

MAINE BUREAU OF FINANCIAL INSTITUTIONS
OFFICE OF THE CONSERVATOR OF QUADS TRUST COMPANY

IN RE: QUADS TRUST COMPANY - RECEIVER'S NOTICE OF TERMINATION
OF THE NOMINEE AGREEMENT BETWEEN QUADS SERVICES AND KCB
SERVICES AND COMPANY, LLC

WHEREAS, by a January 31, 2007 Order, the Superintendent of the Maine Bureau of Financial Institutions ("the Superintendent") appointed Donald W. Groves, Deputy Superintendent of the Maine Bureau of Financial Institutions, to be the Conservator of QUADS Trust Company ("QTC"), a Maine non-depository trust company located at 12 West Church Street, Frederick, Maryland; and

WHEREAS, by a January 31, 2008 Order, the Superintendent terminated the Conservatorship of QTC and appointed Deputy Superintendent Donald W. Groves to be the Receiver of QTC ("the Receiver"); and

WHEREAS, pursuant to paragraph 3 of the January 31, 2008 Order, the Superintendent granted the Receiver all the powers denominated and authorized by Title 9-B M.R.S.A. §§ 365 and 367-A, as well as all the powers previously possessed by the Conservator; and

WHEREAS, pursuant to Title 9-B M.R.S.A. § 367-A(3) and paragraph 5 of the January 31, 2008 Order, the Receiver has the authority to disaffirm or repudiate any contract or lease to which QTC is a party; and

WHEREAS, QTC is party to a nominee agreement dated January 6, 1992 with KCB Services and Company, LLP and its members ("KCB"), a Maryland limited liability partnership; and

WHEREAS, pursuant to the terms of the nominee agreement, QTC employs KCB as its nominee or agent for the limited purpose of holding in KCB's name, the stocks, bonds, mutual funds and other assets held in QTC's fiduciary and quasi-fiduciary capacities, including (but not limited to) functions as custodian, administrator, trustee, and investment advisor; and

WHEREAS, the fourth paragraph of the January 6, 1992 nominee agreement states that QTC appoints and employs KCB as its nominee or agent only until the appointment and authority conferred therein shall be revoked; and

WHEREAS, to the best of the Receiver's knowledge, all assets held in KCB's name have been, or will be, transferred to other custodians or QTC accountholders on or before March 31, 2008; and

WHEREAS, to the best of the Receiver's knowledge, KCB was formed by former directors and officers of QTC and conducts no activity other than holding in its name securities or other assets for held by QTC in fiduciary or quasi-fiduciary capacities; and

WHEREAS, QTC is not liable to KCB for any costs, expenses, damages, claims or demands of any kind arising out of the January 6, 1992 nominee agreement; and

WHEREAS, QTC's imminent dissolution will eliminate any justification for the January 6, 1992 nominee agreement and make that agreement null and void; and

WHEREAS, by an Order dated March 14, 2008 and in consideration of circumstances set forth herein and the necessity for an expeditious and proper liquidation of QTC, the Superintendent has approved the Receiver's decision to disaffirm and revoke the January 6, 1992 nominee agreement between QTC and KCB; findings set forth in the Superintendent's March 14, 2008 Order are incorporated by reference herein and made a part hereof;

NOW THEREFORE, in accord with the purposes of QTC's liquidation:

1. The Receiver, under the authority granted by the Superintendent's January 31, 2008 Order; Title 9-B § 367-A(3); and terms of the January 6, 1992 nominee agreement, hereby disaffirms and revokes the nominee agreement between QTC and KCB, effective 5:00 P.M., March 31, 2008, unless an interested party files an objection with the Receiver on or before March 31, 2008;
2. Any objection to revocation of the January 6, 1992 nominee agreement between QTC and KCB must identify with all reasonable specificity the basis for the request not to disaffirm and revoke the agreement;
3. The Receiver, in his sole discretion, shall determine whether a person filing a timely objection to disaffirmation and revocation is an interested party and whether the evidence and arguments contained in the objection warrant postponing revocation of the January 6, 1992 nominee agreement between QTC and KCB, in whole or in part.

By Order and Direction of the Receiver of QTC, this 14th day of March 2008 at Gardiner, Maine.

/s/ Donald W. Groves
Deputy Superintendent
Maine Bureau of Financial Institutions
Receiver of QUADS Trust Company

Appellate Rights

Pursuant to 9-B M.R.S.A. § 363-A(10), any person adversely affected by this Notice and Order may bring an action challenging the foregoing Order in the Superior Court of Kennebec County at Augusta, Maine within ten (10) business days after receiving notice of the Order by any of those means prescribed by 9-B M.R.S.A. § 363-(10)(B).