

Division of Securities
Utah Department of Commerce
160 East 300 South, Second Floor
P.O. Box 45808
Salt Lake City, Utah 84145-0808
Telephone: (801) 530-6600
Facsimile: (801) 530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

**LLOYD'S, a.k.a LLOYD'S OF LONDON,
a corporation, a.k.a. COUNCIL OF LLOYD'S,
f.k.a. COMMITTEE OF LLOYD'S, a.k.a.
THE SOCIETY OF LLOYD'S, a.k.a
THE CORPORATION OF LLOYD'S,
and its agents and representatives;**

Respondents.

Case No. 961077

**ORDER EXEMPTING SECURITIES,
SECURITIES TRANSACTIONS,
AND PROVIDING NO-ACTION**

A55699-47

FACTS

1. The organization known as Lloyd's or Lloyd's of London ("Lloyd's") has proposed to current and former members of Lloyd's a settlement of certain alleged liabilities claimed by the Lloyd's to be owed by the members.
2. Twenty-five of the Members of Lloyd's are Utah residents (the "Utah Names") and all have

received from Lloyd's documents relating to the settlement plan, referred to in the documents as "Reconstruction and Renewal."

3. Reconstruction and Renewal consists of a new entity, an insurance syndicate known as "Equitas." In the nature of a reinsurer, Equitas has assumed or will assume all liabilities for certain past insurance syndicates participated in by Utah Names which syndicates allege various monetary claims against Utah Names in various amounts and which Lloyd's threatens to enforce against the Utah Names unless they participate in Equitas. Equitas will be responsible for paying policy holders having claims on those former syndicates. Utah Names are being offered participation in Equitas in exchange for money payments to Lloyd's which will be placed in Equitas and will be used to pay policy holder claims presented to Equitas. By paying Lloyd's demands, the Names will be settling obligations to those syndicates and releasing claims against Lloyd's and its agents.

4. The Utah Securities Division has initiated a civil proceeding in state court which alleges that in former dealings with Utah Names Lloyd's has violated various provisions of Utah's Securities Laws, including fraud in the offer and sale of securities, offering and selling securities without prior registration or exemption, and the failure to license individuals engaged in the offer and sale of securities. The action is now removed from state court and is presently pending in U.S. District Court, in and for the District of Utah.

5. In the Complaint filed by the Division in connection with the civil action referred to above, the Division has alleged that Lloyd's' Reconstruction and Renewal plan is yet another offering of securities.

6. Utah Names desiring participation in Reconstruction and Renewal and legal representatives of Lloyd's have inquired concerning the Division's intentions respecting the offer of Lloyd's Reconstruction and Renewal plan.

7. On June 26, 1996 the Division received documents from Lloyd's relating to Reconstruction and Renewal which explain the plan.

8. It is the Division's understanding that these documents were presented to all Utah Names.

FINDINGS

9. In light of the foregoing, the Division finds that Reconstruction and Renewal will only be offered and available to Utah Names who are current Members of Lloyd's.

10. That the nature of the information published, disseminated and available to Utah Names concerning Reconstruction and Renewal, and the general awareness of the Utah Names of the current and past practices of Lloyd's is such that the protections of the Utah Uniform Securities Act are not necessary for the protection of the investors involved in determining whether to accept Reconstruction and Renewal.

11. That an order exempting the offering of Reconstruction and Renewal from the registration provisions of the Utah Uniform Securities Act, and barring division action pursuant to the Act, based on future activities related to the offer of Reconstruction and Renewal is in the public interest. Accordingly,


IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. Pursuant to Utah Code Ann. Sections 61-1-14 (1)(l), 14 (2)(s) and 24(1)(a), the offering of the Lloyd's Reconstruction and Renewal plan, also known as Equitas is hereby granted both securities and transactional exemptions under Utah Uniform Securities Act;

2. That the staff of the Division shall not pursue against Lloyd's or the Society of Lloyd's, any of its agents, affiliates or other persons working with Lloyd's, any action authorized or allowed by the Utah Uniform Securities Act relating solely to the offering and sale of Reconstruction and Renewal plan or Equitas from the date of this order;

3. The contents and effect of this order apply only to the offering of the plan known as Reconstruction and Renewal, or Equitas. Nothing in this Order is intended to dispose of nor shall be construed to affect the allegations contained in the Division's state court civil complaint relating to other offers and sales of securities by Lloyd's or its agents made in Utah that are presently known or unknown.

Dated this 18th day of July, 1996.


Mark J. Griffin, Director