

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPREME JUDICIAL COURT
FOR SUFFOLK COUNTY
NO. SJ-2009-0214

COMMISSIONER OF INSURANCE)
)
Plaintiff,)
)
v.)
)
EASTERN CASUALTY INSURANCE)
COMPANY,)
)
Defendant.)

**NOTICE OF TRUSTEE'S MOTION FOR APPROVAL OF A
PLAN OF LIQUIDATION AND DEADLINE FOR OPPOSITION**

TO: ALL PERSONS HAVING CLAIMS AGAINST
EASTERN CASUALTY INSURANCE COMPANY

On April 24, 2012, Joseph G. Murphy, Commissioner of Insurance of the Commonwealth of Massachusetts, as Trustee ("Trustee") of Eastern Casualty Liquidating Trust (the "Trust"), successor to all of the assets and liabilities of Eastern Casualty Insurance Company ("Eastern Casualty"), filed a Motion for Approval (the "Plan Approval Motion") of a Plan of Liquidation (the "Plan") for Eastern Casualty with the Supreme Judicial Court for Suffolk County (the "Court").

Summary of the Plan of Liquidation

The proposed Plan would govern future proceedings in the liquidation of the Trust by providing claim determination procedures for the disposition of proofs of claim against Eastern Casualty, providing a claim amendment deadline for perfecting contingent or unliquidated claims, and specifying the applicable priorities of distribution. The Plan provides for all proofs of claim filed on or before June 9, 2011 to be treated as Timely Filed Proofs of Claim and assigned to one of the following Priority Classes:

- Class 1: Trustee's Expenses of Administration;
- Class 2a: Claims by insureds, the insurance guaranty funds, and persons with a cause of action against an insured for losses within the coverage of and not in excess of the applicable limits of workers' compensation insurance policies;
- Class 2b: Claims by insureds, the insurance guaranty funds, and persons with a cause of action against an insured for losses within the coverage of and not in excess of the applicable limits of insurance policies other than workers' compensation insurance policies;
- Class 3: Claims by insureds and the guaranty funds for unearned premiums under insurance policies;
- Class 4: All claims by the United States of America not within Classes 2a, 2b, and 3;
- Class 5: Compensation of employees (excluding officers) for services rendered within three months prior to June 9, 2010 (not to exceed \$1,000 per employee);
- Class 6: Claims for taxes and debts due to state or local governments that were secured by liens perfected prior to June 9, 2010;
- Class 7: All other claims.

The Trustee will make a determination whether each Timely Filed Proof of Claim will be allowed in its entirety, allowed in part, or denied (although a determination may be deferred if a proof is assigned to a Priority Class below Class 2a). If a claimant has executed an acknowledgement of satisfaction, the proof will be deemed denied without further notice. The Trustee will otherwise notify claimants of such determinations, which will be binding unless the claimant objects within sixty days. In the case of an objection, the Trustee will make a second claim determination. Claimants may object to the Trustee's second claim determination and obtain a hearing before a Special Master to be appointed by

the Court. They may seek review of the Special Master's decision from the Court.

Proofs of claim or other documents attempting to assert a claim filed after June 9, 2011 will be denied as Late Filed Proofs of Claim, unless the Trustee obtains approval of the Court to treat a proof as timely filed. Claimants will be notified of the Trustee's determinations denying proofs as untimely, which will be binding unless the claimant objects within sixty days. The Court will hold a hearing in the event of an objection.

The Trustee will also classify certain proofs of claim as "contingent" or "unliquidated" and notify claimants of that determination. Proofs so classified would need to be perfected by an additional filing confirming and quantifying the claim before the Claim Amendment Deadline, which shall be the date approved for that purpose by the Court. Proofs filed by guaranty funds will be classified as unliquidated and require a filing to the extent such proofs concern open claims.

After all claims have been finally determined, the Trustee will begin making distributions to claimants with allowed claims in accordance with their assigned priority, proceeding to each successive Priority Class only after all allowed claims in the prior classes have been paid in full. If assets are insufficient to pay all claims in a Priority Class in full, each allowed claim within that class will receive an equal percentage distribution.

Your Rights under the Plan

Since the proposed Plan could affect your rights as a creditor, you have the right to file an opposition to the Plan Approval Motion, as outlined below. In the event that you would like to obtain a copy of [INCLUDE ONLY IN PUBLISHED NOTICE: the proposed Plan or] the Trustee's submissions in support of the Motion, you may do so by mailing a written request to the following address:

Margaret L. Hayes, Esq. [phayes@rackemann.com]
Rackemann, Sawyer & Brewster, P.C.
160 Federal Street
Boston, MA 02110

The Plan may be modified during proceedings before the Court on the Motion. If you would like to be notified of the date and time of the hearing on the Plan Approval Motion, you may do so by mailing a written request to the above address.

Any questions concerning the Plan should be directed to counsel for the Trustee identified below. Do not call the Court.

Notice of Deadline for Opposition

By order of the Court, notice is hereby given that any person who wishes to oppose approval of part or all of the Plan must file a written opposition to the Plan Approval Motion, setting forth the basis for such opposition, with the Court on or before Tuesday, July 31, 2012, at the following address:

Clerk's Office
Supreme Judicial Court for Suffolk County
John Adams Courthouse, 1st Floor
One Pemberton Square, Suite 1300
Boston, Massachusetts 02108-1707

A copy of such opposition must also be provided to counsel for the Trustee on or before Tuesday, July 31, 2012, at the following address:

J. David Leslie, Esq.
Rackemann, Sawyer & Brewster, P.C.
160 Federal Street
Boston, Massachusetts 02110

By the Court (Duffly, J.)
/s/ Maura S. Doyle
Clerk

Entered: May 1, 2012