

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

In re: ) Chapter 11  
)  
TWG CAPITAL, INC., ) Case No. 12-11019-BHL-11  
)  
Debtor. )

**CONDITIONAL OBJECTION TO (1) DEBTOR’S MOTION TO SELL  
SUBSTANTIALLY ALL OF THE ASSETS AND (B) DEBTOR’S MOTION TO REJECT  
LION TRUST AGREEMENTS**

Imagine International Reinsurance Ltd., an Irish registered company (“Imagine”), in consultation with the Lion 2004 Receivables Trust, a Delaware statutory trust (the “Lion Trust”), hereby submits this conditional objection to the Debtor’s (a) motion to sell substantially all of its assets (the “Sale Motion”) and (b) motion to reject the LION Trust Agreements, as defined in the rejection motion (the “Rejection Motion”).

The Debtor has negotiated a settlement, subject to Court approval, to resolve the objections by Imagine and/or the Lion Trust regarding the Sale Motion and the Rejection Motion. The settlement will be the subject of a settlement motion, which shall be filed shortly with the Court. If approved, the settlement will resolve all objections by the Lion Trust and/or Imagine to the Sale Motion and the Rejection Motion, among other things. Pursuant to the negotiated settlement, the Debtor (a) has filed a First Amendment to Amended and Restated Asset Purchase Agreement to incorporate the terms and conditions of the settlement and to remove the “Materials” (as defined in the First Amendment) from the auction and (b) has agreed to continue to the Rejection Motion pending approval of the settlement.

Based on the foregoing settlement, Imagine files this conditional objection to the Sale Motion solely to preserve rights and objections pending the Court's approval of the settlement, and to make clear that in the event that the settlement is not approved, and/or a bidder seeks to acquire the Materials, the Lion Trust and/or Imagine will (1) object to the sale of Materials, (2) object (and do not consent) to the sale of the Materials free and clear of their rights and interests in the Materials, (3) request that the Court prohibit or condition the sale of the Materials in accordance with section 363(e) of the Bankruptcy Code as necessary to provide adequate protection for their asserted rights and interests in the Materials, and (4) seek to adjudicate their rights and interests in the Materials under applicable law, including binding arbitration as required under the LION Agreements.

In addition, Imagine files this conditional objection to the Rejection Motion, pending the Court's approval of their settlement with the Debtor, in order to preserve all rights to object to the Rejection Motion at a future date and prior to the continued hearing on the Rejection Motion.

Respectfully submitted,

SEDGWICK LLP

By: /s/ Robert S. Gebhard

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Reinsurance Ltd., an Irish Registered Company*

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