

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. Diane Koken,
Insurance Commissioner of the
Commonwealth of Pennsylvania,
Plaintiff

v.

Reliance Insurance Company,
Defendant

.....

:No. 269 M.D. 2001

2007 APR -4 P 2:16
COMMONWEALTH COURT

In re: Lafarge North America, Inc. POC Nos. 2153099 and 2153130

ORDER

AND NOW, this 4th day of April 2007, the Court having considered the decision of Referee Edward S. Finkelstein, issued in the above-captioned matter, and further having considered the stipulation of counsel in support of recommended approval of settlement of Proof of Claim No. 2153099, and Proof of Claim No. 2153130, the recommendation of Referee Finkelstein attached hereto and marked as "Lafarge A" is adopted by this Court.

The Liquidator is directed to serve a copy of this Order upon all listed on the Master Service List.



JAMES GARDNER COLINS, Judge

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. DIANE KOKEN, :
Insurance Commissioner of the :
Commonwealth of Pennsylvania, :
Plaintiff :
vi. : Docket No. 269 M.D. 2001
RELIANCE INSURANCE COMPANY, :
Defendant : Before The Honorable
: James Gardner Colins,
: President Judge
:
: Assigned to Referee
: Edward S. Finkelstein, Esq.

IN RE: Lafarge North America, Inc.
Proof of Claim Numbers 2153099 and 2153130
Reliance Policy Number NU 1253953
Reliance Claim Number 920808994

**RECOMMENDATION TO THE COURT FOR APPROVAL
OF SETTLEMENT**

FINDINGS OF FACT

1. Reliance Insurance Company ("Reliance") was placed into Rehabilitation by Order of the Commonwealth Court of Pennsylvania dated May 29, 2001.

2. By Order of October 3, 2001, the Commonwealth Court terminated the Rehabilitation and Reliance was placed into Liquidation.

LAFARGE A

3. Reliance Insurance Company issued policy number NU1253953 (the "Policy") under which Lafarge Canada, Inc. ("Lafarge") is an insured.

4. Reliance Insurance Company ("RIC") is a property and casualty insurer in the United States of America, domiciled in the Commonwealth of Pennsylvania, and also carried on business in Canada as a foreign company under the *Insurance Companies Act* through a branch ("Reliance Canada").

5. Pursuant to an Order dated October 3, 2001, by the Commonwealth Court of Pennsylvania under the Insurance Companies Act of 1921, RIC was ordered to be liquidated and M. Diane Koken, Commissioner of Insurance for Pennsylvania, as appointed Liquidator (the "U.S. Liquidator").

6. By Order of September 9, 2002, the Commonwealth Court established claims filing procedures and directed that Referees be appointed by the Court to hear claim disputes and outstanding Objections to Notices of Determination ("NOD") issued by the Liquidator and to make recommendations to the Commonwealth Court regarding such claims and Objections. The deadline for filing Proofs of Claim was December 31, 2003.

7. Pursuant to an Order dated December 3, 2001 by the Superior Court of Justice for the Province of Ontario under

the Winding-up and Restructuring Act, Reliance Canada was ordered to be wound-up and KPMG Inc. was appointed provisional liquidator (the "Canadian Liquidator") of Reliance Canada.

8. To date no claims process has been established in the Canadian liquidation proceedings of Reliance Canada.

9. Lafarge has made claims under the Policy in respect to liability and defense costs and expenses arising out of certain legal actions commenced against Lafarge.

10. Lafarge has always asserted that its claims under the Policy are claims properly brought in the Canadian liquidation proceedings of Reliance Canada, and should be paid through the Canadian liquidation proceedings of Reliance Canada.

11. In December 2003 Reliance Canada and Lafarge agreed that Lafarge could file POCs in the U.S. Liquidation proceedings of RIC to protect all of its rights in the U.S. liquidation, without prejudice to any of Lafarge's rights in the Canadian liquidation proceedings of Reliance Canada. It was specifically agreed that neither Reliance Canada nor its counsel nor any other party related thereto would raise Lafarge's filing of POCs in the U.S. liquidation proceedings as a defense, objection or any other bar to

bringing those same claims in the Canadian liquidation proceedings of Reliance Canada.

