

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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COMMERCIAL UNION INSURANCE COMPANY, :

Petitioner, :

v. :

DAVID E.W. LINES, CHRISTOPHER HUGHES, :  
PETER C.B. MITCHELL, as Joint Liquidators of :  
ELECTRIC MUTUAL LIABILITY INSURANCE :  
COMPANY, LTD. (IN LIQUIDATION), :

Respondents. :  
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ONEBEACON AMERICA INSURANCE COMPANY, X  
formerly known as Commercial Union Insurance :  
Company, :

Petitioner, :

v. :

DAVID E.W. LINES, CHRISTOPHER HUGHES, :  
PETER C.B. MITCHELL, as Joint Liquidators of :  
ELECTRIC MUTUAL LIABILITY INSURANCE :  
COMPANY, LTD. (IN LIQUIDATION), :

Respondents. :  
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DATE FILED: 6/11/08

Index No. 02 CV 0573 (TPG)

**JUDGMENT**

*File in*  
Index No. 03 CV 7376 (TPG)

This Court having conducted an eleven day evidentiary hearing to address the issues identified in the remand from the United States Court of Appeals for the Second Circuit dated August 5, 2004, (378 F.3d 204 (2004)), and having reconsidered the October 31, 2001 arbitration award rendered in a proceeding between Commercial Union Insurance Company ("Petitioner") and David E.W. Lines, Peter C.B. Mitchell, and Christopher J. Hughes (collectively, "Respondents"), the Joint Liquidators of Electric Mutual Liability Insurance Company, Ltd. (in Liquidation) ("EMLICO") (the "Phase I Award"); and having considered the June 19, 2003 arbitration award rendered in a proceeding between Petitioner and Respondents (the "Phase II Award"); and having considered all the evidence with respect to whether there was some prejudice to Petitioner from EMLICO's redomestication to and liquidation in Bermuda that

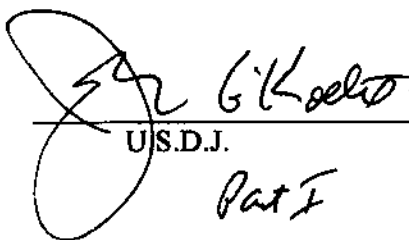
affected or could have affected the results of the arbitration; and having rendered a written opinion dated May 30, 2008 finding that the Petitioner was not prejudiced by the redomestication to or liquidation in Bermuda and that it would not be a violation of the Court's equitable principles to enforce the Phase I and Phase II arbitration awards and to permit Phase III of the arbitration to go forward, it is hereby

ORDERED, ADJUDGED AND DECREED as follows:

1. With respect to matter 02 Civ. 0573, the order entered on December 18, 2002 by District Court Judge Richard M. Berman is hereby adopted in all respects, such that (i) Petitioner's motion to permanently enjoin the arbitration is denied; (ii) Petitioner's motion partially to vacate the Phase I Award is denied; (iii) Respondents' cross-motion to confirm the Phase I Award is granted;

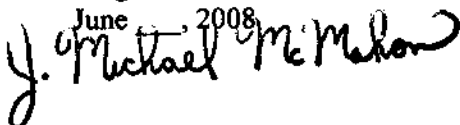
2. With respect to 03 Civ 7376, Petitioner's motion to vacate the Phase II Award is denied, the petition is dismissed, and Respondents request for an order confirming the Phase II Award in its entirety is granted.

Dated: New York, New York  
June 11, 2008

  
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U.S.D.J.  
Pat I

Judgment entered:

June 11, 2008



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Clerk