarding the search terms You will use to identify potentially responsive documents within a larger universe of ESI. You also will meet and confer with counsel for Southern, in good faith, regarding your use of search terms.

R. De-NISTing. Electronic files shall be "De-NISTed" by removing the commercially available operating system and application files contained on any NIST file list. If no NIST file list currently exists, You will contact counsel for Southern in order to agree on a NIST file list to be used in connection with Discovery in this action.

Exhibit B

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Covil Corporation, by and through its duly appointed Receiver Peter D. Protopapas, Plaintiff, v. Pennsylvania National Mutual Casualty Insurance Co.; Sam J. Crain & Co., Inc.; and South Carolina Property and Casualty Insurance Guaranty Association, Defendants.	C.A. No. 2020-CP-40-02098 **ORDER ON DISCOVERY MOTIONS**

This matter is before the Court on various discovery disputes between the Receivership for Covil Corporation ("Covil") and Pennsylvania National Mutual Casualty Insurance Company ("Penn National"). There are numerous matters before the Court at this time, including Ellis & Winters LLP's March 22, 2022 letter report on its inquiry into the existence and storage of certain historic policy documents pursuant to this Court's November 5, 2021 Discovery Order;[1] the Receiver's February 24, 2022 Motion to Compel and April 1, 2022 Supplemental Motion to Compel; the Receiver's March 17, 2022 Motion to Challenge the Confidentiality of Certain Documents; Penn National's December 22, 2021 Motions to Quash; and Penn National's April 7, 2022 Motion to Seal.[2]

[1] The Court also considered the prior letter reports filed by Penn National in response to the Court's November 5, 2021 Discovery Order.

[2] Also before the Court is the Receiver's motion to compel Penn National in the non-Covil Receiverships. Specifically, the Receiver seeks insurance policies and policy-related documents from Penn National for 14 other entities for which Mr. Protopapas is currently the receiver. In response to the Receiver's Subpoenas *Duces Tecum*, Penn National produced boiler plate objections and zero documents. *See* March 1, 2022 Motion to Compel filed against Penn National on behalf of the Receiver for Flame Refractories, Inc. and United Construction Co. of Rome, Inc., General Boiler Casing Company, Inc., Payne & Keller Company, Piedmont Insulation, Inc. and Reynolds Insulation, Pipe & Boiler Insulation, Inc. and Carolina Industrial Insulating Co., Presnell Insulation, Co., Standard Insulation Company of N.C.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

BACKGROUND

Peter D. Protopapas was appointed by this Court in 2018 as the Receiver for Covil, a defunct South Carolina corporate entity. Covil engaged in the business of installing, removing and sometimes selling insulation made with asbestos materials in the State of South Carolina and in other places in the Southeast for many years between the 1960s and the 1990s. Covil has been sued in many asbestos lawsuits, and this Court was appointed to manage the asbestos docket at the direction of the Chief Justice of the Supreme Court of South Carolina. This Court therefore charged the Receiver with marshalling Covil's assets, including all occurrence-based liability insurance policies, that may respond to the asbestos suits pending against Covil.

Prior to the Receiver's appointment, this Court had a regular situation occur in which Covil Corporation would not respond to requests for information, necessitating orders compelling compliance with discover obligations. Ultimately, after granting numerous motions to compel with no response, this Court struck Covil's pleadings in an underlying asbestos case as a sanction for its failure to respond to discovery.

This Court learned subsequently that, after letting its charter lapse from the State of South Carolina, Covil had been effectively managed by the attorneys for certain insurance companies that covered Covil.[3] The strategic litigation approach adopted on Covil's behalf by other insurers was to not participate in discovery. Rather, it was to accept the pleadings on Covil's behalf and then engage in a course of conduct of waiting until the last moment and then settling the cases at a nuisance value. The other insurers appeared to want to be as minimally responsive as possible

---

Inc., Davis Mechanical Contractors, Inc., Great Barrier Insulation Co., HEFCO, Inc., J. & L. Insulation, Inc., and J.R. Deans Company, Inc., in Case Numbers 2020-CP-40-04475, 2021-CP-40-03484, 2020-CP-40-01821, 2020-CP-40-05526, 2021-CP-40-01364, and 2020-CP-40-01952. Penn National takes the position that it cannot reasonably search its historic policies contained on microfiche cards unless the Receiver provides a specific policy number.

[3] Penn National was not providing a defense in the underlying asbestos cases for Covil at that time.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

to avoid discovery of the occurrence-based general liability policies covering Covil. When this Court learned of certain Covil insurers' conduct, it appointed a receiver to manage Covil's assets. And the only assets Covil had at that time, and has to this day, are the coverage provided by the "legacy" occurrence-based general liability insurance policies covering Covil that were issued during the time it was an active asbestos insulation company.[4]

Covil, under the guidance of the Receiver, has identified numerous insurance policies issued by several different insurance companies covering its defense and indemnity obligations for the asbestos suits. A court-approved Qualified Settlement Fund ("QSF") has been created and funded by the proceeds of settlements with at least six insurers. Those insurance companies went through a long process of disclosure and negotiation, resulting in approval by the Court of settlement proposals that initially funded the QSF.

Penn National is now the company with which the Receiver is seeking information and documents related to the "legacy" occurrence-based liability policies it issued covering Covil as a primary or additional insured. Penn National first came to this Court's attention in connection with the *Finch* case, which was an asbestos case tried in federal court in North Carolina resulting in a $32.7 million judgment against Covil. Specifically, certain general liability insurance policies issued by Penn National that covered Covil were located by Penn National in response to an asbestos claimant subpoena in the *Finch* case that provided specific policy numbers for certain policies issued by Penn National to Covil. After his appointment, the Receiver subsequently requested insurance policy information from Penn National as well.

[4] In PCS Nitrogen, Inc. v. Continental Casualty Company, et al., the SC Supreme Court adopted "the post-loss exception and [held] insurer consent is not required for an assignment of liability insurance coverage rights made after a loss." No. 28093, 2022 WL 1101704, at *4 (S.C. April 13, 2022).

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Throughout the Covil litigation, Penn National has taken the position that it is unable to access any possible historic occurrence-based liability coverage, from its Iron Mountain, Inc. storage facility[5] or any other storage facility, for Covil or any other policyholder it may have insured in the past unless it is provided with a policy number. It was then developed that Penn National has stored a significant amount of historic policy-related material on microfiche cards. But, again, Penn National has repeatedly taken the position that given that its historic policy related documents are stored on microfiche by policy number, and due to the fact that the material is so voluminous, it cannot search its historic policy related documents on microfiche unless it is given a policy number.

Covil diligently pursued discovery of all insurance policies issued by Penn National that cover Covil, in any way, through written requests for information as well as multiple depositions. This Court has now gone through several hearings with Penn National and the Receiver on motions to compel relating to the ability to locate policies in Penn National's historic repositories to discover whether any of them relate to Covil or to other receiverships that have been established in this state, of which Mr. Protopapas is the Receiver. No material has been forthcoming from Penn National's historic or "legacy" microfiche archives unless it was provided with a policy number. That is still where the Court finds itself today.

It is axiomatic that insurers, such as Penn National, have a duty to cooperate with the Receiver in the search for historic liability policies by complying with their discovery obligations. Failure to do so increases expenses and wastes this Court's time. This Court fully expects that an insurance company served with discovery requests from a receiver in this state, seeking the

[5] Iron Mountain Inc. is a national document management firm which provides storage and information management services, including information management, digital transformation, secure storage, secure destruction, data centers, cloud services, and art storage and logistics. It is highly likely this firm could provide services that would digitize and make searchable all policies and documents that Penn National stores with it.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

identification and production of insurance policies issued to the company as a named insured or which otherwise includes the company as a supplemental or additional insured, will search its entire repository of insurance policies and policy-related information for documents identifying the defunct company at issue. The Receiver need only provide the insurance company with the name of the defunct company for which it is seeking to marshal insurance assets. For the avoidance of doubt, this Court flatly rejects any assertion that an insurance company may refuse to search its repositories of insurance policies for responsive documents unless and until it is provided with a specific policy number.

Penn National has totally and completely failed to meet this most basic discovery obligation here. Penn National's discovery conduct has created considerable burdens for Covil and this Court. The Receiver has diligently sought discovery of Covil insurance policies and related documentation from Penn National for several years. However, Penn National refused to review its own microfiche and paper policy related historical documents unless it was provided with a policy number for the specific policy requested. Covil was therefore forced to file numerous motions to compel. This Court conducted multiple hearings on Penn National's discovery intransigence and issued multiple discovery orders compelling Penn National to meaningfully participate in discovery. A brief summary follows:

- At the January 25, 2021 discovery hearing, the Court ordered the Receiver for Covil to develop a specific inquiry and issue a new subpoena, if necessary, providing a list of job sites and owners to Penn National and ordered Penn National to conduct the searches and to respond with its findings promptly.

- On April 22, 2021, Covil filed a second motion to compel when Penn National refused to comply with its discovery obligations. Following a hearing, the Court granted the motion, finding that "Penn National has a duty to fully, completely, and thoroughly search both its electronic records and its hard copy paper records for the information and documents sought by the Receiver." July 1, 2021 Order at 6. The Court ordered Penn National to "thoroughly search its paper records using the list

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

of contractors and facilities provided by the Receiver in connection with [Covil's] February 8, 2021, subpoena to Penn National." *Id.*

- On August 20, 2021 and September 8, 2021, Covil filed additional motions to compel in which Covil informed the Court that, among other things, Penn National, despite the Court's previous orders, continued to take the position that it could only search its historic policies contained on microfiche cards by policy number. On October 28, 2021, the Court held a motions hearing, and on November 5, 2021, the Court granted Covil's motions to compel, ordering that Covil's defense counsel in underlying asbestos cases, Ellis & Winters LLP, use its professional judgment to develop and implement an effective scope of document review to identify any additional Penn National policies that may provide coverage for Covil as either a primary or additional insured and make "suggestions for meeting Covil's needs to identify responsive coverage" while "not wasting Penn National's resources".

- Most recently, in light of Penn National's failure to issue a litigation hold to prevent the routine or automatic destruction of documents related to the Covil litigation, on February 11, 2022 the Court granted Covil's motion for a protective order, prohibiting Penn National from destroying its historic-policy related documents until the Court holds otherwise.

Despite this Court's prior orders, as of November 5, 2021, Penn National had not performed a complete manual search of its historic insurance policies contained on microfiche cards. Nor had it processed the microfiche cards so that the information could be searched electronically. It had not even sought estimates to do such work from vendors with experience imaging microfiche. This information is critical and discoverable not only in this coverage action, but also in the numerous underlying asbestos lawsuits in which Covil is a defendant. Covil has been sued in asbestos liability cases in South Carolina state courts and federal courts, and Covil needs its insurance policies to respond to routine discovery.[6]

[6] *See* Rule 26(b)(2), SCRCP ("A party may obtain discovery of the existence and contents of any insurance agreement under which any person carrying on an insurance business may be liable to satisfy part or all of a judgment which may be entered in the action or to indemnify or reimburse for payments made to satisfying the judgment."); Rule 33(b)(4), SCRCP standard interrogatory (4) ("Set forth the names and addresses of all insurance companies which have liability insurance coverage relating to the claim and set forth the number or numbers of policies involved and the amount or amounts of liability coverage provided in each policy); *see also* Fed. R. Civ. P. 26(a)(1)(A)(iv) ("a party must . . . provide to the other parties . . . for inspection and copying . . . any insurance agreement under which an insurance business may be liable to satisfy all or part of a possible judgment in the action or to indemnify or reimburse for payments made to satisfy the judgment").

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Ellis & Winters LLP was appointed by Covil's insurers to defend Covil in the underlying asbestos cases. Ellis & Winters' defense costs have been funded by Covil's insurers, including Penn National. This Court therefore ordered Penn National to open its repository of insurance policies and to facilitate a review performed by Covil's insurer-appointed defense counsel, Ellis & Winters. The Court directed the firm to perform this review using its own sound professional judgment and to report back to the Court with suggestions for meeting Covil's needs to identify responsive coverage while not wasting Penn National's resources. This Court entrusted Ellis & Winters with responsibility for this search because the insurance information is important and discoverable in its work as Covil's underlying asbestos defense counsel.

Approximately 120 days later, Ellis & Winters filed its March 22, 2022 report with this Court ("the Report"). After years of assurances from Penn National that it could not locate historic policies without a policy number, the Report provided an array of options for imaging and review of Penn National's policies, even in the absence of a policy number. As is relevant here, the "third option" involves imaging commercial line policy microfiche cards, eliminating certain cards solely by policy prefix. Specifically, Ellis & Winters selects a subset of commercial line microfiche cards to image by eliminating cards bearing prefixes that correspond to certain non-commercial liability policy types. The Report also explained that, after one day of in-person searching within microfiche cards at Penn National's headquarters, Ellis & Winters located three newly discovered policies covering Covil that Penn National had not produced to Covil, which all spanned the relevant timeframe of 1984 to 1986 and consisted of one inland marine policy, one boiler machinery policy, and one auto policy. Penn National's failure to independently identify and produce these additional insurance policies to Covil, which were requested years ago, is cause for great concern not only here but also in other Receivership litigation involving Penn National.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

This Court has now lost all confidence in Penn National's willingness and ability to independently participate in discovery. The Court finds that Penn National's conduct with respect to its searches for historic Covil insurance policies (as well as non-Covil Receivership policies) amounts to a total and complete refusal to comply with its discovery obligations. It could well have done exactly what Ellis & Winters has proposed here. Penn National could have selected a vendor, processed the information on its microfiche cards, and conducted a review. It did not. Instead, Penn National took the defiant stance that it could not search for historic policies on its microfiche cards without being provided a policy number. That position turns out not to be so. This Court is left with no choice but to allow the Receiver to examine the records.

RULINGS AND ORDERS

1. Ellis & Winters' Report and Recommendations

A. Imaging and Review of Penn National's Microfiche Cards

After careful consideration, the Court is persuaded that the third option recommended by Ellis & Winters in its March 22 report will meet Covil's needs to identify responsive coverage while conserving Penn National's resources.

The Court finds that Ellis & Winters has effectively narrowed the universe of potentially responsive documents down to a set of microfiche cards containing historic insurance policies and policy-related information issued prior to 1992 and maintained by Penn National. The Court finds that Ellis & Winters' third option provides a reasonable and intentional process for further reducing that universe by policy number prefix to identify types of policies that are not relevant and can be excluded from scanning.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

The Court therefore adopts the "third option" recommended by Ellis & Winters and DIRECTS Ellis & Winters to use its professional judgment[7] to develop a methodology to select a subset of commercial line microfiche cards to image by eliminating certain cards bearing prefixes that correspond to certain non-commercial liability policy types.[8] The methodology will be shared with both the Receiver and Penn National. However, Ellis & Winters is not required to receive the approval of either the Receiver or Penn National in developing its methodology.

The Court also DIRECTS Ellis & Winters to use its professional judgment to solicit bids from two or more vendors with experience imaging microfiche, to select an appropriate vendor (the "selected vendor"), to award the bid, and to supervise the selected vendor's imaging of the microfiche cards into a format that is in a searchable database. Ellis & Winters will advise the Court and the parties as to the identity of the selected vendor and the terms of the selection.

Once the universe of records to image is determined by Ellis & Winters, images are scanned by the selected vendor, and information is available in a searchable database, the Court DIRECTS Ellis & Winters to provide Penn National and the Receiver with full access, on a rolling basis, to the database to conduct document reviews in order to search for responsive information for the Covil Receivership as well as the other Receiverships for which Peter D. Protopapas has been appointed Receiver.

To be clear, Ellis & Winters is not charged with reviewing the policies in the final database for responsiveness to the Receiver's discovery requests. Ellis & Winters and its selected vendor are the vehicles to get the policies into a database where the information can be reviewed for responsiveness by the Receiver and his outside counsel. The Receiver and his outside counsel

---

[7] Both the Receiver for Covil and Penn National have expressed confidence in the professional judgment of Ellis & Winters. *See* November 5, 2021 Discovery Order at 2.

[8] The non-commercial liability policy types include business owner, fidelity bond, surety bond, and personal umbrella policies.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

therefore must have full and unfettered access to every page of every insurance policy and policy-related document that Ellis & Winters and its selected vendor make available in the database. This will necessarily include reviewing records of other insureds' policies.

The Receiver will be entitled to review the policy records uploaded to the database to identify potentially responsive documents. The Receiver will be entitled to examine each and every policy to understand whether it is a policy that in any way, shape, or form covers Covil's asbestos responsibilities and liabilities. Because of Penn National's intransigence, the Court will not limit the Receiver's access to any of the information in the microfiche database. Ellis & Winters, however, should continue to make itself available to assist the Receiver search the records for the information that is needed to provide Covil with knowledge about its assets, including information concerning Penn National's policy prefixes and the identification of prefixes with policy lines of business identified in Ellis & Winters' report.

This Court DIRECTS Ellis & Winters to initiate and facilitate the above-referenced process immediately and to report back to the Court, on an interim basis, regarding progress made and any impediments to its progress. Time is of the essence.

Penn National is ORDERED to make all of its microfiche cards immediately available for review and imaging by Ellis & Winters and its selected vendor.

Penn National is also ORDERED to produce immediately to Covil all code keys for its policy prefixes, including but not limited to the documentation identifying prefixes with policy lines of business identified in Ellis & Winters' report.[9]

[9] Ellis & Winters explained to the Court at the April 11, 2022 hearing that it learned during its inquiry that Penn National policy numbers are constructed typically to have a numeric or an alpha prefix that indicates the type of policy. The Receiver is entitled to all information Penn National provided to Ellis & Winters regarding its policy prefixes. *See, e.g.*, Ellis & Winters' Report at 2.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Penn National is further ORDERED to produce immediately to Covil all information that was disclosed to Ellis & Winters and used as a basis for identifying policy numbers for the three newly discovered Covil insurance policies located by Ellis & Winters on March 17, 2022. *See* Report at 3. This Court is deeply troubled that Penn National had access to these policy numbers in its underwriting files but did not disclose the existence of this information to the Court or bother to produce the three policies to Covil for several years.

