

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

IN RE: QUADS TRUST COMPANY - RECEIVER'S NOTICE OF DESTRUCTION
OF QUADS TRUST COMPANY RECORDS STORED AT THE FIREHOUSE
FINANCIAL CENTER, FREDERICK, MARYLAND

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 4 of the January 31, 2008 Order, the Superintendent granted the Receiver of QTC 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 paragraph 5 of the January 31, 2008 Order and in light of the fact that QTC soon will cease to exist, the Superintendent granted the Receiver the authority to destroy or otherwise dispose of QTC's records in any manner deemed appropriate by the Receiver in his sole discretion; and

WHEREAS, QTC has approximately 100 boxes of records stored at the building known as the Firehouse Financial Center at 12 West Church Street, Frederick, Maryland ("the FFC"); and

WHEREAS, the Receiver has determined that approximately 40 of the boxes stored at the FFC contain records associated with QTC Individual Retirement Accounts ("the QTC IRA Records") that have been closed for 5 years or more; and

WHEREAS, the QTC IRA Records at the FFC are not relevant to the one pending lawsuit in which QTC is a named party, Terry Hill and Institutional Securities Corporation v. QUADS Financial Group, Inc. and QUADS Trust Company, No. 3:06-CV-01465 (N. D. Tex., Dallas Div.), because the actions alleged in the lawsuit involve 403(b) and ORP accounts primarily derived from Texas colleges and universities; and

WHEREAS, the QTC IRA Records stored at the FFC may contain sensitive personal information about individuals who were clients of QTC, and that information is susceptible to misuse; and

WHEREAS, identification and distribution of the personal information contained in the boxes of QTC IRA Records stored at the FFC would be unduly expensive and could serve no worthwhile purpose at this time; and

WHEREAS, the QTC IRA Records stored at the FFC are of negligible, if any, utility; and

WHEREAS, the lease between RSGroup Trust Company, QTC's landlord, and the owners of the FFC terminates June 30, 2008, requiring that the FFC be vacated and its contents moved on or before; that date and

WHEREAS, the moving and re-storage of the QTC IRA records would create expenses for which there is no apparent justification; and

WHEREAS, in light of all relevant circumstances, the Receiver has decided that destruction of the QTC IRA Records at the FFC is advisable; and

WHEREAS, by an Order dated February 22, 2008 and in consideration of circumstances set forth herein and the necessity for an expeditious liquidation of QTC, the Superintendent has approved the Receiver's decision to destroy the QTC IRA Records at the FFC, and findings set forth in Superintendent's February 22, 2008 Order are incorporated by reference herein and made a part hereof;

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

1. After March 7, 2008, the Receiver will destroy the QTC IRA Records at the FFC, unless an interested party files an objection with the Receiver on or before March 7, 2008;
2. Any objection to destruction of records must identify with all reasonable specificity the records for which protection is sought and the basis for the request;
3. The Receiver, in his sole discretion, shall determine whether a person filing a timely objection to the destruction of records is an interested party and whether the evidence and arguments contained in the objection warrant postponing destruction of any records or the preservation of any records;
4. Any person determined by the Receiver to be an interested party may, solely at the interested party's expense and at a time and under conditions established by the Receiver, inspect the QTC IRA Records at the FFC; and
5. Protection of any QTC records in response to objection from an interested party shall not prevent the destruction of all other QTC records stored at

the FFC.

By Order and Direction of the Receiver of QTC, this 22th day of February 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-A(10)(B).