12. Lafarge submitted one POC against RIC in the U.S. liquidation proceedings relating to the Alie action and the Denis action.

13. On April 14, 2004, the Liquidator issued a NOD allowing a claim (POC No. 2116405) by its insured, Lafarge North America, Inc. ("Lafarge"), for an indemnity obligation incurred in a property action in Canada (Ontario Superior Court Consolidated Action N2104-1992) (the *Alie* action) in the amount of \$1,534,696.45 under Reliance Policy No. NU-1253953 ("the Policy"). The Liquidator assigned Lafarge's claim for the indemnity obligation as priority class (b) pursuant to Section 544 of the Insurance Department Act (40 P.S. Section 221.44). Lafarge did not dispute that priority class (b) applies to these costs.

14. On December 1, 2005, the Liquidator issued a NOD allowing a claim (POC No. 2153106) by its insured, Lafarge, for defense costs incurred in the *Alie* action in the amount of \$516,026.95 under the Policy. The Liquidator assigned Lafarge's claim for the defense costs to priority class (b) pursuant to Section 544 of the Insurance Department Act (40 P.S. Section 221.44). Lafarge did not dispute that priority class (b) applies to these costs.

15. On December 1, 2005 the Liquidator issued a third NOD (POC No. 2153099), allowing Lafarge's claim for \$134,353.52 in pre-liquidation interest on the above-referenced defense costs. However, the Liquidator assigned the interest claim to priority class(e), as a claim of a general creditor. As set forth in its Objection to the NOD, Lafarge did not dispute the computation of the amount of interest, but asserted that the Liquidator's position with respect to the priority class of the interest was incorrect.

16. On December 23, 2005, the Liquidator issued a fourth NOD (POC No. 2153130) allowing for Reliance's share of Lafarge's appellate costs, insurance action costs, and Reliance's share of Lafarge's settlement of successful insurers bill of costs (collectively "coverage costs"), incurred in insurance coverage litigation. The Liquidator assigned the coverage costs to priority class (e), as a claim of a general creditor. In its Objection to the coverage costs NOD, Lafarge did not dispute the computation of the amount of the coverage costs, but asserted that the Liquidator's position with respect to the priority class of the coverage costs was incorrect.

17. On August 9, 2006, the Commonwealth Court assigned the Lafarge Objections to Edward S. Finkelstein,

Esquire ("Referee Finkelstein") as Referee for hearing and recommendation. This dispute is styled Koken v. Reliance Insurance Company, Docket No. 269 M.D. 2001, In the Matter of Lafarge North America, Inc., Proof of Claim Numbers 2153099 and 2153130.

18. By letter dated December 18, 2006 counsel for the Statutory Liquidator and Lafarge advised the Referee that the dispute between the parties regarding the assignment of the POCs to priority class (e) had been resolved. See attached Exhibit "A", Stipulation of Counsel in Support of Recommended Approval of Settlement to which is attached a true and correct copy of the Agreement to Resolve Dispute Regarding Claims by Lafarge Under Reliance Insurance Company Policy No. NU1253953.

19. Specifically, the parties have agreed that all disputes between them regarding POC Nos. 2153099 and 2153130, as well as all matters pending before the Referee relating to the POCs were and/or will to be withdrawn and the terms of that Agreement are as follows:

A. The parties have already filed a Stipulation of Counsel to Withdraw the Objections of Lafarge North America, Inc. to certain Notices of Determination as filed with the Court on December 15, 2006.