Finally, Penn National is ORDERED to produce immediately all underwriting documentation in its possession, custody, or control for all the Receiverships for which Mr. Protopapas is the court-appointed Receiver.

B. Ellis & Winters Fees – Work to Date

Ellis & Winters reported at the April 11, 2022 hearing that all of its invoices for work to date, totaling approximately $67,000, have been submitted to Penn National and/or Penn National's outside counsel at Goldberg Segalla LLP for payment but that those invoices have not been paid.

The Court finds that the fees and costs incurred by Ellis & Winters to date are reasonable for the tasks that were performed.

The Court hereby ORDERS Penn National to pay all outstanding invoices submitted by Ellis & Winters to Penn National and/or Penn National's outside counsel at Goldberg Segalla LLP in connection with this Court's November 5, 2021 Order within ten business days from the date of this Order.

C. Ellis & Winters and Selected Vendor Fees – Work Going Forward

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

This Court DIRECTS Ellis & Winters to set up a system of periodic billing to Penn National through Penn National's outside counsel at Goldberg Segalla for its work and its selected vendor's work in accordance with this Order.

This Court ORDERS that Penn National will pay all reasonable fees and costs invoiced by Ellis & Winters and its selected vendor for the work undertaken in accordance with this Order within thirty calendar days of receipt of the invoice.

This Court finds that the reasonable fees and costs that will be paid by Penn National are proportional to the needs of this case as well as the numerous other Receiverships for which this Court has appointed Mr. Protopapas. The Court is also in agreement with Ellis & Winters' well-reasoned evaluation at the April 11 hearing that its "third option" proposal constitutes "fairly typical discovery" in the context of the microfiche cards that are stored at Penn National.

This Court DIRECTS Ellis & Winters to advise the Receiver and the Court, on a periodic basis, of the expenses incurred for the work performed in accordance with this Order.

D. Confidentiality

This Court ORDERS Ellis & Winters and its selected vendor to keep confidential all insurance policies and policy-related documents processed from the microfiche cards and uploaded to the database.

This Court ORDERS the Receiver and his outside counsel to keep confidential all insurance policy or policy-related documents processed from the microfiche cards and uploaded to the database, and information obtained from those documents, that provide coverage to Covil or any other entities under Receiverships for which Mr. Protopapas is the court-appointed Receiver, except to the extent that such policies or information need to be disclosed in connection with mediation or any other court-supervised activity, including litigation.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

This Court further ORDERS the Receiver to keep confidential all non-Covil and non-Receivership policies and policy related documents processed from the microfiche cards and uploaded to the database.

2. Covil's Motion to Challenge Confidentiality and Penn National's Motion to Seal

Covil moves to lift the confidential designation on the Document Retention Policies and Litigation Hold Procedure that Penn National produced to the Receiver on March 9, 2022 as "confidential material." This Court GRANTS the motion.

Penn National has not demonstrated that the documents contain propriety or commercially sensitive information worthy of protection under South Carolina law. The Court is also persuaded that Penn National has waived its argument that its document retention policies are confidential given that it made its retention document publicly available in other coverage litigation.[10] Penn National's arguments to the contrary are unpersuasive and border on being specious.

Penn National is therefore ORDERED to remove the confidential designation from its Document Retention Policies and Litigation Hold Procedures and to produce all of them to Covil within five business days.

Penn National also filed a Motion to Seal Exhibit 12 to its opposition to Covil's Motion and Supplemental Motion to Compel. Covil has no objection to the motion. The motion is GRANTED, and Exhibit 12, which is a spreadsheet that purportedly shows information regarding non-workers compensation insurance policies issued by Penn National, is SEALED.

3. Penn National's Motion to Quash Deposition(s) and Covil's Motions to Compel

[10] *See, e.g., Pennsylvania Nat'l Mut. Cas. Ins. Co. v. Tate Andale, Inc.*, No. 1:17-cv-00670 (D. Md.), ECF No. 50-32.

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

During the January 11, 2022 motions hearing, this Court noted that it would hold Penn National's motion to quash Covil's Rule 30(b)(6) deposition in abeyance until the Receiver has had an opportunity to develop the record more thoroughly through written discovery.

On January 18, the Receiver served requests for admission, requests for production, and interrogatories on Penn National. On February 17, Penn National produced its written responses to the Receiver's discovery requests and, on March 9, it produced certain documents.

Covil argues that Penn National failed to produce all responsive documents and failed to disclose all relevant information in response to its discovery requests. Covil also argues that Penn National, in certain instances, provided evasive answers. Covil therefore moved for an order compelling Penn National to provide revised and complete discovery responses.

This Court DENIES Penn National's motion to quash and DIRECTS Covil to serve a Rule 30(b)(6) deposition notice on Penn National for a deposition to take place as soon as practicable based on the date of this Order. With respect to at least one of the topics at the Rule 30(b)(6) deposition, this Court further ORDERS Penn National to provide a corporate representative to testify as to why Penn National uses the terminal digit filing system to store its historic occurrence-based liability policies.[11]

Finally, the Court will HOLD IN ABEYANCE Covil's Motion to Compel and Supplemental Motion to Compel until the Receiver has had an opportunity to conduct the Rule 30(b)(6) deposition. If, after the deposition, the parties still cannot resolve any outstanding disputes, then they are ordered to report back to this Court to identify any remaining issues.

---

[11] This Court learned from Ellis & Winters during the April 11 hearing that Penn National used a terminal digit system to file its historic insurance policies and policy-related documents. That is, Penn National used approximately eight- or nine-digit policy numbers and filed the policies not by the numbers on the left side but by the numbers on the right side. Ellis & Winters' IT professional, Brian Flatley, could not speak to why a corporate entity, such as Penn National, would utilize such a system. However, this Court observes that such a system appears to make it much harder to find historic insurance policies when requested by their insureds.

CONCLUSION

This Court has serious concerns that Penn National's systemic failure to search for and produce insurance policy information to its insured in this case, unless it is given a specific policy number, may impact other South Carolina consumers who no longer have access to their policy numbers as well. The Court therefore DIRECTS the Receiver to transmit a copy of this order to the South Carolina Department of Insurance, Office of Consumer Services, for its review and information, at the following address: P.O. Box 100105, Columbia, South Carolina 29202-3105.

This Order applies in this case as well as in any other matters in which Mr. Protopapas is appointed the Receiver.

[ELECTRONIC SIGNATURE ON FOLLOWING PAGE]

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

ELECTRONICALLY FILED - 2022 May 05 10:35 AM - RICHLAND - COMMON PLEAS - CASE#2020CP4002098

Richland Common Pleas

Case Caption: Covil Corporation By And Through Its Receiver , plaintiff, et al vs Pennsylvania National Mutual Casualty Insurance Co , defendant, et al

Case Number: 2020CP4002098

Type: Order/Other

So Ordered

Jean H. Toal

Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, Plaintiff, vs. OneBeacon Insurance Group, Ltd. (n/k/a Intact Insurance Group USA Holdings, Inc.); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); R.V. Chandler & Associates, Inc.; Chandler Rental Properties, Inc.; Thomas S. Chandler; Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; Gene N. Norville; the South Carolina Property and Casualty Insurance Guaranty Association; Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually, Defendants.	IN THE COURT OF COMMON PLEAS Case No.: 2020-CP-40-04385 **CERTIFICATE OF SERVICE**

I certify that I have served, this 7th day of February, 2023, the Plaintiff's First Requests for Production to OneBeacon Insurance Group, Ltd. (n/k/a Intact Insurance Group USA Holdings, Inc.), and OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC) by electronic mail and by placing a copy of the same in the U.S. Mail, first class postage paid, to the addresses shown below:

Demetri K. Koutrakos
Harry A. Dixon
CALLISON TIGHE & ROBINSON, LLC
PO Box 1390 (29202)
Columbia, SC 29201
JimKoutrakos@callisontighe.com
harrydixon@callisontighe.com

John Basinger (*Pro Hac Vice*)
SAUL EWING ARNSTEIN & LEHR, LLP
One Riverfront Plaza
1037 Raymond Blvd. Suite 1520
Newark, NJ 07102
973-286-6724
john.basinger@saul.com

Paul Hummer (*Pro Hac Vice*)
Sean T. O'Neill (*Pro Hac Vice*)
SAUL EWING ARNSTEIN & LEHR, LLP
Centre Square West

Robert Y. Knowlton, Sr.
Elizabeth H. Black
HAYNSWORTH SINKLER BOYD, PA
PO Box 11889

1500 Market Street, 38th Floor
Philadelphia, PA 19102-2186
paul.hummer@saul.com
sean.oneill@saul.com

Columbia, SC 29211
bknowlton@hsblawfirm.com
eblack@hsblawfirm.com

Jeffrey FD. Grossman
Spencer R. Short
STRADLEY RONON STEVENS & YOUNG, LLP
2005 Market Street, Suite 2600
Philadelphia, PA 19103
215-564-8061
jgrossman@stradley.com
sshort@stradley.com

Allen Leland DuPre
LYLES & ASSOCIATES, LLC
1037 Chuck Dawley Blvd., Ste G-100
Mt. Pleasant, SC 29464
ald@lylesfirm.com

John H. Scully
ELLER TONNSEN BACH, LLC
1306 South Church Street
Greenville, SC 29605
jscully@etblawfirm.com

Erik T. Norton
HARRELL MARTIN & PEACE, P.A.
135 Columbia Ave.
Chapin, SC 29036
erik@hmp-law.com

February 07, 2023

s/Matthew Richardson

Matthew Richardson
S.C. Bar No. 15647
Eric B. Amstutz
S.C. Bar No. 363
Wyche P.A.
807 Gervais Street, Suite 301
Columbia, SC 29201
803-254-6542
mrichardson@wyche.com
eamstutz@wyche.com

Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, Plaintiff, vs. OneBeacon Insurance Group, Ltd. (n/k/a Intact Insurance Group USA Holdings, Inc.); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); R.V. Chandler & Associates, Inc.; Chandler Rental Properties, Inc.; Thomas S. Chandler; Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; Gene N. Norville; the South Carolina Property and Casualty Insurance Guaranty Association; Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually, Defendants.	IN THE COURT OF COMMON PLEAS Case No.: 2020-CP-40-04385 **CERTIFICATE OF SERVICE**

I certify that I have served, this 7th day of February, 2023, the Plaintiff's First Requests for Production to Trebuchet US Holdings, Inc., Trebuchet Investments Limited, Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited), Brad S. Huntington, individually, and John C. Williams, individually by electronic mail and by placing a copy of the same in the U.S. Mail, first class postage paid, to the addresses shown below:

Demetri K. Koutrakos
Harry A. Dixon
CALLISON TIGHE & ROBINSON, LLC
PO Box 1390 (29202)
Columbia, SC 29201
JimKoutrakos@callisontighe.com
harrydixon@callisontighe.com

John Basinger (*Pro Hac Vice*)
SAUL EWING ARNSTEIN & LEHR, LLP
One Riverfront Plaza
1037 Raymond Blvd. Suite 1520
Newark, NJ 07102
973-286-6724
john.basinger@saul.com

Paul Hummer (*Pro Hac Vice*)
Sean T. O'Neill (*Pro Hac Vice*)
SAUL EWING ARNSTEIN & LEHR, LLP
Centre Square West

Robert Y. Knowlton, Sr.
Elizabeth H. Black
HAYNSWORTH SINKLER BOYD, PA
PO Box 11889

1500 Market Street, 38th Floor
Philadelphia, PA 19102-2186
paul.hummer@saul.com
sean.oneill@saul.com

Jeffrey FD. Grossman
Spencer R. Short
STRADLEY RONON STEVENS & YOUNG, LLP
2005 Market Street, Suite 2600
Philadelphia, PA 19103
215-564-8061
jgrossman@stradley.com
sshort@stradley.com

John H. Scully
ELLER TONNSEN BACH, LLC
1306 South Church Street
Greenville, SC 29605
jscully@etblawfirm.com

Columbia, SC 29211
bknowlton@hsblawfirm.com
eblack@hsblawfirm.com

Allen Leland DuPre
LYLES & ASSOCIATES, LLC
1037 Chuck Dawley Blvd., Ste G-100
Mt. Pleasant, SC 29464
ald@lylesfirm.com

Erik T. Norton
HARRELL MARTIN & PEACE, P.A.
135 Columbia Ave.
Chapin, SC 29036
erik@hmp-law.com

February 07, 2023

s/Matthew Richardson

Matthew Richardson
S.C. Bar No. 15647
Eric B. Amstutz
S.C. Bar No. 363
Wyche P.A.
807 Gervais Street, Suite 301
Columbia, SC 29201
803-254-6542
mrichardson@wyche.com
eamstutz@wyche.com

EXHIBIT N

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Southern Insulation, Inc., through its Receiver, Peter D. Protopapas, Plaintiff, vs. OneBeacon Insurance Group, Ltd. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); R.V. Chandler & Associates, Inc.; Chandler Rental Properties, Inc.; Thomas S. Chandler; Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; Gene N. Norville; the South Carolina Property and Casualty Insurance Guaranty Association; Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually, Defendants.	Case No.: 2020-CP-40-04385 In Re: Asbestos Personal Injury Litigation Coordinated Docket **DEFENDANTS TREBUCHET INVESTMENTS LIMITED, TREBUCHET GROUP HOLDINGS LIMITED (F/K/A ARMOUR GROUP HOLDINGS LIMITED), TREBUCHET US HOLDINGS, INC., BRAD S. HUNTINGTON, AND JOHN C. WILLIAMS' MOTION TO CONFIRM STAY OF TRIAL COURT PROCEEDINGS PENDING RESOLUTION OF APPEAL OR, IN THE ALTERNATIVE, FOR A PROTECTIVE ORDER AND FOR A STAY OF DISCOVERY AND TRIAL COURT PROCEEDINGS PENDING RESOLUTION OF APPEAL**

Defendants Trebuchet Investments Limited, Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited), Trebuchet US Holdings, Inc., Brad S. Huntington, and John C. Williams (the "Trebuchet Defendants"), by and through their undersigned counsel, hereby move the Court for an Order confirming the stay of all trial court proceedings pursuant to Rules 205 and

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

241, SCACR or, in the alternative, for an Order protecting the Trebuchet Defendants from any further obligation to respond to Plaintiff Southern Insulation, Inc., through its Receiver, Peter D. Protopapas's ("Plaintiff" or "Southern") First Set of Requests for Production ("RFPs") pursuant to Rule 26(c), SCRCP, and for a stay of discovery and other trial court proceedings involving the Trebuchet Defendants, pending resolution of their appeal. This Motion is based on the following grounds:

Pertinent Factual and Procedural Background

1. Plaintiff filed its Second Amended Complaint ("SAC") in this matter on February 18, 2022, naming the Trebuchet Defendants as parties for the first time. Also named as parties for the first time were OneBeacon Insurance Group, Ltd. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America) and OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC) (together, the "Intact Defendants").

2. Southern alleges that at the time of its dissolution in 1991, it was insured under policies issued by Potomac Insurance Company, which later changed its name to Bedivere Insurance Company ("Bedivere"). SAC, ¶¶ 27, 29. Through a transaction with the Intact Defendants, on December 23, 2014, Bedivere was acquired and came to be controlled by certain of the Trebuchet Defendants. *Id.* ¶¶ 13-15, 60.

3. The SAC does not allege any direct connection between the Trebuchet Defendants and Southern. Instead, Southern alleges certain actions taken by the Trebuchet Defendants in 2020, in connection with a Pennsylvania–regulated and –approved merger between Bedivere and three other insurers. SAC, ¶¶ 56, 61-65. As Southern acknowledges, Bedivere's merger was submitted to the Pennsylvania Insurance Department for approval and its application was publicly

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

noticed in the Pennsylvania Bulletin. *Id.* ¶¶ 66-68. The Department formally approved the merger on December 9, 2020. *Id.* ¶ 75. According to Southern, the merger left Bedivere undercapitalized. *Id.* ¶¶ 74, 76. When one of the other merged insurers faced a significant asbestos-related judgment three months later, Bedivere was rendered insolvent. *Id.* ¶¶ 76-78. On February 25, 2021, the respective boards of Bedivere and Trebuchet US Holdings, its sole shareholder, unanimously consented to entry of an order of liquidation. *Id.* ¶ 79. On March 2, 2021, Pennsylvania Insurance Commissioner Jessica Altman petitioned the Commonwealth Court for an Order of Liquidation and, nine days later, on March 11, the petition was granted. *Id.* ¶ 80. A copy of the Order of Liquidation is attached hereto as Exhibit A.

4. Southern's claims against the Trebuchet Defendants are predicated on (i) Bedivere's Commonwealth-approved merger in 2020 and (ii) Bedivere's subsequent insolvency and Commonwealth Court-ordered liquidation. More specifically, Southern asserts that the Trebuchet Defendants harmed Bedivere itself by setting Bedivere up for insolvency and a corollary inability to pay all of Bedivere's policyholders in full. *Id.*, *e.g.*, ¶¶ 76, 81, 88, 144, 147, 149, 161, 169, 180. Southern's allegations against the Trebuchet Defendants set forth harms that Bedivere, itself, sustained at the hands of the Trebuchet Defendants in causing Bedivere's insolvency and liquidation.

