

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:
	:
OIC RUN-OFF LIMITED and THE LONDON AND	:
OVERSEAS INSURANCE COMPANY LIMITED	:
	:
Debtors in Foreign Proceedings.	:
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In a Case Under Chapter 15
of the Bankruptcy Code
Case No. 15-13054 (SCC)

**ORDER GRANTING RECOGNITION OF FOREIGN MAIN PROCEEDINGS,
PERMANENT INJUNCTION AND RELATED RELIEF**

This matter came before the Court upon the verified petition of Dan Yoram Schwarzmman and Paul Anthony Brereton Evans (the “Petitioners”), in their capacity as the duly authorized foreign representatives, as defined in section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”), of OIC Run-Off Limited (subject to a scheme of arrangement) (“Orion”) and The London and Overseas Insurance Company Limited (subject to a scheme of arrangement) (“L&O,” together with Orion, the “Companies”) for entry of an order granting recognition of foreign main proceedings, a permanent injunction and related relief (the “Verified Petition”). The Court has reviewed and considered, among other things: (i) the Verified Petition;¹ (ii) the statement of Dan Yoram Schwarzmman, in his capacity as foreign representative, made pursuant to section 1515 of the Bankruptcy Code; (iii) the Declaration of Joseph Bahlsen Bannister, English counsel to the Companies, dated November 16, 2015; (iv) the Memorandum of Law in support of the Verified Petition; and (v) the arguments presented at the

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Verified Petition.

hearing held on January 11, 2016. Based on the foregoing, the Court finds and concludes as follows:

1. The Petitioners have demonstrated that:

- (a) the Companies are subject to foreign proceedings within the meaning of section 101(23) of the Bankruptcy Code;
- (b) the Companies are subject to foreign main proceedings within the meaning of section 1502(4) of the Bankruptcy Code;
- (c) the Companies are eligible to be debtors under section 109(a) of the Bankruptcy Code;
- (d) the Petitioners are the foreign representatives of both Companies within the meaning of section 101(24) of the Bankruptcy Code;
- (e) the above-referenced Chapter 15 cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code; and
- (f) the requirements of section 1515 of the Bankruptcy Code are satisfied;

2. The Petitioners have demonstrated that the relief requested, including permanent injunctive relief, is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States and warranted pursuant to section 1521 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 7065;

3. The Petitioners have demonstrated that permanent injunctive relief would not cause any hardships to Scheme Creditors or other parties-in-interest that would not be outweighed by the benefits of such relief and unless a permanent injunction is issued, it appears to this Court that one or more persons or entities may take action that is inconsistent with or in contravention of the terms of the Amending Scheme, thereby interfering with, and causing harm to, the efforts of the Petitioners and the Companies to administer the Companies' estates, and that as a result, the Companies, and their estates and Scheme Creditors will suffer irreparable injury for which there is no adequate remedy at law;

4. The interest of the public will be served by this Court's granting the relief requested by the Petitioners;

5. Service of the Notice of Filing and Hearing on Petitions Seeking Recognition of Foreign Main Proceedings Pursuant to Chapter 15 of the United States Bankruptcy Code in accordance with the Order Limiting Notice, Scheduling Hearing and Specifying the Form and Manner of Service of Notice dated November 19, 2015 is adequate and sufficient notice of the Petitions and the relief requested in the Verified Petition and no further notice of such relief is necessary; and

6. Venue is proper in this District pursuant to 28 U.S.C. § 1410.

NOW, THEREFORE, IT IS HEREBY

ORDERED, that the proceedings (the "English Proceedings") in respect of the Amending Scheme under Part 26 of the Companies Act 2006 of the United Kingdom in the High Court of Justice of England and Wales (the "High Court") and the Amending Scheme are granted recognition pursuant to section 1517(a) of the Bankruptcy Code; and it is further

ORDERED, that the English Proceedings are granted recognition as foreign main proceedings pursuant to section 1517(b)(1) of the Bankruptcy Code; and it is further

ORDERED, that the Companies, the Petitioners and the English Proceedings shall have all relief afforded upon recognition of a foreign main proceeding pursuant to section 1520 of the Bankruptcy Code; and it is further

ORDERED, that the Amending Scheme (including any modifications or amendments thereto) shall be given full force and effect in the United States, and shall be binding on and enforceable against any person or entity that is a Scheme Creditor, including,

without limitation, against such person or entity in its capacity as a debtor of a Company in the United States; and it is further