B. All matters involving the aforesaid two POC's are hereby settled upon approval by the Court.

C. Upon approval of the Stipulated Settlement by Commonwealth Court, Lafarge releases and discharges (i) the U.S. liquidator and the Insurance Commissioner for the Commonwealth of Pennsylvania as Liquidation and in their personal capacity from all claims whatsoever Lafarge has or will have at present or in the future arising out of, in any way related to, or in respect of the Alie Claim and the Denis Claim.

WHEREFORE, the Referee respectfully requests that the Court approve the settlement of Proof of Claim Nos. 2153099 and 2153130.

Dated: 3/21/07



Edward S. Finkelstein,
Referee

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

**M. Diane Koken,
Insurance Commissioner of the
Commonwealth of Pennsylvania,**

Plaintiff,

v.

Reliance Insurance Company,

Defendant.

No. 269 M.D. 2001

**In the Matter of Lafarge North America, Inc.
Proof of Claim Numbers 2153099 and 2153130
Reliance Policy Number NU 1253953
Reliance Claim Number 920808994**

**STIPULATION OF COUNSEL IN SUPPORT OF RECOMMENDED APPROVAL
OF SETTLEMENT**

Claimant Lafarge North America, Inc. and its related or affiliated entities ("Lafarge") and the Honorable M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Statutory Liquidator ("the Liquidator") of Reliance Insurance Company in Liquidation ("Reliance"), through their respective attorneys, hereby stipulate and agree as follows:

1. Reliance was placed into Rehabilitation by Order of the Commonwealth Court of Pennsylvania dated May 29, 2001.
2. By Order of October 3, 2001, the Commonwealth Court terminated the Rehabilitation and Reliance was placed into Liquidation.
3. By Order of September 9, 2002, the Commonwealth Court established claims filing procedures and directed that Referees be appointed by the Court to hear claim disputes and outstanding Objections to Notices of Determination issued by the Liquidator

and to make recommendations to the Commonwealth Court regarding such claims and Objections.

4. On April 14, 2004, the Liquidator issued a Notice of Determination (“NOD”) allowing a claim (POC No. 2116405) by its insured, Lafarge, for an indemnity obligation incurred in a property action in Canada (Ontario Superior Court Consolidated Action N2104-1992) (the *Alie* action) in the amount of \$1,534,696.45 under Reliance Policy No. NU-1253953 (“the Policy”). The Liquidator assigned Lafarge’s claim for the indemnity obligation as priority class (b) pursuant to Section 544 of the Insurance Department Act (40 P.S. Section 221.44). Lafarge did not dispute that priority class (b) applies to these costs.

5. On December 1, 2005, the Liquidator issued a NOD allowing a claim (POC No. 2153106) by its insured, Lafarge, for defense costs incurred in the *Alie* action in the amount of \$516,026.95 under the Policy. The Liquidator assigned Lafarge’s claim for the defense costs to priority class (b) pursuant to Section 544 of the Insurance Department Act (40 P.S. Section 221.44). Lafarge did not dispute that priority class (b) applies to these costs.

6. On December 1, 2005 the Liquidator issued a second NOD (POC No. 2153099), allowing Lafarge’s claim for \$134,353.52 in pre-liquidation interest on the above-referenced defense costs. However, the Liquidator assigned the interest claim to priority class (e), as a claim of a general creditor. As set forth in its Objection to the NOD, Lafarge did not dispute the computation of the amount of interest, but asserted that the Liquidator’s position with respect to the priority class of the interest was incorrect.

7. On December 23, 2005, the Liquidator issued a third NOD (POC No. 2153130) allowing for Reliance's share of Lafarge's appellate costs, insurance action costs, and Reliance's share of Lafarge's settlement of successful insurers bill of costs (collectively "coverage costs"), incurred in insurance coverage litigation. The Liquidator assigned the coverage costs to priority class (e), as a claim of a general creditor. In its Objection to the coverage costs NOD, Lafarge did not dispute the computation of the amount of the coverage costs, but asserted that the Liquidator's position with respect to the priority class of the coverage costs was incorrect.