5. By asserting these claims, the Trebuchet Defendants contend that Plaintiff (a) usurps Bedivere's exclusive rights of action (*i.e.*, its "assets") for its own benefit, and (b) seeks to "attach" assets that rightly (and solely) belong to Bedivere. *E.g.*, *id.* ¶¶ 136 and 151.

6. The Trebuchet Defendants further contend that Plaintiff's claims against them and Plaintiff's attempt to attach assets of Bedivere brazenly circumvent the Bedivere liquidation

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

process and violate the express language and fundamental purpose of the Commonwealth Court of Pennsylvania's injunction, as set forth in the Liquidation Order (Ex. A).

7. The Liquidation Order (Ex. A) specifically provides in pertinent part:

> (a) "The Liquidator is vested with title to all property, assets, contracts and rights of action (assets) of Bedivere of whatever nature and wherever located, whether held directly or indirectly, as of the date of filing of the Petition for Liquidation. All assets of Bedivere are hereby found to be *in custodia legis* of this Court and this Court asserts jurisdiction as follows: (a) *in rem* jurisdiction over all assets wherever they may be located and regardless of whether they are held in the name of Bedivere or in any other name; (b) exclusive jurisdiction over all determinations as to whether assets belong to Bedivere or to another party; (c) exclusive jurisdiction over all determinations of the validity and amounts of claims against Bedivere; and (d) exclusive jurisdiction over the determination of the priority of all claims against Bedivere." Ex. A, ¶ 4.
>
> (b) "The Liquidator is directed to take possession of all assets that are the property of Bedivere. Specifically, the Liquidator is directed to: a. Inform all banks, investment bankers, companies, other entities or other persons having in their possession assets which are, or may be, the property of Bedivere, unless otherwise instructed by the Liquidator, to deliver the possession of the same immediately to the Liquidator, and not disburse, convey, transfer, pledge, assign, hypothecate, encumber or in any manner dispose of the same without the prior written consent of, or unless directed in writing by, the Liquidator." Ex. A, ¶ 5.a.
>
> (c) "All secured creditors or parties, pledges, lienholders, collateral holder or other persons, claiming secured, priority or preferred interest in any property or assets of Bedivere, are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, attach, dispose of, or exercise, purported rights in or against any property or assets of Bedivere except as provided in Section 543 of Article V, 40 P.S. § 221.43." Ex. A, ¶ 14.

8. Consequently, any claims regarding Bedivere's assets belong to Bedivere's liquidator as an asset of Bedivere's liquidation estate. Ex. A, ¶ 4. Further, jurisdiction to determine whether or not Plaintiff's claims belong to Bedivere or to another party is "exclusive" to the Pennsylvania Commonwealth Court. *Id.* And Plaintiff is *expressly* enjoined from pursing these claims. *Id.* ¶ 14.

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

9. In November and December 2022, both the Trebuchet Defendants and the Intact Defendants filed Motions to Dismiss the SAC along with supporting memoranda and exhibits. Among other arguments advanced in the respective Motions to Dismiss, both the Trebuchet Defendants and the Intact Defendants, consistent with the above contentions, argued that the proceedings in the trial court as to these defendants were enjoined and barred by the March 11, 2021 Liquidation Order entered by the Commonwealth Court of Pennsylvania.

10. The Motions to Dismiss came before the trial court for a hearing on January 27, 2023.

11. On February 7, 2023, the trial court entered a Form 4 order denying both Motions to Dismiss.

12. Also on February 7, 2023, Plaintiff served its RFPs on the Trebuchet Defendants.

13. On February 21, 2023, the Trebuchet Defendants filed a Notice of Appeal in the South Carolina Court of Appeals from this Court's February 7, 2023 Order. The Intact Defendants also filed a Notice of Appeal on February 21, 2023, and the Court of Appeals has consolidated the two appeals under Appellate Case Number 2023-00252.

14. On February 23, 2023, Plaintiff filed a motion to dismiss the appeals in the Court of Appeals, arguing that the February 7, 2023 order is not an appealable interlocutory order under S.C. Code Ann. § 14-3-330.

15. On February 27, 2023, counsel for the Trebuchet Defendants and the Intact Defendants wrote a letter to Plaintiff's counsel in consultation to confirm the stay of the trial court proceedings pending the consolidated appeals. By return email of February 28, 2023, counsel for Plaintiff disagreed that matters were stayed in the trial court pending the appeals.

16. On March 6, 2023, the Trebuchet Defendants filed their opposition to Plaintiff's Motion to Dismiss the Appeal in the Court of Appeals. As explained therein, the South Carolina

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

Supreme Court's opinion in *Williams v. Northwestern Sec. Life Ins. Co.*, 307 S.C. 462, 415 S.E.2d 809 (1992) controls this matter, because when the Court of Common Pleas "denied [the Trebuchet Defendants'] motion to dismiss," the Commonwealth Court of Pennsylvania's "injunction in effect was refused thereby bringing the order within the parameters of subsection (4) [of Section 14-3-330]." *Williams*, 307 S.C. at 464, 415 S.E.2d at 810. Like the appellants in *Williams*, the Trebuchet Defendants are appealing the refusal by the Court of Common Pleas to "give full faith and credit to [the Commonwealth Court of Pennsylvania's] injunction." *Id.* at 465, 415 S.E.2d at 810.[1]

17. On March 14, 2023, the Trebuchet Defendants served their objections to the RFPs on counsel for Plaintiff.

18. Because the Trebuchet Defendants and Plaintiff disagree as to whether the automatic stay of trial court proceedings under Rules 205 and 241, SCACR applies to matters involving the Trebuchet Defendants before the trial court, the Trebuchet Defendants make this motion out of an abundance of caution.

Argument

19. Under all applicable rules and statutes, *all* litigation proceedings in the trial court against the Trebuchet Defendants, including but not limited to discovery participation, are stayed because the issue of whether this lawsuit against these defendants has been enjoined by the March 11, 2021 order of the Commonwealth Court of Pennsylvania is now the subject of the appeal.

[1] The refusal to enforce the Liquidation Order and related S.C. Code Ann. § 38-27-430(a), which requires South Carolina courts to give "full faith and credit" to such an injunction order, also constitutes an order involving the merits and a substantial right of the Trebuchet Defendants that could not be remedied after litigating the case to conclusion. The very existence of this lawsuit has been enjoined by the Liquidation Order. Therefore, the trial court's Order is also appealable pursuant to S.C. Code Ann. § 14-3-330(1) and (2).

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

20. First, Rule 241(a), SCACR provides, "[a]s a general rule, the service of a notice of appeal in a civil matter acts to automatically stay matters decided in the order […] on appeal, and to automatically stay the relief ordered in the appealed order […]."

21. Because the trial court's order denying the motion to dismiss permitted the Plaintiff's claims against the Trebuchet Defendants to proceed and the Trebuchet Defendants appealed that order, under Rule 241, SCACR, the Plaintiff's claims are stayed and the relief provided by the order (implicitly allowing those claims to proceed) is also stayed. No exceptions to the general rule within Rule 241(b), SCACR, or otherwise, apply.

22. Second, with the Court of Appeals poised to review and decide the issue of whether the Liquidation Order enjoins this lawsuit, all matters regarding the Trebuchet Defendants and remaining before the trial court are stayed because the legitimacy of the lawsuit itself is the matter before the Court of Appeals. *See* Rule 205, SCACR (the trial court may only proceed "with matters not affected by the appeal"); *Stokes-Craven Holding Corp. v. Robinson*, 416 S.C. 517, 534, 787 S.E.2d 485, 494 (2016) ("Rule 205 divests the lower court or administrative tribunal of jurisdiction over "*matters affected by the appeal*" and defining "affect" as "to produce an effect on; to influence in some way") (citing *Black's Law Dictionary* 68 (10th ed. 2014)); *see also* S.C. Code Ann. § 14-3-450 (requiring that, with an appeal pending pursuant to S.C. Code Ann. § 14-3-330(4), "the proceedings *in other respects* shall not be stayed during the pendency of an appeal" (emphasis added)); S.C. Code Ann. § 38-27-430(a) ("The courts of this State *shall give full faith and credit* to injunctions against the liquidator or the company or the continuation of existing actions against the liquidator or the company, when the injunctions are included in an order to liquidate an insurer issued pursuant to corresponding provisions in other states.") (emphasis added); *Williams*, 307 S.C. at 465, 415 S.E.2d at 810 ("[I]f another state under corresponding provisions issues a

liquidation order, South Carolina *must give full faith and credit to an injunction contained within that order*.") (emphasis added)).

23. Third, and in the alternative, a stay of proceedings in the trial court (including discovery) until the appellate process is completed is warranted to protect the Trebuchet Defendants.

24. This Court has the power to, "[u]pon motion by a party … and for good cause shown … make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden by expense," including orders finding that discovery may "not be had" or "may be had only on specified terms and conditions." Rule 26(c), SCRCP. "A party served with written discovery has a duty to answer it, unless the party objects based on a stated reasons or moves for a protective order." *Richardson v. Twenty-One Thousand and no/100 Dollars ($21,000) United States Currency & Various Jewelry*, 430 S.C. 594, 598, 846 S.E.2d 14, 16 (Ct. App. 2020).

25. To allow discovery or any further proceedings in the trial court with regard to the Trebuchet Defendants would infringe on the very issue before the Court of Appeals. For example, Plaintiff's discovery directed to the Trebuchet Defendants (RFPs totaling 104 separate requests), if not stayed, infringes on the appellate question of whether an injunction entered by the Commonwealth Court of Pennsylvania enjoins Plaintiff from asserting these claims in the first place. Therefore, Plaintiff's discovery is within the "matters affected by the appeal," as to which "the lower court is deprived of the power to proceed with." *Tillman v. Oakes*, 398 S.C. 245, 255, 728 S.E. 2d 45, 51 (Ct. App. 2012) *citing* Rule 205, SCACR. Further, if the Court of Appeals rules in the Trebuchet Defendants' favor, the Trebuchet Defendants will not be subject to discovery here. Responding to discovery now when this matter may be dismissed as to the Trebuchet

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

Defendants would unduly burden the Trebuchet Defendants and cause them to unnecessarily incur substantial expense. Plaintiff served 104 separate RFPs on the Trebuchet Defendants, seeking documents dating back to 1966. Responding substantively to these broad discovery requests will take extensive time and resources that may well be mooted by the dismissal of Plaintiff's claims against the Trebuchet Defendants pursuant to the Liquidation Order.[2]

26. Accordingly, even if the trial court disagrees that proceedings against the Trebuchet Defendants are automatically stayed with the appeal now pending, discovery propounded by Plaintiff upon the Trebuchet Defendants should be stayed regardless. This discovery is within the boundaries of the matter affected by the appeal and would cause an undue burden and expense to the Trebuchet Defendants, in light of the legitimacy of Plaintiff's claims being the singular issue on appeal.

WHEREFORE, the Trebuchet Defendants respectfully request the Court enter an Order confirming the stay of litigation proceedings in the trial court, including discovery, as to the Trebuchet Defendants pursuant to Rules 205 and 241, SCACR or, in the alternative, enter an Order protecting the Trebuchet Defendants from the burden and obligation of responding further to Plaintiff's RFPs and otherwise proceeding with litigation in the trial court unless and until the appellate process is fully and finally complete, and grant such other and further relief as may be just and proper.

[2] As noted in the Trebuchet Defendants objections to the Receiver's RFPs, the Trebuchet Defendants have reserved all general and specific objections to the RFPs including, but not limited to, those based on relevance, scope, vagueness, undue burden, any applicable privilege or protection, and that many of the RFPs seek documents that are not in the possession, custody, or control of the Trebuchet Defendants and are, pursuant to the Liquidation Order (Ex. A), held in the possession, custody or control of Bedivere Insurance Company's liquidator, a non-party.

ELECTRONICALLY FILED - 2023 Mar 14 4:52 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

Counsel for the Trebuchet Defendants certifies pursuant to Rule 11, SCRCP, that prior to filing this Motion, they communicated with opposing counsel in an attempt to resolve this matter, to no avail.

Respectfully submitted,

HAYNSWORTH SINKLER BOYD, P.A.

By: s/Robert Y. Knowlton
Robert Y. Knowlton, S.C. Bar No. 3589
Elizabeth H. Black, S.C. Bar No. 76067
1201 Main Street, 22nd Floor (29201)
Post Office Box 11889
Columbia, SC 29211-1889
(803) 779-3080
bknowlton@hsblawfirm.com
eblack@hsblawfirm.com

-and-

STRADLEY RONON STEVENS & YOUNG, LLP
Jeffrey D. Grossman, PA ID No. 78337
Application for admission *pro hac vice* submitted
2005 Market Street, Suite 2600
Philadelphia, PA 19103
(215) 564-8061
jgrossman@stradley.com

Attorneys for Defendants Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Trebuchet US Holdings, Inc.; Brad S. Huntington, individually; and John C. Williams, individually

March 14, 2023

HSB 7601091 v.7

ELECTRONICALLY FILED - 2023 Dec 12 4:22 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, Plaintiff v. Bedivere Insurance Company, Respondent	: : : : : : : : : : :	No. 1 BIC 2021

ORDER OF LIQUIDATION

AND NOW, this 11th day of March, 2021, upon consideration of the Petition for Liquidation of Bedivere Insurance Company (Bedivere) filed by Jessica K. Altman, Insurance Commissioner of the Commonwealth of Pennsylvania, and upon the unanimous consent of the Board of Directors of Bedivere and the sole shareholder of Bedivere, Trebuchet US Holdings, Inc., it is hereby ORDERED that:

1. The Petition for Liquidation is GRANTED, and Bedivere is ordered to be liquidated pursuant to Article V of The Insurance Department Act of 1921, Act of May 17, 1921, P.L. 789, added by the Act of December 14, 1977, P.L. 280, *as amended*, 40 P.S. §§ 221.1 – .63 (Article V).

2. Insurance Commissioner Jessica K. Altman and her successors in office, if any, are hereby appointed Statutory Liquidator of Bedivere and directed to take possession of Bedivere's property, business and affairs in accordance with Article V and to administer them pursuant to the orders of this Court.

2020-CP-40-04385
Trebuchet Mot. to Confirm Stay
Exhibit A

ELECTRONICALLY FILED - 2023 Dec 12 4:32 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

3. The Liquidator is hereby vested with all the powers, rights and duties authorized under Article V and other applicable statutes and regulations.

ASSETS OF THE ESTATE

4. The Liquidator is vested with title to all property, assets, contracts and rights of action (assets) of Bedivere of whatever nature and wherever located, whether held directly or indirectly, as of the date of filing of the Petition for Liquidation. All assets of Bedivere are hereby found to be *in custodia legis* of this Court and this Court asserts jurisdiction as follows: (a) *in rem* jurisdiction over all assets wherever they may be located and regardless of whether they are held in the name of Bedivere or in any other name; (b) exclusive jurisdiction over all determinations as to whether assets belong to Bedivere or to another party; (c) exclusive jurisdiction over all determinations of the validity and amounts of claims against Bedivere; and (d) exclusive jurisdiction over the determination of the priority of all claims against Bedivere.

5. The Liquidator is directed to take possession of all assets that are the property of Bedivere. Specifically, the Liquidator is directed to:

a. Inform all banks, investment bankers, companies, other entities or other persons having in their possession assets which are, or may be, the property of Bedivere, unless otherwise instructed by the Liquidator, to deliver the possession of the same immediately to the Liquidator, and not disburse, convey, transfer, pledge, assign, hypothecate, encumber or in any manner dispose of the same without the prior written consent of, or unless directed in writing by, the Liquidator.

b. Inform all producers and other persons having sold policies of insurance issued by Bedivere to account for and pay all unearned commissions

and all premiums, collected or uncollected, for the benefit of Bedivere directly to the Liquidator within 30 days of notice of this Order and that no producer, reinsurance intermediary or any other person shall disburse or use monies which come into their possession and are owed to, or claimed by, Bedivere for any purpose other than payment to the Liquidator.

c. Inform any premium finance company that has entered into a contract to finance a policy that has been issued by Bedivere to pay any and all premium owed to Bedivere to the Liquidator.

d. Inform all attorneys employed by or retained by Bedivere or performing legal services for Bedivere as of the date of this Order that, within 30 days of notification, they must report to the Liquidator the name, company, claim number (if applicable) and status of each matter they are handling on behalf of Bedivere; the full caption, docket number and name and address of opposing counsel in each case; an accounting of any funds received from or on behalf of Bedivere for any purpose in any capacity; and further, that the Liquidator need not make payment for any unsolicited report.

e. Inform any entity that has custody or control of any data processing equipment and records (including but not limited to source documents, all types of electronically stored information, or other recorded information) relating to Bedivere to transfer custody and control of such documents, in a form readable by the Liquidator, to the Liquidator as of the date of this Order, upon request.

f. Inform any entity furnishing claims processing or data processing services to Bedivere to maintain such services and transfer any such accounts to the Liquidator as of the date of this Order, upon request.

ELECTRONICALLY FILED - 2023 Dec 12 4:22 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

ELECTRONICALLY FILED - 2023 Dec 12 4:22 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

6. Bedivere's directors, officers and employees shall: (a) surrender peaceably to the Liquidator the premises where Bedivere conducts its business; (b) deliver all keys or access codes thereto and to any safe deposit boxes; (c) advise the Liquidator of the combinations and access codes of any safe or safekeeping devices of Bedivere or any password or authorization code or access code required for access to data processing equipment; and (d) deliver and surrender peaceably to the Liquidator all the assets, books, records, files, credit cards, and other property of Bedivere in their possession or control, wherever located, and otherwise advise and cooperate with the Liquidator in identifying and locating any of the foregoing.

