

EXHIBIT C

July 18, 2012 - The California Insurance Commissioner as Conservator of Majestic Insurance Company is seeking for interested parties to submit offers for the company's corporate shell. All proposal submissions are due by August 31, 2012 at 4:00 PM PDT.

REQUEST FOR PROPOSALS

BY THE INSURANCE COMMISSIONER OF THE STATE OF CALIFORNIA IN HIS STATUTORY CAPACITY AS CONSERVATOR ("CONSERVATOR") OF MAJESTIC INSURANCE COMPANY IN CONSERVATION

FOR THE PURCHASE OF THE MAJESTIC INSURANCE COMPANY, A CALIFORNIA DOMICILED PROPERTY & CASUALTY INSURANCE COMPANY, TOGETHER WITH CERTAIN RESIDUAL ASSETS AND LICENSES, TO BE SOLD AS A CLEAN "SHELL" FREE AND CLEAR OF PRE-ACQUISTION LIABILITIES.

**PROPOSAL SUBMISSION DEADLINE:
AUGUST 31, 2012, AT 4:00 P.M. PDT**

Notice is hereby given that proposals to acquire Majestic Insurance Company ("Majestic") must be received by the Conservator, at the address stated below by 4:00 p.m., PDT, Friday, August 31, 2012. To be considered, proposals must be prepared and submitted in accordance with the requirements set forth herein and/or as any additional requirements as may be determined by the Conservator of Majestic or by the San Francisco Superior Court overseeing Majestic's conservation. Please carefully read and follow the instructions set forth herein. Proposals must comply with the instructions set forth herein, be submitted with the payment required, and be received at:

Majestic Insurance Company in Conservation
Attention: Joe Holloway, Conservation Manager
425 Market Street, 23rd Floor
San Francisco, California 94105

THE CONSERVATOR MAY, IN HIS SOLE DISCRETION, REJECT ANY OR ALL PROPOSALS RECEIVED, IN WHOLE OR IN PART; CONTINUE OR DISCONTINUE THIS REQUEST FOR PROPOSALS WITHOUT LIABILITY TO ANY POTENTIAL PURCHASER; REQUEST CLARIFICATION, ADDITIONAL INFORMATION AND/OR NEW PROPOSALS FROM SOME OR ALL POTENTIAL PURCHASERS; MAKE COUNTER OFFERS TO SOME OR ALL POTENTIAL PURCHASERS; ACCEPT PROPOSALS BASED UPON FACTORS OTHER THAN THE HIGHEST PRICE; SELECT ONE OR MORE PROPOSALS SUBJECT TO FURTHER NEGOTIATIONS AND/OR APPROVAL OF THE SAN FRANCISCO SUPERIOR COURT; AND/OR TAKE ANY OTHER ACTION THAT THE CONSERVATOR DEEMS APPROPRIATE.

Please take note that neither the Conservator nor any of its respective representatives or professional advisors shall have any liability whatsoever for any costs, commissions, fees or expenses incurred by any potential purchaser, or any broker, agent, consultant, employee or representative of any potential purchaser in connection with this matter. All potential purchasers are responsible

for their own such costs and expenses. In addition, the Conservator will be required to set up a liquidating trust to facilitate the sale of Majestic. The Conservator expects the prospective purchaser to bear the cost for the establishment and maintenance of the liquidating trust and the prospective offer should reflect that cost. No commissions will be allowed or paid in connection with any transaction that is consummated by the Conservator pursuant to this RFP process.

All questions must be submitted prior to the August 31, 2012 deadline. Your questions can be addressed to hollowayj@caclo.org.

1. **INTRODUCTION**

On April 21, 2011, the San Francisco Superior Court ordered that Majestic be placed into Conservation and appointed the Insurance Commissioner of the State of California to serve as Conservator. The Order Appointing Conservator and the California Insurance Code authorizes the Conservator to, among other things; sell Majestic's property at its reasonable market value. A copy of the Order Appointing Conservator can be reviewed at the Insurance Commissioner's Conservation & Liquidation Office's website at www.caclo.org by clicking on the "Companies" tab, then choosing "Majestic Insurance Company."

Majestic was originally incorporated in 1980 and was initially granted a Certificate of Authority to conduct property & casualty insurance business in the State of California on March 22, 1980. Prior to conservation, Majestic operated as a "mono-line" workers' compensation insurance company. Majestic continues to hold a California domiciliary Certificate of Authority and foreign Certificates of Authority in the 16 states listed below, but the Conservator has suspended Majestic's authority to conduct insurance business and has prohibited Majestic from issuing insurance policies until Majestic receives approval of the Insurance Commissioner and the Conservation Court. The 17 states in which Majestic holds a Certificate of authority to write property & casualty and/or workers compensation insurance are as follows:

ALASKA	NEVADA
ARIZONA	NEW JERSEY
CALIFORNIA	NEW MEXICO
FLORIDA	NEW YORK
HAWAII	OREGON
IDAHO	TEXAS
ILLINOIS	UTAH
MONTANA	VIRGINIA
WASHINGTON	

The licenses in these states may be active, suspended or revoked at the time of the RFP due to the on-going Conservation proceedings with Majestic or at the discretion of the Governmental Authority issuing such licenses. The Conservator will not undertake a transaction in which the Conservator is required to take any regulatory action to restore or reactivate any of Majestic's Certificates of Authority. It shall be the sole obligation of the purchaser to take any action necessary to restore or reactivate the license.