ORDERED, that all Scheme Creditors are permanently enjoined from taking any action in contravention of, or inconsistent with, the Amending Scheme; and it is further

ORDERED, that, except as otherwise provided herein or in the Amending Scheme, all Scheme Creditors are permanently enjoined from attaching, seizing, repossessing, transferring, relinquishing or disposing of any property of either Company, or the proceeds thereof, in the United States; and it is further

ORDERED, that, in accordance with the Amending Scheme, all Scheme Creditors are permanently enjoined from: (a) commencing or continuing any Proceedings (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative action, proceeding or process whatsoever), including by way of counterclaim, against a Company or any of its property in the United States, or any proceeds thereof, and seeking discovery of any nature against a Company; (b) enforcing any judicial, quasi-judicial, administrative judgment, assessment or order, or arbitration award and commencing or continuing any Proceedings (including, without limitation, arbitration, mediation or any judicial, quasi-judicial, administrative action, proceeding or process whatsoever) or any counterclaim to create, perfect or enforce any lien, attachment, garnishment, setoff or other claim against a Company or any of its property in the United States, or any proceeds thereof, including, without limitation, rights under reinsurance or retrocession contracts; (c) invoking, enforcing or relying on the benefits of any statute, rule or requirement of federal, state, or local law or regulation requiring a Company to establish or post security in the form of a bond, letter of credit or otherwise as a condition of prosecuting or defending any Proceedings (including, without limitation, arbitration, mediation

or any judicial, quasi-judicial, administrative action, proceedings or process whatsoever) and such statute, rule or requirement will be rendered null and void for Proceedings; (d) drawing down any letter of credit established by, on behalf or at the request of, a Company in excess of amounts expressly authorized by the terms of the contract or other agreement pursuant to which such letter of credit has been established; and (e) withdrawing from, setting off against, or otherwise applying property that is the subject of any trust or escrow agreement or similar arrangement in which a Company has an interest in excess of amounts expressly authorized by the terms of the contract and any related trust or other agreement pursuant to which such letter of credit, trust, escrow, or similar arrangement has been established; provided, however, no drawing against any letter of credit shall be made in connection with any commutation unless the amount has been agreed in writing with the Petitioners, the Scheme Administrators, or the Companies, or permitted by the Amending Scheme or further order of the Court; and it is further

ORDERED, that nothing in this Order shall in any respect enjoin any police or regulatory act of a governmental unit, including a criminal action or proceeding; and it is further

ORDERED, that, in accordance with the terms of the Amending Scheme, all persons and entities in possession, custody or control of property of a Company or the proceeds thereof, are required to turn over and account for such property or proceeds thereof to such Company or the Scheme Administrators; and it is further

ORDERED, that all Scheme Creditors that are beneficiaries of letters of credit established by, on behalf or at the request of a Company or parties to any trust, escrow or similar arrangement in which a Company has an interest are required to: (a) provide notice to the Petitioners' United States counsel (Chadbourne & Parke LLP, 1301 Avenue of the Americas, New York, NY 10019, Attn: Francisco Vazquez) of any drawdown on any letter of credit

established by, on behalf or at the request of, a Company or any withdrawal from, setoff against, or other application of property that is the subject of any trust or escrow agreement or similar arrangement in which a Company has an interest, together with information sufficient to permit the Scheme Administrators or such Company to assess the propriety of such drawdown, withdrawal, setoff or other application, including, without limitation, the date and amount of such drawdown, withdrawal, setoff or other application and a copy of any contract, related trust or other agreement pursuant to which any such drawdown, withdrawal, setoff, or other application was made, and provide such notice and other information contemporaneously therewith; and (b) turn over and account to the Scheme Administrators or such Company for all funds resulting from such drawdown, withdrawal, setoff, or other application in excess of amounts expressly authorized by the terms of the contract, any related trust or other agreement pursuant to which such letter of credit, trust, escrow or similar arrangement has been established; and it is further