7. Bedivere's directors, officers and employees are enjoined from taking any action, without the prior approval of the Liquidator, to transact further business on behalf of Bedivere. They are further enjoined from taking any action that would waste the assets of Bedivere or would interfere with the Liquidator's efforts to wind up the affairs of Bedivere.

CONTINUATION AND CANCELLATION OF POLICIES

8. All Bedivere policies and contracts of insurance, whether issued within this Commonwealth or elsewhere, in effect on the date of this Order will continue in force for the lesser of the following: (1) 30 days from the date of this Order; (2) until the normal expiration of the policy or contract providing insurance coverage; (3) until the insured has replaced the insurance coverage with equivalent insurance with another insurer or otherwise terminated the policy; or (4) until the Liquidator has effected a transfer of the policy obligation to an assuming insurer pursuant to Section 523(8) of Article V, 40 P.S. § 221.23(8).

ELECTRONICALLY FILED - 2023 Dec 12 4:32 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

NOTICE AND PROCEDURE FOR FILING CLAIMS

9. No judgment or order against Bedivere or its insureds entered after the date of filing of the Petition for Liquidation, and no judgment or order against Bedivere or its insureds entered at any time by default or by collusion, will be considered as evidence of liability or of quantum of damages by the Liquidator in evaluating a claim against the estate of Bedivere.

10. In addition to the notice requirements of Section 524 of Article V, 40 P.S. § 221.24, the Liquidator shall publish notice in newspapers of general circulation where Bedivere has its principal places of business that: (a) specifies the last day for the filing of claims against the estate of Bedivere; (b) explains the procedure by which claims may be submitted to the Liquidator; (c) provides the address of the Liquidator's office for the submission of claims; and (d) notifies the public of the right to present a claim, or claims, to the Liquidator.

11. Within 30 days of giving notice of the Order of Liquidation, as set forth in Section 524 of Article V, 40 P.S. § 221.24, and of the procedures for filing claims against the estate of Bedivere, the Liquidator shall file a compliance report with the Court stating, in reasonable detail, the date on which and manner by which these notices were given.

DISTRIBUTION OF ESTATE ASSETS

12. Any and all distribution of assets pursuant to Sections 544 and 546 of Article V, 40 P.S. §§ 221.44, 221.46, including those in payment for costs and expenses of estate administration, shall be made under the direction and approval of the Court.

ELECTRONICALLY FILED - 2023 Dec 12 4:32 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

STAY OF LITIGATION

13. Unless the Liquidator consents thereto in writing, no action at law or in equity, including, but not limited to, an arbitration or mediation, the filing of any judgment, attachment, garnishment, lien or levy of execution process against Bedivere or its assets, shall be brought against Bedivere or the Liquidator or against any of their employees, officers or liquidation officers for acts or omissions in their capacity as employees, officers or liquidation officers of Bedivere or the Liquidator, whether in this Commonwealth or elsewhere, nor shall any such existing action be maintained or further prosecuted after the effective date of this Order. All above-enumerated actions currently pending against Bedivere in the courts of the Commonwealth of Pennsylvania or elsewhere are hereby stayed; relief sought in these actions shall be pursued by filing a proof of claim against the estate of Bedivere pursuant to Section 538 of Article V, 40 P.S. § 221.38.

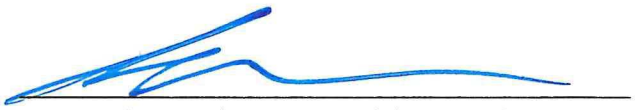
14. All secured creditors or parties, pledges, lienholders, collateral holders or other persons, claiming secured, priority or preferred interests in any property or assets of Bedivere, are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, attach, dispose of, or exercise, purported rights in or against any property or assets of Bedivere except as provided in Section 543 of Article V, 40 P.S. § 221.43.

15. In recognition of paragraph 10 of the Petition for Liquidation and the representation therein regarding the December 2020 order issued by the Pennsylvania Insurance Department approving the merger of The Employers' Fire Insurance Company (Employers' Fire), Lamorak Insurance Company (formerly OneBeacon American Insurance Company) (Lamorak), and Potomac Insurance

Company (Potomac) with and into Bedivere, all references herein to Bedivere shall include Employers' Fire, Lamorak, and Potomac.

WORKERS' COMPENSATION AND PERSONAL INJURY PROTECTION CLAIMS

16. The Liquidator is authorized for a period of up to 90 days from the date of this Order to advance funds from the estate of Bedivere to pay workers' compensation indemnity and personal injury protection (PIP) claims on behalf of the state guaranty associations, provided that the guaranty association enters into an agreement that such advances shall be treated as a distribution pursuant to Section 536 of Article V, 40 P.S. § 221.36. The Liquidator shall have the discretion to accept such interim assurances as she deems acceptable in lieu of a formal agreement.



P. Kevin Brobson, President Judge

Order Exit
03/11/2021

ELECTRONICALLY FILED - 2023 Dec 12 4:22 PM - RICHLAND - COMMON PLEAS - CASE#2020CP4004385

EXHIBIT O

STATE OF SOUTH CAROLINA

ISSUED BY THE COMMON PLEAS COURT IN THE COUNTY OF RICHLAND

Lenora Childers, Individually and as Personal Representative of the Estate of Lewis C. Childers, Plaintiff, Vs. Flame Refractories, Inc. Defendants.	)	Civil Action No. 2021-CP-40-03484 SUBPOENA DUCES TECUM

TO: STARSTONE NATIONAL INSURANCE COMPANY
Care of SC Department of Insurance, Legal Service Division
1201 Main Street, Suite 1000
Columbia, SC 29201

☐ YOU ARE COMMANDED to appear in the above named court at the place and time specified below to testify in the above captioned matter:

PLACE OF TESTIMONY:	COURTROOM: DATE AND TIME:

☐ YOU ARE COMMANDED to appear at the place, date and time specified below to testify at the taking of a deposition in the above captioned matter:

PLACE OF DEPOSITION:	DATE AND TIME:

☒ YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects in your possession, custody or control at the place, date and time specified below: **SEE ATTACHED EXHIBIT A**

PLACE OF PRODUCTION: Rikard & Protopapas, LLC 2110 N Beltline Blvd. Columbia, SC 29204	DATE AND TIME: 04/27/2023 at 5 pm

☐ YOU ARE COMMANDED to permit inspection of the following premises at the date and time specified below:

PREMISES	DATE AND TIME:

ANY SUBPOENAD ORGANIZATION NOT A PARTY TO THIS IS HEREBY DIRECTED TO RULE 30(B)(6), SOUTH CAROLINA RULES OF CIVIL PROCEDURE, TO FILE A DESIGNATION WITH THE COURT SPECIFYING ONE OR MORE OFFICERS, DIRECTORS, OR MANAGING AGENTS, OR OTHER PERSONS WHO CONSENT TO TESTIFY ON ITS BEHALF, SHALL SET FORTH, FOR EACH PERSON DESIGNATED, THE MATTERS ON WHICH HE WILL TESTIFY OR PRODUCE DOCUMENTS OR THINGS. THE PERSON SO DESIGNATED TESTIFY AS TO MATTERS KNOWN OR REASONABLE AVAILABLE TO THE ORGANIZATION.

I CERTIFY THAT THE SUBPOENA IS ISSUED IN COMPLIANCE WITH RULE 45(c)(1), AND THAT NOTICE AS REQUIRED BY RULE 45(b)(1) HAS BEEN GIVEN TO ALL PARTIES.

Attorney / Issuing Officer's Signature	3/27/23 Date	Joseph Y. Shenkar Print Name

Joseph Y. Shenkar, Attorney for the Receiver for Flame Refractories, Inc. joe@shenkar-law.com
The Joseph Y. Shenkar Law Firm, P.C., P.O. Box 61042., Columbia, SC 29260 (803-315-3357)

Clerk of Court / Issuing Officer's Signature	Date	Print Name

Pro Se Litigants Name, Address and Telephone Number:

SCCA 254 (05/2015) (See Rule 45, South Carolina Rules of Civil Procedure, Parts (c) & (d) on pages 2 and 3

PROOF OF SERVICE

DATE SERVED:	3/27/23	FEES AND MILEAGE TENDERED TO WITNESS? ☐ YES ☐ NO Amount: $_____
PLACE SERVED:	**STARSTONE NATIONAL INSURANCE COMPANY** **Care of SC Department of Insurance, Legal Service Division** **1201 Main Street, Suite 1000** **Columbia, SC 29201**	

SERVED ON	**STARSTONE NATIONAL INSURANCE COMPANY** **Care of SC Department of Insurance, Legal Service Division** **1201 Main Street, Suite 1000** **Columbia, SC 29201**	MANNER OF SERVICE:	US Mail
SERVED BY:	Joseph Y. Shenkar	TITLE:	Attorney

DECLARATION OF SERVER

I certify that the foregoing information contained in the Proof of Service is true and correct.

Executed on March 27, 2023

s/ Joseph Y. Shenkar
Joseph Y. Shenkar, P.O. Box 61042, Columbia, SC 29260

Rule 45, South Carolina Rules of Civil Procedures, Parts (c) and (d):

(c) Protection of Persons Subject to Subpoenas.

(1) A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction, which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2)(A) A person commanded to produce and permit inspection and copying of designated electronically stored information, books, papers, documents or tangible things, or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial. A party or an attorney responsible for the issuance and service of a subpoena for production of books, papers and documents without a deposition shall provide to another party copies of documents so produced upon written request. The party requesting copies shall pay the reasonable costs of reproduction.

(B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and permit inspection and copying may, within 14 days after service of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises—or to producing electronically stored information in the form or forms requested. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection has been made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time in the court that issued the subpoena for an order to compel the production. Such an order to compel production shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection and copying commanded.

(3)(A) On timely motion, the court by which a subpoena was issued, or regarding a subpoena commanding appearance at a deposition, or production or inspection directed to a non-party, the court in the county where the non-party resides, is employed or regularly transacts business in person, shall quash or modify the subpoena if it:

(i) fails to allow reasonable time for compliance; or

(ii) requires a person who is not a party nor an officer, director or managing agent of a party, nor a general partner of a partnership that is a party, to travel more than 50 miles from the county where that person resides, is employed or regularly transacts business in person, except that, subject to the provisions of clause (c)(3)(B)(iii) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held; or

(iii) requires disclosure of privileged or otherwise protected matter and no exception or waiver applies; or

(iv) subjects a person to undue burden.

(B) If a subpoena:

(i) requires disclosure of a trade secret or other confidential research, development, or commercial information, or

(ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party, or

(iii) requires a person who is not a party nor an officer, director or managing agent of a party, nor a general partner of a partnership that is a party, to incur substantial expense to travel from the county where that person resides, is employed or regularly transacts business in person, the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

(d) Duties in Responding to Subpoena.

(1)(A)A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.

(B) If a subpoena does not specify the form or forms for producing electronically stored information, a person responding to a subpoena must produce the information in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) A person responding to a subpoena need not produce the same electronically stored information in more than one form.

(D) A person responding to a subpoena need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or to quash, the person from whom discovery is sought must show that the information

sought is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(6)(B). The court may specify conditions for the discovery.

(2)(A) When information subject to a subpoena is withheld on a claim that it is privileged or subject to protection as trial preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

(B) If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has and may not use or disclose the information until the claim is resolved. A receiving party may promptly present the information to the court under seal for a determination of the claim. If the receiving party disclosed the information before being notified, the receiving party must take reasonable steps to retrieve the information. The person who produced the information must preserve the information until the claim is resolved.

EXHIBIT A

Definitions

1. The term "Flame" is used to collectively refer to Flame Refractories, Inc., and the predecessors, successors, parents, subsidiaries, and/or affiliates. Specifically, the term includes Flame Matco Inc.

2. The Attached Exhibit B identifies **SUSSEX INSURANCE COMPANY** as a potential insurer to Flame.

Please produce the following documents and/or records:

1. Provide all general liability and product liability insurance policies your subsidiaries or predecessors ("you") issued to FLAME during the period 1965 through 1995, including, but not limited to, all policy numbers previously identified as covering FLAME.
2. Provide all workers compensation insurance policies issued by you to FLAME during the period 1965 through 1995.
3. Provide all excess and umbrella liability insurance policies issued by you to FLAME during the period of 1965 through 1995.
4. Provide all underwriting files related to general liability and product liability insurance policies issued by you to FLAME during the period 1965 through 1995.
5. Provide all underwriting files related to workers compensation insurance policies issued by you to FLAME during the period 1965 through 1995.
6. Provide all documents that reflect communications between you and FLAME regarding the acquisition, placement, and termination of insurance coverage.
7. Provide all documents that reflect communications between you and any other FLAME insurer that refer or relate in any way to the defense and/or indemnification of FLAME.
8. Provide all claims files that refer or relate to general liability or product liability claims FLAME, handled by you during the period 1965 through 1995.
9. Provide all claims files that refer or relate to workers compensation claims FLAME, handled by you during the period 1965 through 1995.
10. Provide all documents that refer or relate to general liability or product liability claims against FLAME handled by you during the period 1965 through 1995.
11. Provide all documents that refer or relate to workers compensation claims against FLAME, handled by you during the period 1965 through 1995.
12. Provide all Liability Cumulative Analysis reports prepared by you or on your behalf in connection with general liability or product liability insurance policies issued by you to FLAME during the time period 1965 through 1995.

13. Provide all documents that refer or relate to Liability Cumulative Analysis reports prepared by you or on your behalf in connection with general liability or product liability insurance policies issued by you to FLAME during the time period 1965 through 1995.
14. Provide all documents that refer or relate to your procedures for designating policy numbers, including policy prefixes, for general liability and product liability insurance policies issued by you during the time period 1965 through 1995.
15. Provide exemplars of general liability and product liability primary insurance policies issued by you during the period 1965 through 1995.
16. Provide exemplars of excess and umbrella liability insurance policies issued by you during the period 1965 through 1995.
17. Provide all underwriting manuals and guidelines related to general liability and product liability primary insurance policies issued by you during the period 1965 through 1995.
18. Provide all underwriting manuals and guidelines related to excess and umbrella liability insurance policies issued by you during the period 1965 through 1995.
19. Provide all documents related to your efforts to locate general liability and product liability insurance policies, workers compensation policies, excess and umbrella liability insurance policies, all project policies issued by you to FLAME, or naming FLAME as an additional insured, during the period 1965 through 1995.
20. Produce all documents identifying the persons most knowledgeable regarding your search efforts to locate the requested general liability and product liability insurance policies, workers compensation policies, excess and umbrella liability insurance policies, all project policies issued by you to FLAME, or naming FLAME as an additional insured, during the period 1965 through 1995.
21. To the extent not already produced, please produce all documents and communications concerning your efforts to locate documents responsive to this subpoena.

EXHIBIT B

NCIC Home | Search Menu | Info Disclaimer

NC Industrial Commission Insurance Coverage Search System
Employer / Carrier / Policy Search Results

(154 records found)

Employer Starts With: FLAME

Employer Name	Carrier Name	Policy Number
8182 GRAY LEIGH COURT OAK RIDGE NC 27310	QBE THE AMERICAS NEW YORK NY 10005	Expiry: 10-28-2021 Cancel: Reinstate:
FLAME LOGISTICS INC 8182 GRAY LEIGH COURT OAK RIDGE NC 27310	PRAETORIAN INSURANCE COMPANY QBE THE AMERICAS NEW YORK NY 10005	P0014MP211659632C Effective: 10-28-2021 Expiry: 10-28-2022 Cancel: Reinstate: 10-28-2022
FLAME LOGISTICS INC 8182 GRAY LEIGH COURT OAK RIDGE NC 27310	PRAETORIAN INSURANCE COMPANY QBE THE AMERICAS NEW YORK NY 10005	P0014MP221659632C Effective: 10-28-2022 Expiry: 10-28-2023 Cancel: Reinstate:
FLAME MATCO INC PO BOX 649 OAKBORO NC 28129	SUSSEX INSURANCE COMPANY PO BOX 100165 COLUMBIA SC 292023165	WC2214500 Effective: 04-01-1995 Expiry: 11-21-1995 Cancel: 02-05-1996 Reinstate:
FLAME ON COOL OFF FOCO LLC PO BOX 25854 RALEIGH NC 27611	TRAVELERS PROPERTY CASUALTY CO ONE TOWER SQUARE - 8MN HARTFORD CT 06183	6JUB6B14978313 Effective: 08-01-2013 Expiry: 08-01-2014 Cancel: 08-01-2014 Reinstate:
FLAME ON COOL OFF FOCO LLC PO BOX 25854 RALEIGH NC 27611	TRAVELERS PROPERTY CASUALTY CO ONE TOWER SQUARE - 8MN HARTFORD CT 06183	6JUB6B14978514 Effective: 08-01-2014 Expiry: 08-01-2015 Cancel: 08-01-2015 Reinstate:

If you are unable to find what you are looking for, please telephone us at (919) 807-2506
or e-mail us at infospec@ic.nc.gov

This site is provided as a public service by the North Carolina Industrial Commission

NC Industrial Commission Insurance Coverage Search System
Employer / Carrier / Policy Search Results

(154 records found)