Majestic maintains statutory deposits in some of the states listed above with an estimated fair value of **\$3,870,000** at December 31, 2011. Your offer should reflect, among other factors and attributes, the value of the licenses as well as the statutory deposits. A copy of the [2011 Annual Statement](http://www.caclo.org) can be found on the CLO's website at www.caclo.org.

2. **INFORMATION FOR POTENTIAL PURCHASERS**

1. **Request for Proposal Deadline**

All proposals for the purchase of Majestic must be in writing, must comply with the instructions and requirements set forth herein, and must be received by Majestic by 4:00 p.m., PDT, Friday, August 31, 2012, at the following location:

Majestic Insurance Company Insurance Company in Conservation
Attention: Joe Holloway, Conservation Manager
Conservation & Liquidation Office
425 Market Street, 23rd Floor
San Francisco, California 94105

2. **Discussion With Potential Purchasers And Revisions To Proposals**

Discussions may be conducted with potential purchasers for the purpose of clarification of, and/or providing information concerning, the RFP process, proposals, revisions to proposals, and other items related to this RFP and/or offered for purchase.

3. **Selection of Winning Proposal**

It is the intent of the Conservator to sell Majestic after the designation of the selected proposal and the successful negotiation of acceptable agreements for the purchase and sale of Majestic and approval of the Court. However, the Conservator reserves the right, in his sole discretion, to extend, modify or cancel this process at any time.

4. **Acknowledgement of Necessity of Conservation Court Approval for Certain Purchases.**

The Conservator hereby advises, and by submitting a proposal the bidder hereby acknowledges and agrees, that the sale of Majestic requires the approval of the San Francisco Superior Court overseeing Majestic's conservation, the proposal for the purchase of such property is contingent on the approval by the San Francisco Superior Court and any proposal and/or sale of such property will not be effective or enforceable without the approval of said Court. The Conservator anticipates that after the selection of a winning bidder it will take approximately 90-120 days to apply for and receive the

approval of the San Francisco Superior Court for the sale of Majestic. The process by which the Conservator seeks approval for the sale of Majestic will include the legal process to sever from Majestic any and all residual liabilities incurred by Majestic at any time prior to the close of the transaction, by providing for the transfer of such pre-transaction liabilities to a liquidating trust pursuant to California Insurance Code section 1017.

5. **Bidder's Consideration Factors**

The Conservator will evaluate each proposal based on the following criteria. However, no one particular criterion will form the basis for determining the winning proposal. The Conservator reserves the right to reject any or all proposals received, in whole or in part; continue or discontinue this request for proposals without liability to any potential purchaser; request clarification, additional information and/or new proposals from some or all potential purchasers; make counter-offers to some or all proposals.

1. Amount of the offer.
2. The potential viability of the prospective purchaser's Form A filing and any other requisite approvals.
3. The consent and demonstration of the prospective purchaser's willingness to pay for the cost of the process.

3. **INSTRUCTIONS FOR SUBMITTING PROPOSALS AND PROPOSAL CONTENT REQUIREMENTS**

Each proposal must contain the following:

1. Name, address and telephone number of prospective purchaser(s). For business entities, the following must be provided:
 1. Prospective purchaser's official registered name (Corporate, D.B.A., Partnership, etc.), address, main telephone number, facsimile number and email address
 2. Contact person, title, address (if different from above address) and direct telephone number.
 3. Person authorized to contractually bind the organization for any proposal submitted pursuant to the RFP.
2. List of names of the principals anticipated to be included in the Form A filing process and number of years of insurance experience.
3. Description of prior insurance company experience including:
 1. Experience in workers' compensation market.
 2. Prior regulatory experience in operating a domestic insurer.
 3. Identify any prior regulatory action taken against any of the principals.
4. Purchase amount for Majestic.
5. Audited financial statements of the prospective purchaser or other acceptable documentation that demonstrates their financial ability.
6. Any additional terms or conditions requested by the prospective purchaser.
7. **Payment of \$50,000 to "Majestic Insurance Company in Conservation."** This payment will be (i) returned to unsuccessful potential purchasers after the selection of a winning proposal, or (ii) retained by Majestic if the proposal is selected as the winning proposal and the

transaction is not consummated within the time required due to an act or omission within the control of the prospective purchaser, or (iii) returned to the selected prospective purchaser if the transaction is not consummated due to an act or omission within the control of Majestic or the Conservator, or (iv) applied to the purchase price at closing. All interest earned on the payment will be retained by the Conservator to partially cover the expenses of the RFP process.

8. Disclosure of any relationship, current or past, with Majestic or the Conservator or their staff or representatives. The Conservator considers it to be a potential conflict of interest if a prospective purchaser or any of its personnel have current and/or prior business transactions or relationships with Majestic, the Conservator or their staff or representatives, and therefore requires disclosure of any such transactions or relationships. Potential purchasers are required to obtain a written waiver or consent from the Conservator with respect to any conflicts that exist or arise in connection with the RFP process prior to submission of a proposal. The Conservator is being advised by the following persons and firms concerning Majestic:

David E. Wilson	Special Deputy Insurance Commissioner
Joe Holloway	Conservation Manager
Laszlo Komjathy	Counsel for the Conservator
Thomas Welsh	Counsel for the Conservator