

REPORTER'S RECORD
VOLUME 1 OF 1 VOLUME

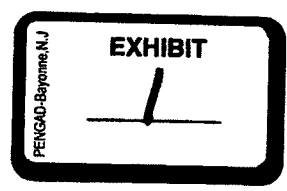
TRIAL COURT CAUSE NO. D-1-GN-08-000900

NORTHSTAR REINSURANCE	*	IN THE DISTRICT COURT
IRELAND LTD.	*	
VS.	*	TRAVIS COUNTY, TEXAS
LINCOLN MEMORIAL LIFE	*	
INSURANCE COMPANY	*	419TH JUDICIAL DISTRICT

 AGREEMENT OF THE PARTIES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

On the 18th day of March, 2008, the following proceedings came on to be heard in the above-entitled and numbered cause before the Honorable Jon Wisser, Judge presiding, held in Austin, Travis County, Texas. Proceedings reported by machine shorthand.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES

MR. J. HAMPTON SKELTON
SBOT NO. 18457700
(Skelton & Woody)
P. O. Box 1609
Austin, Texas 78767-1609
(512) 651-7000

ATTORNEY FOR THE PLAINTIFF

MR. ANTHONY LEE ICENOGLE
SBOT NO. 10382948
(DeLeon & Boggins, P.C.)
221 West 6th Street, Suite 1050
Austin, Texas 78701-3403
(512) 478-5308

ATTORNEY FOR THE DEFENDANT

MS. ELIZABETH SUE FULLER
SBOT 00790725
Assistant Attorney General
P. O. Box 149104
Austin, Texas 78714-9104
(512) 322-4157

ATTORNEY FOR THE TEXAS
DEPARTMENT OF INSURANCE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PROCEEDINGS

THE COURT: This will be a record hearing. This is D-1-GN-08-000900, Northstar Reinsurance Ireland, Limited, versus Lincoln Memorial Life Insurance Company before the Court today on the plaintiff applicant's request for a TRO.

The parties have arrived at an agreement, and does the plaintiff's counsel desire to state the agreement into the record?

MR. SKELTON: Yes, Your Honor. I'm Hamp Skelton for the plaintiff, North Star Reinsurance. Lincoln Memorial Life Insurance Company has agreed that it will draw down or cause to be drawn down the letter of credit or the trust involved in this case only in accordance with the terms of the reinsurance agreement, the trust agreement, and the letter of credit.

The parties have also agreed that the fact that Lincoln Memorial Life Insurance Company is under confidential supervision by the Texas Department of Insurance will not affect or delay the ongoing arbitration that has been initiated and that is proceeding, as stated in the parties' reinsurance agreement.

I believe there's an additional part of the agreement that needs to be read in by Lincoln's

1 counsel, and then we can say that we all agree on the
2 record.

3 MR. ICENOGLE: Your Honor, this is Anthony
4 Icenogle for Lincoln. Lincoln has agreed with Northstar
5 that it will draw down on the letter of credit or trust
6 only in accordance with the reinsurance agreement, trust
7 and letter of credit.

8 The Texas Department of Insurance agrees
9 that this agreement has no effect on Lincoln's ability
10 to take credit for reinsurance with Northstar in
11 accordance with Texas Insurance Code, Section
12 492.101-102.

13 And Your Honor, present today as an
14 employee of the Texas Department of Insurance is
15 Elizabeth Fuller, and I believe she's going to state her
16 agreement, or acquiescence in that agreement.

17 MS. FULLER: That's right. I agree. I
18 acquiesce in that agreement.

19 THE COURT: Okay. Is someone going to
20 reduce the agreement to writing and send it?

21 MR. SKELTON: I believe that we will try
22 to get a transcription of that agreement to file with
23 the Court, rather than us to trying to reduce it.

24 THE COURT: That's fine. Then, plaintiff
25 defendant and the State all agree?

1 MR. SKELTON: We do, Your Honor.

2 MR. ICENOGLE: We do, Your Honor.

3 MS. FULLER: Yes, Your Honor.

4 THE COURT: Thank you very much. It
5 sounds like an interesting dispute.

6 (Recess.)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 THE STATE OF TEXAS)

2 COUNTY OF TRAVIS)

3 I, Betty Haygood, Certified Shorthand Reporter in
4 and for the State of Texas, do hereby certify that the
5 above and foregoing contains a true and correct
6 transcription of all portions of evidence and other
7 proceedings requested in writing by counsel for the
8 parties to be included in this volume of the Reporter's
9 Record, in the above-styled and numbered cause, all of
10 which occurred in open court or in chambers and were
11 reported by me.

12 I further certify that this Reporter's Record of
13 the proceedings truly and correctly reflects the
14 exhibits, if any, admitted by the respective parties.

15 I further certify that the total cost for the
16 preparation of this Reporter's Record is \$60.00 and was
17 paid/will be paid by Defendant.

18 WITNESS MY OFFICIAL HAND this the 25th day of
19 March, 2008.

20
21
22
23
24
25

Betty Haygood
BETTY HAYGOOD, Texas CSR 471
Expiration Date: 12/31/08
Certified Shorthand Reporter
10921 Sea Hero Lane
Austin, Texas 78748
(512) 585-4901