Employer Starts With: FLAME

Employer Name	Carrier Name	Policy Number
		Reinstate:
FLAME ON COOL OFF LLC 213 OAK POINT CT RALEIGH NC 276102447	HARTFORD INS CO OF THE MIDWEST ONE HARFTORD PLAZA HARTFORD CT 06155	33WBCAB8BHS Effective: 08-01-2021 Expiry: 08-01-2022 Cancel: Reinstate:
FLAME ON COOL OFF LLC 213 OAK POINT CT RALEIGH NC 276102447	HARTFORD INS CO OF THE MIDWEST ONE HARFTORD PLAZA HARTFORD CT 06155	33WBCAB8BHS Effective: 08-01-2022 Expiry: 08-01-2023 Cancel: Reinstate:
FLAME REFRACTORIES INC PO BOX 649 OAKBORO NC 28129	SUSSEX INSURANCE COMPANY PO BOX 100165 COLUMBIA SC 292023165	WC2214500 Effective: 04-01-1995 Expiry: 11-21-1995 Cancel: 02-05-1996 Reinstate:
FLAME RESISTANT GARMENTS INC 6205 INDIANAPOLIS BLVD HAMMOND IN 463202226	ACCIDENT FUND GENERAL INSURANC 200 NORTH GRAND AVENUE LANSING MI 48933	WCV6053718 Effective: 03-01-2013 Expiry: 03-01-2014 Cancel: Reinstate:
FLAME RESISTANT GARMENTS INC 6205 INDIANAPOLIS BLVD HAMMOND IN 463202226	CONTINENTAL INDEMNITY COMPANY P O BOX 3646 OMAHA NE 68103	828919340107 Effective: 02-02-2018 Expiry: 07-22-2018 Cancel: Reinstate:
FLAME RESISTANT GARMENTS INC	CONTINENTAL INDEMNITY COMPANY	828919340109 Effective: 07-22-2018

STATE OF SOUTH CAROLINA COUNTY OF RICHLAND	IN THE COURT OF COMMON PLEAS FOR THE FIFTH JUDICIAL CIRCUIT
Lenora Childers, Individually and as Personal Representative of the Estate of Lewis C. Childers, Plaintiff, Vs. Flame Refractories, Inc., et al Defendants.	Civil Action No. 2021-CP-40-03484 **CERTIFICATE OF SERVICE**

I, Joseph Y. Shenkar, counsel with the law offices of The Joseph Y. Shenkar Law Firm, P.C., certify that I have served the foregoing documents upon the following interested parties in the prescribed methods:

DOCUMENTS SERVED:

1. SUBPOENA DUCES TECUM to StartStone National Insurance Company

VIA US MAIL:

Care of SC Department of Insurance, Legal Service
Division 1201 Main Street, Suite 1000
Columbia, SC 29201

AND ON ALL COUNSEL OF RECORD ELECTRONICALLY AT THE FOLLOWING EMAIL ADDRESSES:

kbell@robinsongray.com; matt.bogan@nelsonmullins.com; ashley.brathwaite@elliswinters.com; Asbestos@elliswinters.com; mitch.brown@nelsonmullins.com; nick.charles@nelsonmullins.com; jholder@dobslegal.com; TMcVey@kassellaw.com; tgilliland@dobslegal.com; EMoultrie@kassellaw.com; jrutkoski@kassellaw.com; morgan.drapeau@bowmanandbrooke.com; manzelmo@mcguirewoods.com; CShytle@mcguirewoods.com; jameskennedy@piercesloan.com; Benjamin.limbaugh@smithrobinsonlaw.com; shanonp@smithrobinsonlaw.com; jon@smithrobinsonlaw.com; murrell@smithrobinsonlaw.com; elizabethtaylor@piercesloan.com; kristinhoward@piercesloan.com;, bjowers@nexsenpruet.com; psantos@nexsenpruet.com; AMelling@burr.com;, Lgibson@burr.com; AShuler@burr.com; bensmoot@piercesloan.com; robert.meriwether@nelsonmullins.com; meredith.keane@nelsonmullins.com; susan.collings@nelsonmullins.com; Angela.strickland@bowmanandbrooke.com; Ashley.Lord@bowmanandbrooke.com; jcuttino@gwblawfirm.com; danny@rplegalgroup.com; cmastrianni@lawhssm.com; wsawyer@murphygrantland.com; jlay@gwblawfirm.com; malay@lawhssm.com; cem@swblaw.com; jruggeri@ruggerilaw.com; eparks@ruggerilaw.com; arolain@ruggerilaw.com; ejones@gwblawfirm.com; ian.ford@fordwallace.com; Ainsley.tillman@fordwallace.com; ljones@gwblawfirm.com; mha@swblaw.com; acraig@windelsmarx.com; vrawl@grsm.com; kmettler@gwblawfirm.com; kedrington@gwblawfirm.com; sbook@gwblawfirm.com; pwooten@duffyandyoung.com; bduffy@duffyandyoung.com; robinspitz@piercesloan.com; ljordan@gwblawfirm.com; brady.edwards@morganlewis.com; sasmith@grsm.com; ljoyner@gwblawfirm.com; thawkins@robinsongray.com; jo.lyons@nelsonmullins.com; jcobb@gwblawfirm.com; todd.carroll@wbd-us.com; wbd.scasbestos@wbd-us.com; elizabeth.oneill@wbd-us.com; jhansen@gwblawfirm.com; hlee@steptoe.com; rgoetz@omm.com; znoorani@omm.com; joe@shenkar-law.com; mia@shenkar-law.com; mshisko@johnbwhitelaw.com; glynch@johnbwhitelaw.com; cjones@johnbwhitelaw.com; nrice@johnbwhitelaw.com; jacquese.gray@bowmanandbrooke.com; jo.lyons@nelsonmullins.com; Robert.Sumner@butlersnow.com; Jay.Berly@butlersnow.com; Lindsay@rplegalgroup.com; nancy.patterson@morganlewis.com; rcavalchire@nexsenpruet.com; srusso@mcguirewoods.com; dargabright@mcguirewoods.com; mflynn@collinsandlacy.com; hmcmaster@collinsandlacy.com; cstegmaier@collinsandlacy.com; jimkoutrakos@callisontighe.com; harrydixon@callisontighe.com; pdp@rplegalgroup.com; dharris@goldbergsegalla.com; byntema@goldbergsegalla.com; rwroten@duanemorris.com; gmforan@duanemorris.com; reli@duanemorris.com; dwalulik@fbtlaw.com; erik@hmp-law.com; kevin.hall@wbd-us.com; kenneth.pfaehler@dentons.com; drew.marrocco@dentons.com; nick.petts@dentons.com; keith.moskowitz@dentons.com; sandra.kaczmarczyk@morganlewis.com; bnes@morganlewis.com; jwhite@johnbwhitelaw.com; steven.luxton@morganlewis.com; ashuler@burr.com; landrews@burr.com; scott.schutte@morganlewis.com; rgoetz@omm.com; znoorani@omm.com; Glee.Henderson@bowmanandbrooke.com; pjones@duffyandyoung.com; alegary@grsm.com; vrawl@grsm.com; alegary@grsm.com; wblount@grsm.com; Seth.Erickson@troutman.com; tom.blair@troutman.com; sasmith@grsm.com; <Glee.Henderson@bowmanandbrooke.com; santellep@whiteandwilliams.com; walshr@whiteandwilliams.com

March 27, 2023

s/ Joseph Y. Shenkar
Joseph Y. Shenkar, Esq.
The Joseph Y. Shenkar Law Firm, P.C.

EXHIBIT P

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

Southern Insulation, Inc., through its Receiver, Peter D. Protopapas,

Plaintiff,

vs.

OneBeacon Insurance Group, Ltd. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); R.V. Chandler & Associates, Inc.; Chandler Rental Properties, Inc.; Thomas S. Chandler; Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; Gene N. Norville; the South Carolina Property and Casualty Insurance Guaranty Association; Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually.

Defendants.

Civil Action No: 3:22-cv-01308-MGL

TREBUCHET INVESTMENTS LIMITED, TREBUCHET GROUP HOLDINGS LIMITED (F/K/A ARMOUR GROUP HOLDINGS LIMITED), AND TREBUCHET US HOLDINGS, INC.'S MEMORANDUM IN SUPPORT OF THEIR MOTION TO DISMISS PLAINTIFF'S SECOND AMENDED COMPLAINT

TABLE OF CONTENTS

INTRODUCTION 1

PLAINTIFF'S FACTUAL ALLEGATIONS 2

STANDARD OF REVIEW 4

ARGUMENT 5

I. PLAINTIFF'S CLAIMS IMPERMISSIBLY INTRUDE UPON THE EXCLUSIVE AUTHORITY OF BEDIVERE'S LIQUIDATOR. 5

A. Because Pennsylvania and South Carolina are "reciprocal states," South Carolina courts must defer to Pennsylvania's liquidation process. 6

B. The March 2021 Liquidation Order grants the Liquidator exclusive authority to pursue any and all claims on behalf of Bedivere and its creditors. 8

C. Plaintiff's claims against the Trebuchet Corporate Defendants intrude upon the exclusive authority of Bedivere's Liquidator. 9

i. Each of Plaintiff's claims against the Trebuchet Corporate Defendants are derivative of harm to Bedivere and/or common to all creditors. 10

ii. Plaintiff's claims intrude on the Liquidator's exclusive authority and must be dismissed. 12

II. THIS COURT LACKS PERSONAL JURISDICITION OVER THE TREBUCHET CORPORATE DEFENDANTS. 15

A. Plaintiff Does Not Allege Any Facts Establishing Personal Jurisdiction Over the Trebuchet Corporate Defendants. 15

B. Plaintiff's Alter Ego-Related Claims Do Not Establish Personal Jurisdiction Over the Trebuchet Corporate Defendants. 16

III. BEDIVERE, THROUGH ITS LIQUIDATOR, IS AN INDISPENSIBLE PARTY UNDER FEDERAL RULE OF CIVIL PROCEDURE 19 19

CONCLUSION 22

TABLE OF AUTHORITIES

Cases

A.P.I., Inc. v. Home Ins. Co., 706 F.Supp.2d 926 (D. Minn. 2010) 13
Avikian v. WTC Fin. Corp., 98 Cal. App. 4th 1108 (Cal. App. 4th 2002) 12
Bailey v. Deutsche Bank Trust Co., No. DKC 13–0144, 2013 WL 2903498 (D. Md. June 12, 2013) 20
Barnhardt Marine Ins., Inc. v. New England Intern. Sur. of America, Inc., 961 F.2d 529 (5th Cir. 1992) 12
Bartfield v. Murphy, 578 F. Supp. 2d 638 (S.D.N.Y. 2008) 21
Belimed, Inc. v. Bleecker, No. 2:22-cv-00891, 2022 WL 939819 (D.S.C. Mar. 29, 2022) 15
Boedeker v. Rogers, 746 N.E.2d 625 (Ohio App. 8th Dist. 2000) 12, 15
Brooklyn Union Gas Company v. Century Indemnity Company, No. 403087/2002, 2005 N.Y. Slip Op. 30325 (N.Y. Sup. Ct. Jan. 10, 2005) 14
Builder Mart of Am., Inc. v. First Union Corp., 349 S.C. 500, 563 S.E.2d 352 (Ct. App. 2002) 17
Christian World Adoption, Inc. v. Hawley & Assocs., LLC, No. 2:12–cv–2126, 2012 WL 13005827 (D.S.C. Nov. 20, 2012) 15
Consolidated Edison Company v. American Home Insurance Company, No. 600527/01, Slip Op. (N.Y. Sup. Ct. Mar. 29, 2005) 14
Corcoran v. Frank B. Hall & Co., Inc., 149 A.D.2d 165 (N.Y. App. Dep't 1989) 12
Drury Dev. Corp. v. Foundation Ins. Co., 380 S.C. 97, 668 S.E.2d 798 (2008) 16, 18
Essex Ins. Co. v. Miles, No. 10–3598, 2010 WL 5069871 (E.D. Pa. Dec. 3, 2010) 18
Fancy That! Bistro & Catering, LLC v. Sentinel Ins. Co., Ltd., No. 3:20-cv-2382, 2021 WL 4804974 (D.S.C. Oct. 14, 2021) 17
Farmer v. Monsanto Corp., 353 S.C. 553, 579 S.E.2d 325 (2003) 17
Four Star Ins. Agency, Inc. v. Hawaiian Elec. Indus., Inc., 974 P.2d 1017 (Hawai'i 1999).. 12, 14
Gunvor SA v. Kayablian, 948 F.3d 214 (4th Cir. 2020) 19, 21
Hawkins v. i-TV Digitalis Tavkozlesi zrt., 935 F.3d 211 (4th Cir. 2019) 4
J.R. v. Walgreens Boots Alliance, Inc., 470 F. Supp. 3d 534 (D.S.C. 2020) 4, 16, 17
Jurimex Kommerz Transit G.m.b.H. v. Case Corp., 201 F.R.D. 337 (D. Del. 2001) 20
Kelly v. Linn, No. 20-cv-00334, 2021 WL 4198392 (N.D. Okla. Sept. 15, 2021) 20
Kinney v. Bartholomew, No. 5:20-cv-5083, 2020 WL 4760152 (W.D. Ark. Aug. 17, 2020) 21
Koken v. Fidelity Mut. Life Ins. Co., 803 A.2d 807 (Pa. Commw. 2002) 9, 14
Matter of Liquidation of Am. Mut. Liability Ins. Co., 632 N.E.2d 1209 (Mass. 1994) 14
Nat'l Union Fire Ins. Co. of Pittsburgh, PA v. Rite Aid of S.C., Inc., 210 F.3d 246 (4th Cir. 2000) 20
Oakley v. Coast Professional, Inc., No. 1:21-00021, 2021 WL 4806730 (S.D. W.Va. Oct. 14, 2021) 18
OneCommand, Inc. v. Beroth, No. 1:12–cv–471, 2012 WL 3755614 (S.D. Ohio Aug. 29, 2012) 20
Pertuis v. Front Roe Restaurants, Inc., 423 S.C. 640, 817 S.E.2d 273 (2018) 17
Receiver for Rex Venture Group, LLC v. Banca Comerciala Victoriabank SA, 843 Fed. App'x 485 (4th Cir. 2021) 15
Robinson v. Am. Honda Motor Co., Inc., 551 F.3d 218 (4th Cir. 2009) 4
Roper v. TAP Pharm. Prods., Inc., No. 6:11–2204, 2012 WL 2974912 (D.S.C. Jul. 20, 2012). 17

Salley v. Heartland-Charleston of Hanahan, SC, LLC, 2:10–cv–00791, 2010 WL 5136211 (D.S.C. Dec. 10, 2010) 17
Schiff v. ZM Equity Partners, LLC, No. 19-cv-4735, 2020 WL 5077712 (S.D.N.Y. Aug. 27, 2020) 21
SD3, LLC v. Black & Decker (U.S.) Inc., 801 F.3d 412 (4th Cir. 2015) 18
Teamsters Local Union No. 171 v. Keal Driveaway Co., 173 F.3d 915 (4th Cir. 1999) 4, 19
Toney v. SSC Sumter East Operating Co., LLC, No. 3:19-3226, 2020 WL 12744577 (D.S.C. Apr. 29, 2020) 17
Tribune Co. v. Swiss Reinsurance Am. Corp., No. 02 C 4772, 2003 WL 22282465 (N.D. Ill. Sept. 30, 2003) 21
Victoria Select Ins. Co. v. D. Ortiz Co., Inc., No. 16-cv-165, 2016 WL 9308330 (E.D. Va. May 26, 2016) 20
Williams v. Northwestern Sec. Life Ins. Co., 307 S.C. 46, 415 S.E.2d 809 (1992) 8
Wright v. Waste Pro USA Inc., No. 2:17-CV-02654, 2019 WL 3344040 (D.S.C. July 25, 2019) 17

Statutes

40 P.S. § 221.1 6
40 P.S. § 221.23 7
40 P.S. § 221.26 7
40 P.S. § 221.28 13
40 P.S. § 221.55 7
S.C. Code Ann. § 36-2-803 ..... 15, 16
S.C. Code Ann. § 38-27-10 7
S.C. Code Ann. § 38-27-400 7
S.C. Code Ann. § 38-27-430 7
S.C. Code Ann. § 38-27-930 7
S.C. Code. Ann. § 38-27-30 7

Rules

Rule 12(b)(2), Fed. R. Civ. P. 4
Rule 12(b)(6), Fed. R. Civ. P. 4
Rule 12(b)(7), Fed. R. Civ. P. 4, 19
Rule 19, Fed. R. Civ. P. 1, 19

Other Authorities

1 Couch on Ins. § 5:12 (2021) 5
1 Couch on Ins. § 5:17 (2021) 5, 6
18 CORPUS JURIS SECUNDUM, Corporations § 39 (2022) 17

INTRODUCTION

Through this suit, Plaintiff Southern Insulation, Inc. ("Southern"), through its Receiver, Peter D. Protopapas ("Plaintiff"), attempts to do what many creditors of insolvent insurers only dream of: skip past the statutory liquidation process and secure direct access to the insurer's assets. This is not simply procedurally improper—though, of course, it *is* improper—it is also inequitable. Taken at face value, each of Plaintiff's claims is predicated on purported injuries to Bedivere Insurance Company in Liquidation ("Bedivere"), not Plaintiff. Those claims belong to Bedivere's Liquidator. To the extent *Plaintiff* can claim injury, it is merely the byproduct of Bedivere's insolvency and thus indistinguishable from the injuries sustained by Bedivere's other creditors and policyholders. Those claims, too, are the Liquidator's to assert. As a result, allowing Plaintiff's suit to proceed will only frustrate the orderly and equitable distribution of Bedivere's assets and, by extension, a statutory liquidation framework dependent on interstate cooperation, comity, and reciprocity.

Even if this were not the case, however, Plaintiff's claims against Trebuchet Investments Limited ("Trebuchet Investments"), Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited) ("Trebuchet Group"), and Trebuchet US Holdings, Inc. ("Trebuchet US") (collectively, "the Trebuchet Corporate Defendants") would still require dismissal. First, Plaintiff's reach exceeds South Carolina's jurisdictional grasp. His Second Amended Complaint ("SAC") establishes no colorable basis for personal jurisdiction over any of the Trebuchet Corporate Defendants, none of whom are alleged to have any direct contact with the forum. Second, although Plaintiff asserts claims that implicate Bedivere's rights, obligations, and assets, neither Bedivere nor its Liquidator is a party to this suit. This failure to join an indispensable party violates Federal Rule of Civil Procedure 19. For each of these reasons, dismissal is warranted.