ORDERED, that every Scheme Creditor that is a party to any action or Proceeding (including, without limitation, arbitration or any judicial, quasi-judicial, administrative action, proceeding or process whatsoever) in which a Company is or was named as a party, or as a result of which a Scheme Liability may be established, is required to place such Company, the Scheme Administrators and the Petitioners' United States counsel (Chadbourne & Parke LLP, 1301 Avenue of the Americas, New York, NY 10019, Attn: Francisco Vazquez) on the master service list of any such action or other legal proceeding, and to take such other steps as may be necessary to ensure that such counsel receives: (a) copies of any and all documents served by the parties to such action or other legal proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal proceeding; and (b) any and all

correspondence, or other documents circulated to parties named in the master service list; and it is further

ORDERED, that nothing in this Order shall in any respect prevent the commencement or continuation of proceedings against any person or entity or other insurer other than the Companies; provided, however, that if any third party shall reach a settlement with, or obtain a judgment against, any person or entity other than the Companies, such settlement or judgment shall not be binding on or enforceable against any of the Companies; and it is further

ORDERED, that, pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure shall be, and the same hereby are, waived; and it is further

ORDERED, that this Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, and requests for any additional relief in the Chapter 15 cases and all adversary proceedings in connection therewith properly commenced and within the jurisdiction of this Court; and it is further

ORDERED, that except as otherwise provided herein or in the Amending Scheme, all persons are permanently enjoined from commencing or continuing any Proceedings against the Companies, the Petitioners, the Scheme Administrators, or any of their respective directors, officers, agents, employees, representatives, financial advisers or attorneys (the “Scheme Parties”), or any of them with respect to any claim or cause of action, in law or in equity, which may arise out of the construction or interpretation of the Amending Scheme or out of any action taken or omitted to be taken by any of the Scheme Parties in connection with the administration of the Amending Scheme; and it is further

ORDERED, that the High Court has exclusive jurisdiction to hear and determine any suit, action, claim or proceeding and to settle any dispute that may arise out of the construction or interpretation of the Amending Scheme, or out of any action taken or omitted to be taken by any of the Scheme Parties in connection with the administration of the Amending Scheme; provided, however, that, in relation to the determination of a Scheme Liability, nothing in this Order affects the validity of provisions determining governing law and jurisdiction, whether contained in any contract between a Company and any of its Scheme Creditors or otherwise; and it is further

ORDERED, that no action taken by the Companies, the Petitioners, the Scheme Administrators, or any of their respective successors, directors, officers, agents, employees, representatives, advisers or attorneys, or any of them, in preparing, disseminating, applying for, implementing or otherwise acting in furtherance of the Amending Scheme, this Order, any further order for additional relief in the ancillary proceedings or cases filed under Chapter 15 of the Bankruptcy Code, or any adversary proceedings in connection therewith as this Court may make, will be deemed to constitute a waiver of the immunity afforded to the Companies, the Petitioners, the Scheme Administrators, or any of their respective successors, directors, officers, agents, employees, representatives, advisers or attorneys, pursuant to section 306 or 1510 of the Bankruptcy Code; and it is further

ORDERED, that, except as otherwise provided herein or in the Amending Scheme, all persons are permanently enjoined from commencing or continuing any Proceeding against the Petitioners, the Companies, the Scheme Administrators, or any of their respective successors, directors, officers, agents, employees, representatives, advisers or attorneys (the “Pre-Scheme Parties”), or any of them with respect to any claim or cause of action, in law or in equity, arising

out of or relating to any action taken or omitted to be taken as of the New Effective Date by any of the Pre-Scheme Parties in connection with the Chapter 15 cases or in preparing, disseminating, applying for or implementing the Amending Scheme or this Order; and it is further

ORDERED, that the Companies, the Petitioners, and the Scheme Administrators are authorized to transfer to the foreign proceedings for distribution pursuant to the Amending Scheme any monies or assets of the Companies that the Companies, the Petitioners, or the Scheme Administrators have or may hereafter recover; and it is further

ORDERED, that this Order shall be served as follows:

(a) by United States mail, first class postage prepaid, on or before January 19, 2016, upon the known parties-in-interest in the United States at the time of such service;

(b) by publication of notice of entry of this Order, where possible on or before February 29, 2016, in the same publications in which notice was published in accordance the Scheduling Order; and it is further

ORDERED, that service in accordance with this Order shall be deemed good and sufficient service and adequate notice for all purposes.

Dated: New York, New York
January 11, 2016

/S/ Shelley C. Chapman
United States Bankruptcy Judge