8. On August 9, 2006, the Commonwealth Court assigned the Lafarge Objections to Referee Edward S. Finkelstein, Esquire ("Referee Finkelstein") as Referee for hearing and recommendation. This dispute is styled *Koken v. Reliance Insurance Company*, Docket No. 269 M.D. 2001, *In the Matter of Lafarge North America, Inc., Proof of Claim Numbers 2153099 and 2153130*.

9. By letter dated December 18, 2006 counsel for the Statutory Liquidator and Lafarge advised Referee Finkelstein that the dispute between the parties regarding the assignment of the POCs to priority class (e) had been resolved. A true and correct copy of the Agreement to Resolve Dispute Regarding Claims by Lafarge Under Reliance Insurance Company Policy No. NU1253953 is attached hereto and incorporated herein as Exhibit "A."

10. Specifically, the parties had agreed that all disputes between them regarding POC Nos. 2153099 and 2153130, as well as all matters pending before Referee Finkelstein relating to the POCs were to be withdrawn.

11. On December 15, 2006, upon agreement of the parties, counsel for the Statutory Liquidator and Lafarge filed with this Court a Praeceptum to Withdraw the Objections of Lafarge North America, Inc. to Certain Notices of Determination, i.e., Lafarge's Objections to Proof of Claim No. 2153099, filed January 27, 2006 and its Objection to Proof of Claim No. 2153130, filed February 17, 2006. A true and correct copy of the Praeceptum to Withdraw Objections of Lafarge North America, Inc. to Certain Notices of Determination is attached hereto and incorporated herein as Exhibit "B."

12. The Liquidator has determined that (1) the Settlement is fair and reasonable and is in the best interest of the estate of Reliance, its policyholders and other creditors and (2) the terms of the Settlement are consistent with the Pennsylvania Insurance Department Act of 1921 ("the Act"). The Liquidator further believes that the Settlement will assist her in achieving the objectives of liquidation under the Act, in that it will assist the Liquidator in conserving the assets of the estate, one of the primary objectives of liquidation, by eliminating the costs and expenses that would be incurred in litigating the instant action.

13. The Liquidator and Lafarge respectfully request that the Referee favorably recommend to the Commonwealth Court that it approve the terms of the Settlement of

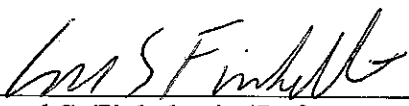
Claims by Lafarge Under Reliance Insurance Policy No. NU1253953 as set forth in Exhibit

A attached hereto.

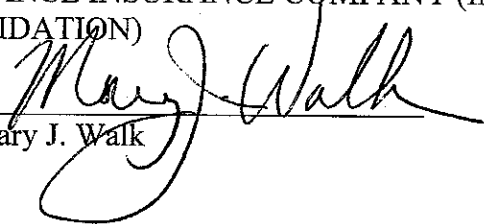
HOYLE MORRIS & KERR

By: 
Susan K. Herschel

APPROVED:


Edward S. Finkelstein, Referee

M. DIANE KOKEN, INSURANCE
COMMISSIONER OF PENNSYLVANIA,
IN HER OFFICIAL CAPACITY AS
STATUTORY LIQUIDATOR OF
RELIANCE INSURANCE COMPANY (IN
LIQUIDATION)

By: 
Mary J. Walk

**AGREEMENT TO RESOLVE DISPUTE
REGARDING CLAIMS BY LAFARGE
UNDER RELIANCE INSURANCE COMPANY
POLICY NO. NU1253953**

WHEREAS:

1. Reliance Insurance Company issued policy number NU1253953 (the "Policy") under which Lafarge Canada, Inc. ("Lafarge") is an insured;
2. Reliance Insurance Company ("RIC") is a property and casualty insurer in the United States of America, domiciled in the Commonwealth of Pennsylvania, and also carried on business in Canada as a foreign company under the *Insurance Companies Act* through a branch ("Reliance Canada");
3. Pursuant to an Order made October 3, 2001, by the Commonwealth Court of Pennsylvania (the "Pennsylvania Court") under the *Insurance Companies Act of 1921*, RIC was ordered to be liquidated and M. Diane Koken, Commissioner of Insurance for Pennsylvania, was appointed liquidator (the "U.S. Liquidator");
4. Pursuant to an Order dated September 9, 2002, the deadline for filing Proofs of Claim ("POCs", or in the singular "POC") in the liquidation proceedings of RIC was December 31, 2003;
5. Pursuant to an Order made December 3, 2001, by the Superior Court of Justice for the Province of Ontario (the "Ontario Court") under the *Winding-up and Restructuring Act*, Reliance Canada was ordered to be wound-up, and KPMG Inc. was appointed provisional liquidator (the "Canadian Liquidator", of Reliance Canada;
6. To date, no claims process has been established in the Canadian liquidation proceedings of Reliance Canada;
7. Lafarge has made claims under the Policy in respect of liability and defence costs and expenses arising out of certain legal actions commenced against Lafarge;

8. Lafarge has always asserted that its claims under the Policy are claims properly brought in the Canadian liquidation proceedings of Reliance Canada, and should be paid through the Canadian liquidation proceedings of Reliance Canada;
9. To date, the Canadian Liquidator has not accepted Lafarge's claims in the Canadian liquidation proceedings of Reliance Canada, and no claims process had been established for determining that issue prior to the deadline for filing POCs in the U.S. liquidation proceedings of RIC;
10. In December 2003, Reliance Canada and Lafarge agreed that Lafarge could file POCs in the U.S. liquidation proceedings of RIC to protect all of its rights in the U.S. liquidation, without prejudice to any of Lafarge's rights in the Canadian liquidation proceedings of Reliance Canada. It was specifically agreed that neither Reliance Canada nor its counsel nor any other party related thereto would raise Lafarge's filing of POCs in the U.S. liquidation proceedings as a defence, objection or any other bar to bringing those same claims in the Canadian liquidation proceedings of Reliance Canada;
11. Lafarge submitted one POC against RIC in the U.S. liquidation proceedings relating to the Alie action (the "Alie Claim") and the Denis action (the "Denis Claim"), which POC is attached hereto as Schedule A;
12. While Lafarge submitted only one POC for the Alie Claim and Denis Claim, RIC split the POC and assigned to the Alie Claim four POCs No. 2116405, 2153106, 2153099, 2153130, and assigned one POC No. 2158790 to the Denis Claim. With respect to the Alie Claim, RIC issued four Notices of Determination ("NODs", or in the singular "NOD") as follows:
 - (a) NOD for POC No. 2116405, for US \$1,534,696.45, which represents RIC's share of loss in the Alie Claim;
 - (b) NOD for POC No. 2153106, for US \$516,026.95, which represents RIC's share of defense costs incurred by Lafarge in the Alie Claim;
 - (c) NOD for POC No. 2153099, for US \$134,353.52, which represents RIC's share of interest on defense costs incurred by Lafarge in the Alie Claim; and

- (d) NOD for POC No. 2153130, for US \$174,045.45, which represents RIC's share of defense and appellate costs incurred by Lafarge in connection with the coverage litigation in the Alie Claim;
13. The parties have agreed that:
- (a) the filing of a POC in respect of the Alie Claim and the Denis Claim with the U.S. Liquidator in the U.S. liquidation proceedings of RIC was without prejudice to Lafarge's position that it is entitled to payment of the Alie Claim and the Denis Claim from the proceeds of the Canadian liquidation proceedings of Reliance Canada;
 - (b) the quantum of the Alie Claim is CAD \$2,878,982.47; and
 - (c) the quantum of the Denis Claim is not yet finally determined, but will be determined as future events occur and will be subject to the terms of the Policy, including the aggregate limit of liability of the Policy;
14. The parties now wish to agree to a full and final resolution of the issue of whether Lafarge has entitlement, and if so what entitlement, to payment of the Alie Claim and the Denis Claim from the proceeds of the Canadian liquidation proceedings of Reliance Canada,

FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HEREBY AGREE AS FOLLOWS:

- 1 The Alie Claim will be allowed and accepted in the Canadian liquidation proceedings of Reliance Canada as a claim in the amount of CAD\$1,439,491.24 (the "Alie Accepted Claim"), representing 50% of the quantum of the Alie Claim.
- 2 The Denis Claim will be allowed and accepted in the Canadian liquidation proceedings of Reliance Canada as a claim in an amount equal to 50% of the aggregate quantum of the Denis Claim as and when the quantum, or any part thereof, of the Denis Claim as filed in the U.S. liquidation proceedings of RIC is determined (the "Denis Accepted Claim). Immediately upon the Denis Claim becoming determined, the quantum of the Denis

Accepted Claim will be paid in addition to the Alie Accepted Claim, pursuant to paragraphs 5 and 6 below.

3. The Alie Claim has been accepted as a valid claim in the liquidation of RIC at the agreed value set out above, and the Denis Claim will be accepted as a valid claim in the liquidation of RIC at a value to be mutually agreed by the Canadian Liquidator and the U.S. Liquidator, and, if disputed by Lafarge, to be resolved in the Canadian liquidation proceedings.
4. The Canadian Liquidator agrees to accept in the winding-up of Reliance Canada a claim by Lafarge in the full amount of each of the Alie Accepted Claim and the Denis Accepted Claim set out above, each of which shall rank as policyholder loss claims under the *Winding-up and Restructuring Act*. The parties acknowledge and agree that there is only one class of policyholder claimant in the Canadian liquidation, and the Alie Accepted Claim and the Denis Accepted Claim will be in that sole class of policyholder claimants, such that no other policyholder claimants will have any priority over the Alie Accepted Claim and the Denis Accepted Claim.
5. Dividends will be paid on the Alie Accepted Claim and the Denis Accepted Claim as and to the extent authorized for policyholder loss claims by the Ontario Court in the winding-up proceeding for Reliance Canada.
6. An interim dividend of 65% of the aggregate amount of the Alie Accepted Claim will be paid to Lafarge immediately upon execution of this agreement. Further dividends will be paid on the Alie Accepted Claim and the Denis Accepted Claim if, as and when authorized by Ontario Court.
7. Lafarge expressly acknowledges, accepts and agrees that there may be a deficiency between the value of each of the Alie Accepted Claim and the Denis Accepted Claim and the total distribution of dividends authorized and paid thereon in the winding-up of Reliance Canada, and Lafarge agrees to accept such amount of dividends as are actually authorized and paid in the winding-up of Reliance Canada on each of the Alie Accepted Claim and the Denis Accepted Claim in full and final settlement and satisfaction of each

of the Alie Accepted Claim and the Denis Accepted Claim in the Canadian liquidation and the U.S. liquidation.