PLAINTIFF'S FACTUAL ALLEGATIONS

Southern was a South Carolina corporation, incorporated in 1967, with its principal place of business in South Carolina. *See* SAC, Docket No. 1-1, at ¶ 22. In or around December 1991, faced with a wave of asbestos lawsuits by plaintiffs "allegedly exposed to or harmed by asbestos by Southern's conduct" over the prior quarter-century, the company was administratively dissolved. *Id.* at ¶¶ 23-24. Plaintiff alleges that, at the time of its dissolution, Southern was insured under a policy written by Potomac Insurance Company ("Potomac"), covering general liability, defense, and indemnity. *Id.* at ¶ 27. Although Plaintiff states that he "has evidence that establishes the terms of the policies" between Southern and Potomac, those terms are not identified in the SAC. *Id.* at ¶ 33. In 2019, nearly thirty years after Southern's dissolution, Peter D. Protopapas was appointed as its receiver by Hon. Jean H. Toal. *Id.* at ¶ 1.

Defendant Trebuchet US is a business corporation incorporated under the laws of Delaware with a principal place of business in Philadelphia, Pennsylvania. *Id.* at ¶ 13. It is a 100% owned subsidiary of Trebuchet Investments. *Id.* Trebuchet Investments and Trebuchet Group are both organized under the laws of Bermuda. *Id.* at ¶¶ 14-15.

According to Plaintiff, in the intervening decades between Southern's dissolution and Protopapas' appointment as receiver, Potomac went through a number of changes, including its name. *Id.* at ¶ 29. By 2014, Plaintiff alleges, Potomac had been renamed "OneBeacon Insurance Company" and existed as the "direct or indirect wholly owned subsidiary" of an unnamed "OneBeacon" entity. *Id.* In December 2014, OneBeacon Insurance Company was sold to Trebuchet US. *Id.* Not long after its sale, OneBeacon Insurance Company became Bedivere. *Id.*

Much of Plaintiff's SAC addresses actions (including "asset stripping") allegedly taken by "OneBeacon" toward OneBeacon Insurance Company in the years prior to its sale to Trebuchet US. Plaintiff does not allege that the Trebuchet Corporate Defendants, individually or together,

played any role in OneBeacon's allegedly illicit activities. *Id.* at ¶¶ 35-59. By contrast, Plaintiff's allegations against the Trebuchet Corporate Defendants involve events occurring approximately six years later: the Commonwealth-regulated and Commonwealth-approved merger between Bedivere and three other insurers, Employers' Fire Insurance Company ("EFIC"), Lamorak Insurance Company ("Lamorak"), and Potomac Insurance Company ("Potomac II"), in 2020. *Id.* at ¶¶ 56, 61-65.[1] As Plaintiff acknowledges, Bedivere's merger was submitted to the Pennsylvania Insurance Department for approval and its application was publicly noticed in the Pennsylvania Bulletin. *Id.* at ¶¶ 66-68. The Department subsequently approved the merger on December 9, 2020. *Id.* at ¶ 75.

According to Plaintiff, the merger left Bedivere undercapitalized. *Id.* at ¶¶ 74, 76. When Lamorak faced a significant asbestos-related judgment three months after the merger, Bedivere was rendered insolvent. *Id.* at ¶¶ 76-78. On February 25, 2021, the respective boards of Bedivere and Trebuchet US, its sole shareholder, unanimously consented to entry of an order of liquidation. *Id.* at ¶ 79. On March 2, 2021, Pennsylvania Insurance Commissioner Jessica Altman petitioned the Commonwealth Court for an Order of Liquidation. *Id.* Nine days later, on March 11, the petition was granted. *Id.* at ¶ 80.

Plaintiff's claims against the Trebuchet Corporate Defendants are predicated entirely on this merger and Bedivere's subsequent liquidation. He asserts that the additional obligations arising from Bedivere's merger overwhelmed its reserves, resulting in Bedivere's liquidation and a failure to pay policyholders' claims. *Id.* at ¶¶ 81, 88. Plaintiff does not allege that *any* Trebuchet Corporate Defendant, *at any time*, directed *any* action at Southern individually and/or specifically.

[1] Although the SAC refers to "asset stripping" in the heading to allegations against the Trebuchet Corporate Defendants, the subsequent paragraphs do not allege the Trebuchet Corporate Defendants actually "stripped" any assets. *See* SAC, at ¶¶ 60-90.

STANDARD OF REVIEW

"When personal jurisdiction is addressed under Rule 12(b)(2) without an evidentiary hearing, the party asserting jurisdiction has the burden of establishing a *prima facie* case of jurisdiction." *Hawkins v. i-TV Digitalis Tavkozlesi zrt.*, 935 F.3d 211, 226–27 (4th Cir. 2019). "In considering the challenge on such a record, the court must construe all relevant pleading allegations in the light most favorable to the plaintiff, assume credibility, and draw the most favorable inferences for the existence of jurisdiction,'" but "need not 'credit conclusory allegations or draw farfetched inferences.'" *J.R. v. Walgreens Boots Alliance, Inc.*, 470 F. Supp. 3d 534, 545 (D.S.C. 2020) (citations omitted).

To survive a Rule 12(b)(6) challenge, a plaintiff's factual allegations must be substantial enough "to raise a right to relief above the speculative level" and "state a claim to relief that is plausible on its face.'" *Robinson v. Am. Honda Motor Co., Inc.*, 551 F.3d 218, 222 (4th Cir. 2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007)). In determining whether this standard has been met, a court must construe the "factual allegations in the non-moving party's favor" and "treat them as true" but "is not bound by the complaint's legal conclusions." *Id.*

Finally, consideration of a Rule 12(b)(7) motion, which seeks dismissal for failure to join a party deemed indispensable under Federal Rule of Civil Procedure 19, requires "a two-step inquiry: first, whether a party is necessary to a proceeding because of its relationship to the matter under consideration; and second, if a necessary party is unavailable, whether the proceeding can continue in that party's absence." *Teamsters Local Union No. 171 v. Keal Driveaway Co.*, 173 F.3d 915, 917–18 (4th Cir. 1999). If a party is indispensable but cannot be joined, dismissal is required. *Id.* The Fourth Circuit has cautioned that this analysis should be "pragmatic" and dismissal "should be employed only sparingly." *Id.*

ARGUMENT

Although the Trebuchet Corporate Defendants move to dismiss Plaintiff's Second Amended Complaint under three different provisions of Rule 12, each argument is a response to the same underlying issue: Plaintiff's attempt to circumvent Pennsylvania's statutory insurer liquidation process. As explained more fully below, Plaintiff's claims against the Trebuchet Corporate Defendants are not Southern's to assert. Under Pennsylvania law, as elsewhere, only Bedivere's Liquidator is authorized to bring them.

Even if Plaintiff's claims were not so foreclosed, however, dismissal would still be proper. The SAC fails to make out a *prima facie* case for this Court's personal jurisdiction over the Trebuchet Corporate Defendants. And, because Plaintiff seeks to assert claims on Bedivere's behalf, litigate Bedivere's rights and obligations under its insurance policies, and/or attach Bedivere's assets, Bedivere's Liquidator is an indispensable party to this litigation. If the Liquidator cannot be joined, Plaintiff's suit should be dismissed.

I. PLAINTIFF'S CLAIMS IMPERMISSIBLY INTRUDE UPON THE EXCLUSIVE AUTHORITY OF BEDIVERE'S LIQUIDATOR.

It is axiomatic that the liquidator of an insolvent insurer "represents both the company and its creditors" and is broadly authorized to "exercise the rights of…the insurer's 'policyholders, the beneficiaries under the policies, the creditors, and the public interest in the enforcement of the insurance law applicable to the policies of an insolvent company.'" 1 Couch on Ins. § 5:12 (2021) (attached hereto as Exhibit A). As representative to both the insolvent insurer and those with claims against it, a liquidator may "maintain such suits as the directors of the insolvent insurer might have maintained" and "sue on behalf of the insolvent insurer's policyholders and creditors where the injuries suffered are to all policyholders (creditors) and where the 'objective' is to increase the assets of the estate of the insolvent insurer." 1 Couch on Ins. § 5:17. Ex. A.

The question posed by Plaintiff's suit is whether Southern's alleged downstream injuries entitle *Southern,* as a putative Bedivere policyholder, to pursue its own recovery for harm allegedly imposed on Bedivere. The answer is emphatic: "no." Statutory prohibitions, public policy, principles of comity, and a wealth of authority all confirm that Plaintiff's claims against the Trebuchet Corporate Defendants are foreclosed by Bedivere's on-going liquidation. Because Plaintiff's causes of action against the Trebuchet Corporate Defendants are (i) predicated on purported injuries to Bedivere, (ii) affect all creditors and policyholders equally, and/or (iii) implicate Bedivere's assets, they belong solely to Bedivere's Liquidator. In other words, Plaintiff's pursuit of his claims can only proceed at the expense of Bedivere's estate, Plaintiff's fellow policyholders and creditors, and the public at large.

A. Because Pennsylvania and South Carolina are "reciprocal states," South Carolina courts must defer to Pennsylvania's liquidation process.

Plaintiff's suit implicates two of the primary policy rationales underlying Pennsylvania's insurer insolvency laws: the "equitable apportionment of any unavoidable loss" and "lessening the problems of interstate rehabilitation and liquidation by facilitating cooperation between states in the liquidation process." 40 P.S. § 221.1. In furtherance of these policies, Pennsylvania bestows liquidators with broad authority; they can hold hearings, compel attendance, subpoena witnesses, administer oaths, collect debts "wherever located," conduct sales of property, and enter into contracts. *Id.*

Such powers would be virtually meaningless, however, if liquidators were not also authorized to engage in the litigation necessary to secure, stabilize, and increase an insolvent insurer's assets. 1 Couch on Ins. § 5:17 (Ex. A). Thus, Pennsylvania liquidators may litigate "any and all suits and other legal proceedings, in this Commonwealth or elsewhere," "institute timely action in other jurisdictions," and pursue "any action which may exist in behalf of the creditors,

members, policyholders or shareholders of the insurer against any officer of the insurer, or any other person." 40 P.S. § 221.23.

These provisions, when combined with a statutory prohibition on litigation *against* insolvent insurers, 40 P.S. § 221.26(a), operate as both a sword and a shield, preventing collateral attacks on the liquidated estate while simultaneously allowing receivers to pursue litigation they deem essential to their task. Similar provisions can be found in most states, including South Carolina's Insurance Rehabilitation and Liquidation Act, S.C. Code Ann. § 38-27-10 *et seq.* ("IRLA"). *See* S.C. Code. Ann. § 38-27-30 (noting twin purposes of "equitable apportionment" and "lessening the problems of interstate liquidation"); S.C. Code Ann. § 38-27-400 (detailing similar powers of liquidator); S.C. Code Ann. § 38-27-430 (prohibiting new litigation). Notably, both Pennsylvania and South Carolina expressly acknowledge the crucial role of comity and reciprocity to any successful liquidation process. *Compare* 40 P.S. § 221.55 ("The domiciliary liquidator of an insurer domiciled in a reciprocal state shall be vested by operation of law with the title to all of the property, contracts and rights of action, and all of the books, accounts and other records of the insurer located in this Commonwealth."); S.C. Code Ann. § 38-27-930 ("The domiciliary liquidator of an insurer domiciled in a reciprocal state is…vested by operation of law with the title to all of the assets, property, contracts and rights of action, agents' balances, and all of the books, accounts, and other records of the insurer located in this State.").

In keeping with this spirit of cooperation, South Carolina's IRLA commands that South Carolina courts grant "full faith and credit" to foreign "injunctions against the liquidator or the company or the continuation of existing actions against the liquidator or the company, when the injunctions are included in an order to liquidate an insurer issued pursuant to corresponding provisions in other states." S.C. Code Ann. § 38-27-430; *see also Williams v. Northwestern Sec.*

Life Ins. Co., 307 S.C. 462, 465, 415 S.E.2d 809, 810 (1992) (explaining that, under S.C. Code Ann. § 38-27-430, when "another state under corresponding provisions issues a liquidation order, South Carolina must give full faith and credit to an injunction contained within that order.").

B. The March 2021 Liquidation Order grants the Liquidator exclusive authority to pursue any and all claims on behalf of Bedivere and its creditors.

Bedivere's March 11, 2021 Order of Liquidation, issued by Pennsylvania's Commonwealth Court, falls squarely within the four corners of the "interstate affairs" and "reciprocity" provisions of South Carolina's IRLA. The Order "vests" the Liquidator with all of Bedivere's assets, including any litigation rights, while staying any and all litigation that could infringe upon the company's *res*. Four provisions of the Order are illustrative. First, Paragraph 4 states that:

> The Liquidator is vested with title to all property, assets, contracts and rights of action (assets) of Bedivere of whatever nature and wherever located, whether held directly or indirectly, as of the date of filing of the Petition for Liquidation.

3/11/21 Order (attached as Exhibit B).[2] Second, Paragraph 13 states that:

> Unless the Liquidator consents thereto in writing, no action at law or in equity, including, but not limited to, an arbitration or mediation, the filing of any judgment, attachment, garnishment, lien or levy of execution process against Bedivere or its assets, shall be brought against Bedivere or the Liquidator or against any of their employees, officers or liquidation officers for acts or omissions in their capacity as employees, officers or liquidation officers of Bedivere or the Liquidator, whether in this Commonwealth or

[2] It also states that "[a]ll assets of Bedivere are hereby found to be *in custodia legis* of this Court and this Court asserts jurisdiction as follows: (a) *in rem* jurisdiction over all assets wherever they may be located and regardless of whether they are held in the name of Bedivere or in any other name; (b) exclusive jurisdiction over all determinations as to whether assets belong to Bedivere or to another party; (c) exclusive jurisdiction over all determinations of the validity and amounts of claims against Bedivere; and (d) exclusive jurisdiction over the determination of the priority of all claims against Bedivere." Ex. B, 3/11/21 Liquidation Order, ¶ 4.

> elsewhere, nor shall any such existing action be maintained or further prosecuted after the effective date of this Order.

Id. at ¶ 13. Third, that same paragraph also stays all litigation against Bedivere:

> All above-enumerated actions currently pending against Bedivere in the courts of the Commonwealth of Pennsylvania or elsewhere are hereby stayed; relief sought in these actions shall be pursued by filing a proof of claim against the estate of Bedivere pursuant to Section 538 of Article V, 40 P.S. § 221.38.

Id. Fourth, and finally, Paragraph 14 broadly enjoins any legal action implicating Bedivere's assets:

> All secured creditors or parties, pledges, lienholders, collateral holder or other persons, claiming secured, priority or preferred interest in any property or assets of Bedivere, are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, attach, dispose of, or exercise, purported rights in or against any property or assets of Bedivere except as provided in Section 543 of Article V, 40 P.S. § 221.43.

Id. at ¶ 14. Together, these provisions confirm the Liquidator's possession of any and all "assets" of Bedivere, including "rights of action" necessary to secure or recover Bedivere's assets for the benefit of its creditors. If, as Plaintiff alleges, the Trebuchet Corporate Defendants contributed to Bedivere's insolvency, then the Liquidator (and only the Liquidator) can seek to claw back any misappropriated funds. Plaintiff's right to these claims and that recoupment is no greater than that of any other creditor or policyholder.

C. Plaintiff's claims against the Trebuchet Corporate Defendants intrude upon the exclusive authority of Bedivere's Liquidator.

As a general principle, the only liquidation-related claims *not* subsumed by a liquidator's authority are those that are "separate and distinct" from the harm "suffered by the company or policyholders as a whole." *Koken v. Fidelity Mut. Life Ins. Co.*, 803 A.2d 807, 822 (Pa. Commw. 2002). A review of Plaintiff's claims against the Trebuchet Corporate Defendants, set forth below, confirms they are neither separate nor distinct.

i. Each of Plaintiff's claims against the Trebuchet Corporate Defendants are derivative of harm to Bedivere and/or common to all creditors.

In **Count IV** of the SAC, which asserts a claim for fraudulent conveyance, Plaintiff alleges "[t]he Trebuchet Defendants *caused the assets of Bedivere*…to become subject to the liabilities and obligations of EFIC, Lamorak, and Potomac II," thus "leaving Southern's Insurance Policies without support needed to pay the claims of Southern." SAC, at ¶ 140 (emphasis added). Elsewhere, Plaintiff contends that Bedivere's merger "*caused Bedivere* to incur obligations…without receiving in return equivalent value." *Id.* (emphasis added). This "fraudulent incurrence *by Bedivere* of obligations of the merged companies" could only have damaged Bedivere's policyholders vicariously, "by making it impossible for Bedivere to satisfy its obligations."[3] *Id.* at ¶ 151 (emphasis added).

Count VII of Plaintiff's SAC, alleging civil conspiracy, is similarly derivative and common to all policyholders. Plaintiff alleges that the Trebuchet Corporate Defendants "agreed to and did, in fact, act in concert with the intent of *causing Bedivere* to incur liabilities without receiving equivalent value, thereby *impairing Bedivere's ability* to compensate its claimants" and/or "*encumber[ing] Bedivere* with liabilities, resulting in Bedivere's liquidation." *Id.* at ¶ 161 (emphases added). Only by sending Bedivere into liquidation did this alleged conspiracy injure Plaintiff—along with any other creditors whose claims went unpaid. *Id.* at ¶ 162.

