

MAINE BUREAU OF FINANCIAL INSTITUTIONS

IN RE: QUADS TRUST COMPANY CONSERVATORSHIP - ORDER TERMINATING CONSERVATORSHIP AND APPOINTING RECEIVER

WHEREAS, pursuant to 9-B M.R.S.A. § 121, the Maine Bureau of Financial Institutions ("the Bureau") has responsibility for administering the Maine Banking Code, 9-B M.R.S.A. §§ 111 through 1329; and

WHEREAS, pursuant to 9-B M.R.S.A. Chapter 22, the Superintendent of the Maine Bureau of Financial Institutions ("the Superintendent") is required to examine all financial institutions organized under the laws of the State of Maine and may make any inquiries necessary to determine the condition of a financial institution and its compliance with State law; and

WHEREAS, QUADS Trust Company, with a principal place of business located in Frederick, Maryland, is a nondepository trust company organized pursuant to Chapter 121 of the Maine Banking Code and is subject to the supervisory powers of the Superintendent; and

WHEREAS, by his Order of January 31, 2007, a copy of which is annexed hereto and made a part hereof, the Superintendent after examination mandated the conservatorship of QUADS Trust Company; and

WHEREAS, since appointment pursuant to the Superintendent's Order of January 31, 2007, the conservator has sold, transferred or distributed all of the retirement plans committed to his care and otherwise has taken all steps necessary to protect assets of QUADS Trust Company; and

WHEREAS, in the judgment of the Superintendent, the conservatorship of QUADS Trust Company has revealed that QUADS Trust Company is financially incapable of continuing to serve its intended purpose and that further proceedings by QUADS Trust Company would therefore be both hazardous to the public interest and contrary to the interests of its accountholders; and

WHEREAS, pursuant to 9-B M.R.S.A. § 365, the Superintendent is authorized, upon finding that the condition of a financial institution renders its further business hazardous to the public interest or custodial assets, to appoint one or more receivers to liquidate the financial institution,

THEREFORE, it is hereby ORDERED:

1. The conservatorship of QUADS Trust Company under Donald W. Groves as Conservator by the Superintendent's Order dated January 31, 2007, is hereby terminated.
2. Upon notice of this Order, QUADS Trust Company shall cease conducting business and shall surrender control of its affairs of every kind to the Receiver appointed herein.
3. QUADS Trust Company shall be and is in receivership, and Donald W. Groves, Deputy Superintendent of the Maine Bureau of Financial Institutions, shall be and is its Receiver, until QUADS Trust Company is fully liquidated and ceases to exist.
4. Donald W. Groves, as Receiver, shall endeavor promptly to liquidate QUADS Trust Company and may exercise all those powers denominated and authorized by 9-B M.R.S.A. §§ 365 and 367-A, as well as all those powers previously possessed by the Conservator, officers, governing body, incorporators, members and investors of QUADS Trust Company, including the power to employ assistants and counsel, and the power to remove any officer, employee or member of QUADS Trust Company's governing body.
5. Donald W. Groves, as Receiver, shall possess all powers and discretion necessary for the disposition of all real and personal property and records of QUADS Trust Company, including the authority to destroy or otherwise dispose of records in a manner deemed appropriate by him, in his sole discretion.
6. Donald W. Groves, as Receiver, may disaffirm or repudiate any contract or lease to which QUADS Trust Company is a party, fix the rights of claimants, and adjudicate all claims and accounts in any manner consistent with priorities and deadlines established herein.
7. Donald W. Groves, as Receiver, shall have all powers and authority necessary to cause the corporate dissolution of QUADS Trust Company and shall exercise that authority as soon as practicable after the distribution of assets prescribed in ¶ 8 below.
8. Donald W. Groves, as Receiver, shall possess such powers in addition to those set forth herein as the Superintendent may deem necessary for carrying out the lawful, efficient, and expeditious liquidation of QUADS Trust Company, and this ORDER shall be construed liberally to effectuate its purpose and facilitate the exercise of authority by Receiver Donald W. Groves.
8. Pursuant to 9-B M.R.S.A. §§ 365 and 367-A, assets of QUADS Trust Company in receivership shall be distributed in the following priority:
 - a. First, the payment of the costs and expenses of the liquidation;

b. Second, the payment of claims for custodial deposits received by the Receiver of QUADS Trust Company by U.S. mail at 36 State House Station, Augusta, Maine 04333-0036 or by delivery at 122 Northern Avenue, Gardiner, Maine 04345 no later than 5:00 p.m. March 7, 2008, after which all such claims shall be barred;

c. Third, the payment of all debts, claims and obligations owed by the institution, not accorded priority pursuant to sub-paragraphs a and b above, and received by the Receiver of QUADS Trust Company by U.S. mail at 36 State House Station, Augusta, Maine 04333-0036 or by delivery at 122 Northern Avenue, Gardiner, Maine 043451 no later than 5:00 p.m. March 7, 2008, after which all such claims shall be barred;

d. Fourth, the payment of claims received by the Receiver of QUADS Trust Company, after 5:00 p.m. March 7, 2008, but deemed proper in the exercise of discretion by Receiver Donald W. Groves after a showing of extraordinary circumstances justifying late filing, as determined by Receiver Donald W. Groves in his sole discretion;

e. Fifth, the payment of any obligation expressly subordinate to deposits and to claims entitled to the priority established by sub-paragraphs a and b above; and

f. Sixth, payment of any funds remaining to the shareholders of QUADS Trust Company according to their respective interests as determined by Receiver Donald W. Groves in his sole discretion.

Receiver Donald W. Groves may pay interest in the same priority as the claim on which it is based, except that interest may not be paid on any claim until the principal of all claims within the same class and all higher-priority classes has been paid or adequately provided for in full.

9. Subsequent to the corporate dissolution of QUADS Trust Company by Receiver Donald W. Groves, all claims and obligations of QUADS Trust Company not paid theretofore shall be barred in their entirety, without regard to their source, without regard to the reason for nonpayment, and forever.

10. The receivership established by this Order shall continue until QUADS Trust Company is wholly liquidated and ceases to exist by reason of its dissolution.

11. Upon the conclusion of Receivership, Receiver Donald W. Groves shall provide the Superintendent with a report of the final disposition of all assets of QUADS Trust Company, the final disposition of real and personal property of QUADS Trust Company, and the disposition and/or destruction of records of QUADS Trust Company.

By Order and Direction of the Superintendent of the Maine Bureau of Financial

Institutions, effective 5:00 p.m. this 31st day of January 2008 at Gardiner, Maine.

/s/ Lloyd P. LaFountain, III
Lloyd P. LaFountain, III
Superintendent
Maine Bureau of Financial Institutions

Judicial Review

Pursuant to 9-B M.R.S.A. §369, QUADS Trust Company may bring an action challenging the foregoing appointment of a Receiver. Any such action must be brought in the Superior Court of Kennebec County at Augusta, Maine within ten (10) days after publication of this Order.