

Voluntary Settlement Offer

Dear TRA SIWCT Member:

This letter is meant to inform you of some recent developments with the liquidation of the Trust. You recently received notice of a second assessment motion with a hearing date of December 21, 2007. First, you should know that the hearing date has been moved to January 23, 2008. The hearing has been delayed so that you may have additional time to review the motion.

Secondly, this communication is to present to you this voluntary settlement as an alternative to the pending assessment. If this voluntary settlement is successful, it will result in all Trust members paying less than what is in the second assessment motion, as well as will provide for the wind down and potential closure of the Trust within the 2008 calendar year. This voluntary settlement was developed based upon input from members of the Trust. Under this voluntary settlement, your immediate payment due is 30% less than the assessment if paid in full by January 18, 2008; or 20% less than the assessment if you execute and return the enclosed Payment Plan Agreement, with the first payment, by January 18, 2008 and timely make all five remaining monthly payments. At the hearing on January 23, 2008, Liquidator will recommend the collection of the full assessment amount for members that have not made full payment of the voluntary settlement offer amount or executed the payment plan by January 18, 2008. Furthermore, the Liquidator will seek to recover additional court costs, Liquidator attorneys fees, and liquidation administrative costs from those members that fail to comply with any court ordered assessment. The intent of these recommendations is that the administrative cost burden of collections is paid by those members causing such cost that would otherwise be avoidable.

You should be aware that Liquidator has negotiated an LPT with Brentwood National Insurance Company. The LPT will transfer all of the risk from the Trust to BNIC, including the responsibility of providing medical care to claimants for life, and it will reduce the assessment needed from \$5.9 million to \$4.8 million (a \$1.1 million reduction). The LPT will dramatically save the Trust money because it will enable the Trust to minimize the administrative burden and expense of dealing with the complicated and potentially litigious claims settlement issues, thus enabling Liquidator to close the estate much sooner. The LPT will ensure that no future assessments will be necessary. Liquidator will recommend the release of members when cash net of administrative expenses is sufficient to fund the \$2.2 million LPT premium.

Finally, the ability to offer this voluntary settlement is dependent upon the participation of the members. Ultimately, this voluntary settlement, combined with the Loss Portfolio Transfer ("LPT"), presents an opportunity to generate an overall savings of more than \$2.5 million to the Trust and its members. **Please find the enclosed offer and remittance advice which reflects your settlement offer under this voluntary settlement plan which is 30% less than the assessment if you pay in full by January 18, 2008.** As an alternative, please find the enclosed payment plan agreement which reflects your settlement offer amount under this voluntary settlement plan which is 20% less than the assessment if you pay over six months with the first payment due January 18, 2008. Should this voluntary settlement alternative be unsuccessful, any payments made under the voluntary settlement offer will be credited as a reduction to any assessment ordered by the Court.

You should be aware that this Court entered an Order of Assessment of Members (First Order of Assessment) on April 10, 2006 that found the members of the Trust to be jointly and severally liable for liabilities of the Trust. This means that if Liquidator is unable to collect sufficient funds in a timely manner and without significant opposition under this voluntary settlement, Liquidator will have no choice but to enforce any assessment ordered by the Court.¹ **It cannot be stressed enough that without broad acceptance of this voluntary settlement plan by the members, or if the assessment and collection process faces costly opposition and litigation, the operating and legal costs will escalate and the closure of the Trust will likely be delayed beyond 2008.**

Further details regarding the liquidation, including a question and answer summary and the original Liquidation Consent Order are available at www.LiquidationInformation.com. Should you or your representatives have any additional questions concerning the assessment motion, this voluntary settlement plan, or the LPT agreement, you should feel free to contact Special Deputy Liquidator J. P. Keane at 615-261-9442.

¹ In similar cases in Tennessee, the Davidson County Chancery Court and the Tennessee Court of Appeals have upheld the legality and enforceability of such assessments. *State ex rel. Flowers v. Tennessee Trucking Ass'n Self-Insurance Group Trust*, 209 S.W.3d. 595 (Tenn Ct. App. 1996.) Members further applied to the Tennessee State Supreme Court for consideration, however, such requests were denied by the Court.