[3] Based on these allegations, Plaintiff asks that the court "attach" the "assets owned by Bedivere prior to the merger" (*id.*), a request that brazenly contravenes the Commonwealth Court's Liquidation Order, which specifically prohibits any "attachment" of Bedivere's assets. Ex. B, 3/11/21 Liquidation Order at ¶ 14 (prohibiting "[a]ll secured creditors or parties, pledges, lienholders, collateral holder or other persons, claiming secured, priority or preferred interest in any property or assets of Bedivere, are hereby enjoined from taking any steps whatsoever to transfer, sell, assign, encumber, *attach*, dispose of, or exercise, purported rights in or against *any property or assets of Bedivere*") (emphasis added).

Count IX, which sounds in negligence, alleges that the Trebuchet Corporate Defendants acted "unreasonably" by (i) "*causing Bedivere* to incur liabilities," (ii) "reviewing and evaluating *Bedivere's existing and future liabilities* at the time of the merger," (iii) "providing inaccurate information to the public and Pennsylvania Insurance Commission *regarding Bedivere's liabilities* and suppressing information about the merger to the public and policyholders," and (iv) "*causing the transfer of liabilities to Bedivere*, which was insufficiently capitalized to support the liabilities of the merged companies, leaving Bedivere with insurance liabilities that were not funded or supported by sufficient assets." *Id.* at ¶ 169(a)-(d) (emphases added). In Plaintiff's own words, the Trebuchet Corporate Defendants' alleged negligence "*caused Bedivere's liquidation*" and, only by extension, Bedivere's "inability to provide Southern the defense and indemnification it was obliged to provide." *Id.* at ¶ 170 (emphasis added).

In **Count XV**, Plaintiff seeks an "accounting" of Bedivere's and defendants' finances, "requir[ing] the Trebuchet Defendants to provide the Receiver with a complete and accurate accounting of all transfers of value, whether monetary or otherwise, *from Bedivere* and incurrence *by Bedivere* of obligations to or for the benefit of the Trebuchet Defendants or their affiliates and of all dilution of assets of Bedivere." *Id.* at ¶ 206 (emphases added).

Even those causes of action that might typically be presumed to be individualized in nature—like Plaintiff's breach of contract (**Count XIII**) or tortious interference with contractual relations (**Count XV**) claims—are, as pled, derivative. Plaintiff's breach of contract claim does not allege that the Trebuchet Corporate Defendants issued Southern's insurance policy or took any action related to coverage. Rather, Plaintiff asserts that the contract was breached by "*Bedivere's* inability to pay" which was, itself, "the direct result of . . . the incurrence of obligations prior to and as part of the Transaction and/or the Merger." *Id.* at ¶ 200. Similarly, Plaintiff asserts that the

Trebuchet Corporate Defendants "interfered" with Southern's insurance policy (**Count XV**) only indirectly, by imposing "obligations" that resulted in Bedivere's insolvency and, later, non-payment of Southern's insurance claims. *Id.* at ¶ 211.

ii. Plaintiff's claims intrude on the Liquidator's exclusive authority and must be dismissed.

Time and again state and federal courts around the country have held that the liquidators of insolvent insurers possess sole and exclusive authority to pursue claims against third-party tortfeasors for alleged harms sustained by an insolvent insurer. This deference is sometimes couched in terms of comity, other times as an issue of standing, but the common denominator is that creditors of an insolvent insurer are not permitted to end-run liquidation proceedings by asserting claims belonging to a statutory liquidator.[4] *Barnhardt Marine Ins., Inc. v. New England Intern. Sur. of America, Inc.*, 961 F.2d 529, 532 (5th Cir. 1992) (holding that, "in granting the liquidator the power to gather the assets properly within the liquidation, Louisiana law vests the concomitant power to pursue assets in the hands of non-insurers" and thus "[t]he Commissioner is the appropriate party to bring all such claims" and "the [liquidator's] state court is the appropriate forum to exercise jurisdiction over all such claims."); *Four Star Ins. Agency, Inc. v. Hawaiian Elec. Indus., Inc.*, 974 P.2d 1017, 1025 (Hawai'i 1999) (insurance commissioner has "exclusive standing" to assert Plaintiffs' claims "arising out of" the insolvency of three related insurers); *Corcoran v. Frank B. Hall & Co., Inc.*, 149 A.D.2d 165, 171 (N.Y. App. Dep't 1989) (holding that the superintendent of insurance, as liquidator of an insolvent insurance company, has "paramount

[4] Similar logic has been applied in the context of traditional derivative securities actions. *See Avikian v. WTC Fin. Corp.*, 98 Cal. App. 4th 1108, 1116 (Cal. App. 4th 2002) (dismissing claims based on mismanagement in favor of liquidator where plaintiff's losses "were merely incidental to the alleged harm inflicted upon World *and all its shareholders.*"); *Boedeker v. Rogers*, 746 N.E.2d 625, 636 (Ohio App. 8th Dist. 2000) (liquidator must be granted exclusive authority to pursue claims on behalf of insolvent insurer).

and exclusive standing" to assert claims on behalf of the insurance company, its policyholders and creditors against third parties).

Many of these decisions address claims almost identical to Plaintiff's here. In *A.P.I., Inc. v. Home Ins. Co.*, 706 F.Supp.2d 926 (D. Minn. 2010), for instance, an asbestos trust asserted a variety of similar claims—including fraudulent transfer and tortious interference—against Zurich American Insurance Company, Zurich-American Insurance Company of Illinois (together, "Zurich"), and Steadfast Insurance Company, based on Zurich's relationship with Home Insurance Company ("Home"), an insolvent insurer undergoing liquidation in New Hampshire. *Id.* at 929. The *A.P.I.* plaintiff alleged that Zurich had contributed to Home's insolvency through a pattern of mismanagement and misappropriation and thus was "liable for Home's conduct and for Home's obligations under the Home policies." *Id.* Based on substantially similar statutes and orders to those of Pennsylvania and the Commonwealth Court, respectively, the district court dismissed the plaintiff's claims for fraudulent transfer and tortious interference. The New Hampshire liquidation order, it explained, "vest[ed] the Liquidator with exclusive authority" to pursue such claims and prohibited plaintiffs from "recover[ing] damages relating to Home's res, which the Liquidator has sole authority to protect and manage."[5] *Id.* at 937, 939.

In reaching its conclusion, the *A.P.I.* court identified two New York state court decisions addressing the same issue—and the same insurer. In *Brooklyn Union Gas Company v. Century*

[5] To the extent Plaintiff argues that his fraudulent conveyance cause of action is not technically "derivative" because it alleges an injury to creditors rather than Bedivere, it is nonetheless "common to all policyholders" rather than "personal to a particular claimant" and thus equally foreclosed. *A.P.I.*, 706 F. Supp. 2d at 937 (collecting cases). Indeed, as in *A.P.I.*, "the statutory language and the provisions of the Liquidation Order show that [Bedivere's] Liquidator has the exclusive right to bring a fraudulent transfer action on behalf of [Bedivere's] creditors and policyholders." *Id.* at 936; *see also* 40 P.S. § 221.28 (detailing liquidator's authority to police fraudulent transfers).

Indemnity Company, No. 403087/2002, 2005 N.Y. Slip Op. 30325 (N.Y. Sup. Ct. Jan. 10, 2005) (attached as Exhibit C), the trial court dismissed a policyholder's claims against Zurich that likewise alleged a "course of conduct" that "led to the undercapitalization of Home and ultimately to its liquidation and apparent inability to make good on [the plaintiff's] insurance policy." *Id.* at *3. Citing the same statutory language as the court in *A.P.I.*, the New York court explained that allowing the plaintiff's claim to proceed "would undermine the very stay that was instituted by the court ordering the liquidation" and thus the principles of reciprocity imposed by New York law. *Id.* at *6-7. Similarly, in *Consolidated Edison Company v. American Home Insurance Company*, No. 600527/01, Slip Op. (N.Y. Sup. Ct. Mar. 29, 2005), the trial court, citing *Brooklyn Union*, dismissed the plaintiff's claim that Zurich was Home's alter ego and thus "'legally responsible for Home's coverage obligations to plaintiff.'" *Id.* at 2 (attached as Exhibit D). Like the *Brooklyn Union* court, the *ConEd* court looked to New Hampshire law and, affording it "full faith and credit," determined that the foreign liquidation order foreclosed the plaintiff's claim. *Id.* at 3.

These decisions reflect a practical reality: without exclusivity, every liquidation would devolve into a veritable free-for-all, with putative creditors competing to rifle through the pockets of third-party debtors. *See Koken*, 803 A.2d at 822 (noting the need for exclusive authority in insurer rehabilitation because "separate actions in different forums may precipitate a 'race to the courthouse.'"); *Four Star*, 974 P.2d at 1024 (noting that "such a system" would "encourage[ ] creditors to race to the courthouse" frustrating "orderly and equitable" distribution.); *Matter of Liquidation of Am. Mut. Liability Ins. Co.*, 632 N.E.2d 1209, 1214 (Mass. 1994) ("Without the exclusive right in the receiver to settle common claims, resulting litigation could be endless."). Put differently, in order to prevent the liquidation process from "degenerat[ing] into cacophony and

disarray, there can be only one conductor." *Boedeker*, 746 N.E.2d at 636. Here, as in each of the decisions discussed above, the baton belongs to Bedivere's Liquidator, not Plaintiff.

II. THIS COURT LACKS PERSONAL JURISDICITION OVER THE TREBUCHET CORPORATE DEFENDANTS.

A federal court's personal jurisdiction over a nonresident defendant "can be either specific or general." *Belimed, Inc. v. Bleecker*, No. 2:22-cv-00891, 2022 WL 939819, at *3 (D.S.C. Mar. 29, 2022). Plaintiff does not assert that the Trebuchet Corporate Defendants are subject to South Carolina's general jurisdiction, however, relying instead on specific jurisdiction under the state's long-arm statute, S.C. Code Ann. § 36-2-803. *See* SAC, at ¶ 19. A plaintiff seeking to establish specific jurisdiction over a foreign corporation typically must show that: "'(1) such jurisdiction is authorized by the long-arm statute in which the district court sits; and (2) application of the relevant long-arm statute is consistent with the Due Process Clause of the Fourteenth Amendment.'" *Receiver for Rex Venture Group, LLC v. Banca Comerciala Victoriabank SA*, 843 Fed. App'x 485, 490 (4th Cir. 2021) (citation omitted). But, because "South Carolina has interpreted its long-arm statute to extend to the constitutional limits of due process," this first step "is collapsed into the second, and the only inquiry before the court is whether the due process requirements are met." *Christian World Adoption, Inc. v. Hawley & Assocs., LLC*, No. 2:12–cv–2126, 2012 WL 13005827, at *1 (D.S.C. Nov. 20, 2012). Because Plaintiff fails to provide any facts tying the Trebuchet Corporate Defendants to South Carolina, his allegations fail to establish jurisdiction under any standard.

A. Plaintiff does not allege any facts establishing personal jurisdiction over the Trebuchet Corporate Defendants.

Initially, Plaintiff's Complaint does not establish specific jurisdiction over the Trebuchet Corporate Defendants based on any of the eight factors set forth in South Carolina's long-arm

statute. The Trebuchet Corporate Defendants are not alleged to have "transact[ed] business" in South Carolina, to have committed "tortious acts in whole or in part" in South Carolina, to have "caus[ed] injury" in South Carolina "while regularly doing or soliciting business or while engaging in a persistent course of conduct or deriving substantial revenue from goods or services," to have owned property in South Carolina, to have produced goods with the "expectation that those goods [would] be used" in South Carolina, to have "contracted to supply services" in South Carolina, to have "ent[ered] into a contract to be performed in whole or part" in South Carolina, or to have "contracted to insure persons, property, or risk" located in South Carolina. S.C. Code Ann. § 36-2-803. Without some direct nexus between Plaintiff's claims and the Trebuchet Corporate Defendant's activities, Plaintiff cannot make a *prima facie* showing of personal jurisdiction.

B. Plaintiff's alter ego-related claims do not establish personal jurisdiction over the Trebuchet Corporate Defendants.

To the extent Plaintiff intends to argue that personal jurisdiction over the Trebuchet Corporate Defendants is proper based on alter ego or alter ego-adjacent theories, those theories come with a significant caveat: a corporation must "be looked upon as a legal entity until sufficient reason to the contrary appears" and, even then, the doctrines should "not to be applied without substantial reflection." *Drury Dev. Corp. v. Foundation Ins. Co.*, 380 S.C. 97, 101, 668 S.E.2d 798, 800 (2008).

In the context of *jurisdictional* veil-piercing, "sufficient reason" incorporates four elements: "(1) common ownership; (2) financial independence; (3) degree of selection of executive personnel and failure to observe corporate formalities; and (4) the degree of control over marketing and operational policies.'"[6] *J.R.*, 470 F. Supp. 3d at 548 (citing *Builder Mart of Am., Inc. v. First*

[6] Count XI of the SAC also refers to "single business enterprise liability," which was recently adopted by the South Carolina Supreme Court in *Pertuis v. Front Roe Restaurants, Inc.*,

Union Corp., 349 S.C. 500, 511, 563 S.E.2d 352, 358 (Ct. App. 2002));[7] *Wright*, 2019 WL 3344040, at *5 (same). Importantly, "it is essential that all four factors be present with sufficient factual specificity to confer jurisdiction[.]" *J.R.*, 470 F. Supp. 3d at 548; *see also id.* at 549 (holding that plaintiffs' failure to establish that the defendant ignored corporate formalities was "alone…fatal to their [alter ego] arguments.").[8]

Plaintiff's alter ego allegations fall far short of the mark. Initially, Plaintiff does not allege that the Trebuchet Corporate Defendants failed to observe corporate formalities, an essential component of any alter ego claim. *Id.* at 549. And what Plaintiff *does* allege is indiscriminate and conclusory. Predicating his allegations on "information and belief," Plaintiff paints all defendants with the same broad brush, ignoring any factual or structural differences among (i) the unrelated

---

423 S.C. 640, 655, 817 S.E.2d 273, 278 (2018). Perhaps because the doctrine is relatively new in origin, research turned up no cases where South Carolina courts relied on the theory to establish specific jurisdiction. The only courts of this district known to have addressed the issue both concluded that the doctrine applies "only to liability and cannot be relied on to create personal jurisdiction." *Toney v. SSC Sumter East Operating Co., LLC*, No. 3:19-3226, 2020 WL 12744577, at *6 (D.S.C. Apr. 29, 2020) (citing *Wright v. Waste Pro USA Inc.*, No. 2:17-CV-02654, 2019 WL 3344040, at *11 (D.S.C. July 25, 2019)).

[7] The Court of Appeals' decision in *Builder Mart* was overruled on other grounds by *Farmer v. Monsanto Corp.*, 353 S.C. 553, 579 S.E.2d 325 (2003).

[8] *See also Roper v. TAP Pharm. Prods., Inc.*, No. 6:11–2204, 2012 WL 2974912, at *4 (D.S.C. Jul. 20, 2012) (finding no personal jurisdiction where, "other than conclusory allegations regarding Abbott directing TAP's operations, there are no factual allegations or evidence that support Plaintiff's contention that Abbott was the agent, instrumentality, or alter ego of TAP."); *Fancy That! Bistro & Catering, LLC v. Sentinel Ins. Co., Ltd.*, No. 3:20-cv-2382, 2021 WL 4804974, at *4 (D.S.C. Oct. 14, 2021) (rejecting personal jurisdiction because "South Carolina courts have consistently recognized that it is difficult to plead that one entity is the alter ego of another and [plaintiff] has not set forth facts to meet the elements of such a claim"). *Salley v. Heartland-Charleston of Hanahan, SC, LLC*, 2:10–cv–00791, 2010 WL 5136211, at *4 (D.S.C. Dec. 10, 2010) (declining personal jurisdiction and noting that, "[e]ven if this allegation was sufficient to demonstrate a prima facie case for failure to observe corporate formalities, which it almost certainly is not, these are merely 'conclusory allegations' not supported by 'specific facts'"); 18 CORPUS JURIS SECUNDUM, Corporations § 39 (2022) (a plaintiff seeking to establish personal jurisdiction based on veil piercing "must plead facts sufficient to justify disregard of the corporate entity" because "conclusory allegations of control are not sufficient").

OneBeacon and Trebuchet companies or (ii) the three separate Trebuchet Corporate Defendants. *See* SAC, at ¶ 178. In doing so, he eschews concrete facts about the Trebuchet Corporate Defendants' actual corporate structure in favor a laundry list of factors a court might consider as part of a hypothetical veil piercing analysis. *See id.*; *see also SD3, LLC v. Black & Decker (U.S.) Inc.*, 801 F.3d 412, 423 (4th Cir. 2015) (rejecting "naked allegations" that "'all of the corporate subsidiaries are 'dominated by, and are alter egos of'" their corporate parents and dismissing such allegations as mere "legal conclusions" insufficient to satisfy alter ego standard); *Essex Ins. Co. v. Miles*, No. 10–3598, 2010 WL 5069871, at *3 (E.D. Pa. Dec. 3, 2010) (dismissing allegations based on "information and belief" that defendant "failed to observe corporate formalities, intermingled funds, used corporate property for personal expenses, left [a corporation] grossly undercapitalized, and used [the corporation] as a 'façade' or 'alter ego'" as "merely 'a formulaic recitation of the elements of a cause of action' for piercing the corporate veil").[9]

Moreover, because Bedivere is not a party to this action, Plaintiff's alter ego allegations are also deficient as a matter of South Carolina law. As the South Carolina Supreme Court explained in *Drury Development Corp.*, "South Carolina law is clear that plaintiffs attempting to pierce the corporate veil *must state a claim against the corporate entity* in order to proceed on a veil piercing theory." *Drury Dev. Corp.*, 380 S.C. at 103-04, 668 S.E.2d at 801 (emphasis added); *id.* at 104, 668 S.E.2d at 802 (explaining that, "*so long as* the plaintiff has pled facts sufficient to survive a motion to dismiss as to the corporate liability claims and the alter ego claim, the trial court should move forward to determination of both matters") (emphasis added). Bedivere's

[9] *See also Oakley v. Coast Professional, Inc.*, No. 1:21-00021, 2021 WL 4806730, at *5 (S.D. W.Va. Oct. 14, 2021) (rejecting "conclusory" alter ego allegations and citing treatise for proposition that "[c]ourts are increasingly unwilling to accept conclusory allegations of alter ego liability").

absence precludes application of any veil-piercing principles and—by extension—personal jurisdiction over Bedivere's alleged alter egos.

