

## MAINE BUREAU OF FINANCIAL INSTITUTIONS

### IN RE: QUADS TRUST COMPANY - SUPERINTENDENT'S APPROVAL OF THE REVOCATION AND DISAFFIRMATION OF THE NOMINEE AGREEMENT BETWEEN KCB SERVICES AND COMPANY, LLP AND QUADS TRUST COMPANY

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, by a January 31, 2008 Order, the Superintendent of the Maine Bureau of Financial Institutions ("the Superintendent") terminated the Conservatorship of QUADS Trust Company ("QTC"), a Maine non-depository trust company located at 12 West Church Street, Frederick, Maryland, and appointed Donald W. Groves, Deputy Superintendent of the Maine Bureau of Financial Institutions, to be Receiver of QTC; and

WHEREAS, QTC and KCB Services and Company, LLP and its members ("KCB") are parties to a January 6, 1992 nominee agreement by which KCB holds securities and other assets in its name that are held by QTC in fiduciary or quasi-fiduciary capacities; and

WHEREAS, the Receiver represents that all assets in the name of KCB have been, or will be, transferred to other custodians or the accountholders on or before March 31, 2008; and

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

WHEREAS, fourth paragraph of the January 6, 1992 nominee agreement between QTC and KCB permits QTC to revoke the agreement; and

WHEREAS, the Superintendent has reviewed the Receiver's March 14, 2008 Notice of Termination of the January 6, 1992 nominee agreement, which Notice sets forth reasons for the disaffirmation and revocation of the agreement; and

WHEREAS, the Superintendent finds that the proposed revocation and disaffirmation of the nominee agreement between QTC and KCB is authorized by 9-B M.R.S.A. § 367-A, and paragraphs 4 through 6 of the Superintendent's January 31, 2008 Order; that the proposed revocation and disaffirmation would further the purposes of the Superintendent's January 31, 2008 Order to liquidate QTC; and that reasons set forth in the Receiver's Notice of Termination constitute good cause for the proposed revocation and disaffirmation ; and

WHEREAS, pursuant to 9-B M.R.S.A. ¶ 367-A(5), the Superintendent may take such actions as may be necessary to carry out the purposes of a receivership;

NOW THEREFORE, the Superintendent hereby approves the Receiver's decision to revoke and disaffirm the January 6, 1992 nominee agreement between QTC and KCB.

By Order and Direction of the Superintendent of the Maine Bureau of Financial Institutions this 14th day of March 2008 at Gardiner, Maine.

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

### **Appellate Rights**

Pursuant to 9-B M.R.S.A. § 363-A(10), any person adversely affected by this Approval 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).