8. Upon execution of this agreement, Lafarge will not object to the issuance by the U.S. Liquidator of an Amended NODs that will rank the Alie Claim below the level of policyholder claims in the U.S. liquidation proceedings of RIC. Lafarge will not object to the issuance by the U.S. Liquidator of a NOD(s) that will rank the Denis Claim below the level of policyholder claims in the U.S. Liquidation proceedings of RIC. Lafarge fully and irrevocably abandons any entitlement to receive any future distribution in the U.S. liquidation proceedings of RIC.
9. Upon payment in full by the Canadian Liquidator of all of the amounts referred to in paragraphs 5 and 6 above, the Alie Claim and the Denis Claim will be fully and finally satisfied and resolved, and Lafarge will have no further claim against Reliance Canada in respect of the Alie Claim and the Denis Claim.
10. Upon execution of this agreement, Lafarge will withdraw its objections to the U.S. Liquidator's NODs with respect to the Alie Claim, currently pending before the Pennsylvania Court, with prejudice.
1. The U.S. Liquidator will not seek any costs whatsoever against Lafarge in respect of any proceedings or actions taken by Lafarge in the U.S. liquidation proceedings of RIC.
12. Lafarge hereby forever releases and discharges (i) RIC, (ii) Reliance Canada, (iii) the Canadian Liquidator, (iv) KPMG Inc. in its personal capacity, (v) the U.S. Liquidator, (vi) M. Diane Koken and the Commissioner of Insurance for Pennsylvania in their personal capacities, (vii) the Property and Casualty Insurance Compensation Corporation, (viii) all the respective officers, directors, employees, agents, solicitors, representatives and affiliates, as the case may be, of all the foregoing, and (ix) all the successors, assigns, executors and heirs of all the foregoing, from all claims whatsoever that Lafarge has or may have at present or in the future arising out of, in any way related to, or in respect of the Alie Claim and the Denis Claim.

13. Lafarge will provide reasonable assistance and cooperation, if requested, in the pursuit of any applicable reinsurance claims.
14. This agreement may be executed in counterpart.

Executed under seal this day of December, 2006,

Reliance Insurance Company-Canadian Branch (In Liquidation), By its Liquidator, KPMG Inc.

Per: _____

Reliance Insurance Company (In Liquidation)

Per: *David J. Smith*

Lafarge Canada, Inc.

Per: *Alain Frenco*

U388012.5

IN THE COMMONWEALTH COURT
OF PENNSYLVANIA

M. Diane Koken,
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Plaintiff

v.

Reliance Insurance Company,

Defendant

Reliance Cause No. 269 M.D. 2001

Proof of Claim Nos. 2153099 and 2153130

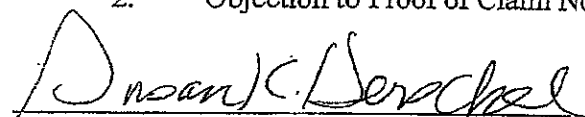
Reliance Claim No. 92080994

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COMMONWEALTH COURT
OF PA (PHILA)
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PRAECIPE TO WITHDRAW THE OBJECTIONS
OF LAFARGE NORTH AMERICA, INC. TO
CERTAIN NOTICES OF DETERMINATION

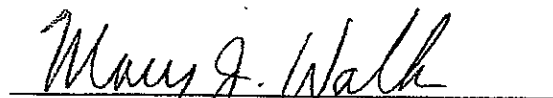
Upon agreement of the parties, Lafarge North America, Inc., through its counsel Hoyle, Fickler, Herschel & Mathes LLP, and M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, through her counsel, Kleinbard, Bell & Brecker, LLP, please mark the following Objections to certain Notices of Determination withdrawn with prejudice:

1. Objection to Proof of Claim No. 2153009, filed January 27, 2006; and
2. Objection to Proof of Claim No. 2153130, filed February 17, 2006.



Susan K. Herschel, ID No. 20636
Hoyle, Fickler, Herschel & Mathes LLP
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(215) 918-5700

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Attorneys for Diane M. Koken, Insurance
Commissioner of Pennsylvania

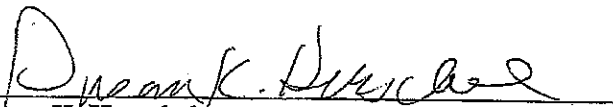
Dated: December 15, 2006

CERTIFICATE OF SERVICE

I, Susan K. Herschel, hereby certify that a true and correct copy of the foregoing Praecepto to Withdraw the Objections of Lafarge North America, Inc. to Certain Notices of Determination was served this 15th day of December, 2006, upon the Liquidator listed below as follows:

VIA FIRST CLASS MAIL

Liquidator at Objections Department
Statutory Liquidator of Reliance Insurance Company
Post Office Box 13527
Philadelphia, Pennsylvania 19101-3527



Susan K. Herschel