



FIRST SEALORD SURETY, INC.
in Liquidation

Please be advised that the Liquidator will not release any collateral where the potential for liability to FSSI exists under bonds issued in reliance on collateral. An open bond is any bond on which FSSI has a potential for a claim to be filed.

The court overseeing the Liquidation of FSSI has set a claim filing deadline of October 5, 2012. Therefore, at this time, the Liquidator cannot be certain of the extent or nature of claims which may be filed against any FSSI issued bonds. After the filing deadline has passed, the Liquidator may consider requests for the release of collateral for those principals whose bonds have not received any claims. However, the claim filing deadline is not the equivalent of a bar date, which the court has not yet established. Only the bar date may definitively preclude the validity of a subsequently received claim. Accordingly, the Liquidator's willingness to consider a collateral release after the filing deadline has passed should not be viewed as a commitment to release collateral.

Any current request for release of collateral will need to address the concerns of the Liquidator as stated here and provide for full release of exposure under the bonds issued or claims filed.

With regard to open bonded projects, replacement bonds will be required for the Liquidator to consider the bonded obligations closed. Please see, "Collateral Release-Surety Bonds", also posted on the web page, for more information on wording to be included in the replacement bond. Such replacement bonds will need to cover all actual and potential liability taken on by FSSI under its bonds from the beginning of the obligation; allowing for the full and complete release and exoneration of FSSI from any actual and potential liabilities.

For FSSI bonds issued on completed projects, such bonds will not be considered closed until, among other items, all limitations periods for filing suit have expired, on or before February 7, 2012. This includes but is not limited to all limitations periods for potentially covered warranty and maintenance claims arising under the bonded contract and any other controlling law.

With regard to open claims, the Liquidator will require the forwarding to FSSI of a properly signed and notarized release from each claimant. This would need to include any current or future claim against FSSI and be a full, final, release and satisfaction. The Liquidator may independently verify with each claimant who signs a release that the release is genuine and has been voluntarily given in consideration for the payment received.