III. BEDIVERE, THROUGH ITS LIQUIDATOR, IS AN INDISPENSIBLE PARTY UNDER FEDERAL RULE OF CIVIL PROCEDURE 19.

As discussed *passim*, Plaintiff seeks to litigate Bedivere's claims for *Southern's* benefit, in Bedivere's absence. Even if this were somehow permitted by South Carolina and Pennsylvania law—it is not—it remains a *practical* impossibility: Bedivere is simply too intertwined with this controversy to remain on the sidelines. Pursuant to Federal Rule of Civil Procedure 19, Bedivere's Liquidator must be joined and, if he cannot be, this case must be dismissed.

Initially, analysis under Rules 12(b)(7) and 19 involves "a two-step inquiry: first, whether a party is necessary to a proceeding because of its relationship to the matter under consideration; and second, if a necessary party is unavailable, whether the proceeding can continue in that party's absence." *Teamsters Local Union No. 171*, 173 F.3d at 917–18. In essence, the first prong requires a court to assess the legal implications of a non-party's absence; the second prong requires it to draw on "equity and good conscience" to determine if a plaintiff's suit should be allowed to continue despite that absence.

From a legal standpoint, Bedivere's presence is clearly required. Two of Plaintiff's claims implicate rights and obligations under an alleged contract to which Southern and Bedivere (but not the Trebuchet Corporate Defendants) are parties—Plaintiff asserts both declaratory judgment and breach of contract claims related to Southern's insurance policy with Bedivere. And, when a claim sounds in contract, "'precedent supports the proposition that a contracting party is the paradigm of an indispensable party[.]'" *Gunvor SA v. Kayablian*, 948 F.3d 214, 221 (4th Cir. 2020); *Victoria Select Ins. Co. v. D. Ortiz Co., Inc.*, No. 16-cv-165, 2016 WL 9308330, at *2 (E.D. Va. May 26,

2016) (insurer was an indispensable party to declaratory judgment action addressing its insurance obligations).[10]

Second, Plaintiff seeks to hold the Trebuchet Corporate Defendants liable for the actions of Bedivere, a subsidiary. "[W]hen a plaintiff seeks to hold a parent company liable for the conduct of the parent's subsidiary, the subsidiary is a necessary and indispensable party under Rule 19." *Jurimex Kommerz Transit G.m.b.H. v. Case Corp.*, 201 F.R.D. 337, 340 (D. Del. 2001); *Bailey v. Deutsche Bank Trust Co.*, No. DKC 13–0144, 2013 WL 2903498, at *4 (D. Md. June 12, 2013) (subsidiary "would seem to be indispensable" in action seeking to hold parent liable for subsidiary's actions).[11]

Third, Plaintiff's assertion of derivative claims on Bedivere's behalf clearly implicates Bedivere's interests because any moneys recovered (or assets attached) on those claims belong, first and foremost, to Bedivere itself. *See Kelly v. Linn*, No. 20-cv-00334, 2021 WL 4198392, at *5 (N.D. Okla. Sept. 15, 2021) (holding that, where "derivative claims in this matter actually

[10] *See also OneCommand, Inc. v. Beroth*, No. 1:12–cv–471, 2012 WL 3755614, at *2 (S.D. Ohio Aug. 29, 2012) ("[i]n general, the indispensable parties in a breach of contract action are the parties to the contract"). This takes on added significance because, as Plaintiff has acknowledged, Plaintiff has submitted a claim under the same policy in the Bedivere liquidation. *See* Docket No. 1-5. *See Nat'l Union Fire Ins. Co. of Pittsburgh, PA v. Rite Aid of S.C., Inc.*, 210 F.3d 246, 252 (4th Cir. 2000) (finding insured to be necessary party where parallel litigation could result in conflicting rulings on coverage).

[11] Plaintiff's alter ego claim does not change this conclusion. Even assuming Bedivere *was* an alter ego of the Trebuchet Corporate Defendants at some point (it was not), that is no longer the case now—as of March 11, 2021, the Liquidator has exclusive possession and control over Bedivere's "property, assets, contracts, and rights of action." *See* Ex. B, 3/11/21 Liquidation Order, ¶ 4. Although the court in *Drury Development Corp.* did not address whether the liquidator's presence as a party was indispensable, as a practical matter *Plaintiff's* alter ego claim indisputably requires the Liquidator's participation. After all, Plaintiff intends to litigate issues related to Bedivere's corporate form, its contracts, and its putative injuries at the hands of the Trebuchet Corporate Defendants. The Liquidator's custody over the materials necessary to prove Plaintiff's claims (were they capable of proof), the claims Plaintiff asserts, and assets Plaintiff seeks to attach only confirms his indispensability.

belong to [a non-party], the court cannot afford complete relief without [the non-party]" and that non-party "clearly has an interest in the litigation and disposing of the action in its absence would impede its ability to protect that interest."); *Schiff v. ZM Equity Partners, LLC*, No. 19-cv-4735, 2020 WL 5077712, at *13 (S.D.N.Y. Aug. 27, 2020) (where plaintiff "seeks to pursue a derivative action on behalf of non-party [LLC], 'the LLC itself is a necessary party under Rule 19 of the Federal Rules of Civil Procedure'"); *Kinney v. Bartholomew*, No. 5:20-cv-5083, 2020 WL 4760152, at *3 (W.D. Ark. Aug. 17, 2020) (noting Eighth Circuit rule that "in a derivative action commenced on behalf of an entity, the entity itself is a necessary party under Rule 19"); *Bartfield v. Murphy*, 578 F. Supp. 2d 638, 650 (S.D.N.Y. 2008) (holding that non-party was a "necessary party under Rule 19(a) since it has an obvious interest in the derivative claims raised on its behalf, and would be unable in practice to protect that interest if not joined").

Fourth, because Plaintiff seeks to assert claims on behalf of Bedivere, the Trebuchet Corporate Defendants face a real risk of multiple obligations should the Liquidator later seek recovery based on the same claims. *Cf. Tribune Co. v. Swiss Reinsurance Am. Corp.*, No. 02 C 4772, 2003 WL 22282465, at *6 (N.D. Ill. Sept. 30, 2003) (describing order in Pennsylvania liquidation stating that "a reinsurer's payment to a third-party does not diminish the reinsurer's obligation to [the insolvent insurer's] Estate.").

For many of the same reasons described above, allowing Plaintiff's claims against the Trebuchet Corporate Defendants to move forward in the Liquidator's absence will substantially prejudice Bedivere, its creditors, and the Trebuchet Corporate Defendants. *Gunvor SA*, 948 F.3d at 221 (noting that "prejudice" prong of Rule 19(b) "speaks to many of the same concerns addressed by necessity analysis under Rule 12(a)(1)(B)") (citations omitted). Further, given the

highly-imbricated nature of Plaintiff's and Bedivere's rights—as alleged, they are, in many ways, indistinguishable—it is difficult to see how this litigation and any/or resulting award could be tailored to protect the interests of all parties, including Bedivere's. *Id.* (stating that court "could not see how the court could grant the judgment [plaintiff] requests without prejudicing [contracting non-party]"). This is most obvious in Count IV of the SAC, which seeks to remedy harm allegedly inflicted on Bedivere by "attaching" *Bedivere's* assets. SAC, at ¶ 151(1). Finally, to the extent Plaintiff's primary goal is recouping unpaid insurance claims, the Bedivere Liquidation and Pennsylvania's Commonwealth Court have already provided Plaintiff with an alternative to this litigation—as Plaintiff has reported to the state court, Plaintiff has an unresolved claim pending in that proceeding that it filed in December 2021. *See* Docket No. 1-5. Given all of the above, it is clear that Bedivere's Liquidator must be joined and, if he cannot be, then the claims against the Trebuchet Corporate Defendants must be dismissed.

CONCLUSION

For the reasons stated above, the Trebuchet Corporate Defendants respectfully request that this Court grant their motion to dismiss pursuant to Federal Rules of Civil Procedure 12(b)(2), 12(b)(6), and/or 12(b)(7) and dismiss all claims against them.

Respectfully submitted,

HAYNSWORTH SINKLER BOYD, P.A.

By: s/Elizabeth H. Black

Robert Y. Knowlton, D.S.C. No. 2380
Elizabeth H. Black, D.S.C. No. 10088
1201 Main Street, 22nd Floor (29201)
Post Office Box 11889
Columbia, SC 29211-1889
(803) 779-3080
bknowlton@hsblawfirm.com
eblack@hsblawfirm.com

-and-

STRADLEY RONON STEVENS & YOUNG, LLP

Jeffrey D. Grossman, PA ID No. 78337
Spencer R. Short, PA ID No. 322037
Applications for admission *pro hac vice* forthcoming
2005 Market Street, Suite 2600
Philadelphia, PA 19103
(215) 564-8061
jgrossman@stradley.com
sshort@stradley.com

Attorneys for Defendants Trebuchet Investments Limited, Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited), and Trebuchet US Holdings, Inc.

April 29, 2022
Columbia, South Carolina

Received 6/30/2023 4:31:39 PM Commonwealth Court of Pennsylvania

Filed 6/30/2023 4:31:00 PM Commonwealth Court of Pennsylvania
1 BIC 2021

CERTIFICATE OF SERVICE

I, Michael J. Broadbent, hereby certify that on June 30, 2023, I caused to be filed the LIQUIDATOR'S APPLICATION AND PETITION FOR ISSUANCE OF A RULE TO SHOW CAUSE ON THE SOUTHERN INSULATION LITIGATION PARTIES through the Court's PACFile system. I further certify that the LIQUIDATOR'S APPLICATION AND PETITION FOR ISSUANCE OF A RULE TO SHOW CAUSE ON THE SOUTHERN INSULATION LITIGATION PARTIES will be served on the Respondents listed below, and that a copy will be posted on the Bedivere liquidation documents page.

Peter D. Protopapas
RIKARD AND PROTOPAPAS
2110 N Beltline Boulevard
Columbia, SC 29204
As Respondent and for Respondent Southern Insulation Inc.

Paul M. Hummer
SAUL EWING LLP
1500 Market Street, 38th Floor
Philadelphia, PA 19102
Counsel for the Intact Respondents

Steven B. Davis
Jeffrey D. Grossman
STRADLEY RONON STEVENS & YOUNG LLP
2005 Market Street, #2600
Philadelphia, PA 19103
Counsel for the Trebuchet Respondents

/s/ Michael J. Broadbent

RECEIVED
Jul 05 2023
SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM RICHLAND COUNTY
Court of Common Pleas
Jean Hoefer Toal, Chief Justice (Ret.) and Acting Circuit Court Judge
Case No. 2020-CP-40-04385

Appellate Case No. 2023-00252

Southern Insulation, Inc., through its Receiver, Peter D. Protopapas,.....Respondent,

vs.

OneBeacon Insurance Group, Ltd. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); R.V. Chandler & Associates, Inc.; Chandler Rental Properties, Inc.; Thomas S. Chandler; Jean B. Ownbey, as Trustee of the Thomas S. Chandler, Sr. Living Trust u/d 4/06/06; Gene N. Norville; the South Carolina Property and Casualty Insurance Guaranty Association; Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Brad S. Huntington, individually; and John C. Williams, individually, Defendants

Of which OneBeacon Insurance Group, Ltd. (f/k/a White Mountains Insurance Group, Ltd., f/k/a CGU Insurance Company, f/k/a Commercial Union Corporation, f/k/a General Accident Insurance Company of America); OneBeacon Insurance Group LLC (n/k/a Intact Insurance Group USA LLC); Trebuchet US Holdings, Inc.; Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group holdings Limited); Brad S. Huntington, individually; and John C. Williams, are the ..... Appellants.

PROOF OF SERVICE

The undersigned hereby certifies that, on this date, a copy of **Appellants' Joint Motion to Supplement the Record** has been served upon Respondent's counsel listed below via email, as follows:

Matthew T. Richardson, Esquire
Eric B. Amstutz, Esquire
Jessica L. Monsell, Esquire
Wyche, PA
807 Gervais Street, Suite #301
Columbia, SC 29201
Email: mrichardson@wyche.com
Email: eamstutz@wyche.com
Email: jmonsell@wyche.com

Brian M. Barnwell, Esquire
Rikard & Protopapas, LLC
2110 N. Beltline Blvd.
Columbia, SC 29204
Email: bb@rplegalgroup.com

John B. White, Jr., Esquire
Marghretta H. Shisko, Esquire
Harrison White, PC
178 W. Main Street
Spartanburg, SC 29306
Email: jwhite@spartanlaw.com
Email: mshisko@spartanlaw.com

G. Murrell Smith, Jr., Esquire
Jonathan M. Robinson, Esquire
Shanon N. Peake, Esquire
Smith Robinson Holler DuBose Morgan, LLC
2530 Devine Street
Columbia, SC 29205
Email : murrell@smithrobinsonlaw.com
Email : jon@smithrobinsonlaw.com
Email : shanonp@smithrobinsonlaw.com

Attorneys for Respondent Southern Insulation, Inc., through its Receiver, Peter D. Protopapas

CALLISON TIGHE & ROBINSON, LLC

s/ Demetri K. Koutrakos

Demetri K. Koutrakos, SC Bar No. 11318
Harry A. Dixon, SC Bar No. 103509
1812 Lincoln Street, Suite #200 (29201)
P. O. Box 1390
Columbia, SC 29202-1390
Telephone: 803-404-6900
Email: jimkoutrakos@callisontighe.com
Email: harrydixon@callisontighe.com

SAUL EWING LLP

Paul M. Hummer (admitted *pro hac vice*)
Sean T. O'Neill (admitted *pro hac vice*)
Saul Ewing LLP
Centre Square West
1500 Market Street, 38th Floor
Philadelphia, PA 19102-2186
Telephone: 215-972-7777
Email: paul.hummer@saul.com
Email: sean.oneill@saul.com

John A. Basinger (admitted *pro hac vice*)
1270 Avenue of the Americas
New York, NY 10020
Telephone: 212-980-7200
Email: john.basinger@saul.com

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY and POPEO, P.C.
Deirdre G. Johnson (admitted *pro hac vice*)
555 12th Street NW
Suite 1100
Washington, DC 20004
Email: dgjohnson@mintz.com

Attorneys for Appellants Intact Insurance Group USA Holdings Inc. and Intact Insurance Group USA LLC

-and-

HAYNSWORTH SINKLER BOYD, P.A.

s/ Robert Y. Knowlton
Robert Y. Knowlton, S.C. Bar No. 3589
Elizabeth H. Black, S.C. Bar No. 76067
1201 Main Street, 22nd Floor (29201)
Post Office Box 11889
Columbia, SC 29211-1889
Telephone: 803-779-3080
Email: bknowlton@hsblawfirm.com
Email: eblack@hsblawfirm.com

-and-

STRADLEY RONON STEVENS & YOUNG, LLP
Jeffrey D. Grossman, PA ID No. 78337
Application for admission pro hac vice submitted
2005 Market Street, Suite 2600
Philadelphia, PA 19103
Telephone: 215-564-8061
Email: jgrossman@stradley.com

Attorneys for Appellants Trebuchet Investments Limited; Trebuchet Group Holdings Limited (f/k/a Armour Group Holdings Limited); Trebuchet US Holdings, Inc.; Brad S. Huntington, individually; and John C. Williams, individually

July 5, 2023

CALLISON TIGHE

Demetri "Jim" K. Koutrakos - MEMBER
803-404-6900
JimKoutrakos@callisontighe.com

RECEIVED
Jul 05 2023
SC Court of Appeals

July 5, 2023

VIA EMAIL: ctappfilings@sccourts.org
The Honorable Jenny Abbott Kitchings
Clerk of Court
S. C. Court of Appeals
1220 Senate Street
Columbia, SC 29201

RE: Southern Insulation, Inc., through its Receiver, Peter D. Protopapas vs. OneBeacon Insurance Group, Ltd., *et al*.
Appellate Case No. 2023-000252

Dear Ms. Kitchings:

Enclosed herewith please find Appellants' Joint Motion to Supplement the Record, together with the Proof of Service, in the above-referenced matter.

Kindly file the same and return a clocked-in copy to the undersigned via email.

This firm's check in the amount of $50 in payment of the required filing fee will be hand delivered to your office.

Please do not hesitate to contact me with any questions.

With kind regards, I am

Sincerely yours,

CALLISON TIGHE & ROBINSON, LLC

s/ Demetri "Jim" K. Koutrakos

Demetri "Jim" K. Koutrakos

DKK:ksr
Enclosures
8811.001\Appeal\Clerk.004

cc (w/enc.) (via email):
Matthew T. Richardson, Esquire
Eric B. Amstutz, Esquire
Jessica L. Monsell, Esquire
Brian M. Barnwell, Esquire
John B. White, Jr., Esquire
Marghretta H. Shisko, Esquire
G. Murrell Smith, Jr., Esquire
Jonathan M. Robinson, Esquire
Shanon N. Peake, Esquire