







<p><b>Comments/Action:</b></p> <p>NA Reiter: S&amp;B units, excluding life-insure, continue to run below budget for the year (+\$27M or +0.7%).</p> <p>WRENSA: Attention remaining MOP, RPS turnover internal position changes underway with Global Operations re-aligning Assets/ Liabilities to fit marketing mix.</p> <p>CWP: Remaining numbers achieved.</p> <p>BSGI: No significant issues.</p>	<p><b>Comments/Action:</b></p> <p>NA Reiter:</p> <p>Wills Marketing Centers are receiving commission change information by line of business for each carrier. Minimum rates are being established following a successful bid with Prudential Business. Rates below the minimum level will not be processed by Wills regional accounting centers without approval. This approach is expected to allow recovery of commission decreases captured by carriers, assessed by contract over the past year. Significant opportunities exist to increase commission dollars as other premium rates stabilize or decrease.</p> <p>W/for carrier partners have been advised of ways to reduce commission reductions lost over the next year.</p> <p>Marketing centers are reviewing contingent, bonus and incentive plans in anticipation of adjustments during the fourth quarter. Special attention is being given to Bl. Prof. Clubs, Lobby Mutual, Hartford and Green &amp; Hunter due to special agreements.</p> <p>These carriers are also expected to pick up the largest share of [redacted] and [redacted] business as life business is reduced.</p> <p>Carriers</p> <ul style="list-style-type: none"> <li>Results for Insurers improved significantly during 2003. Six month numbers show operating income up 10% year on year while surplus was up 8.0%.</li> <li>Net premium growth for Insurers was up 11% through six months. This was the largest increase since 1997. Combined ratio including Cat losses was 98% down from 100% a year ago. SIO industry surplus increased from \$200B to \$312B.</li> <li>This improved result provides a statutory rate of return of 7.7%. This is much better than the 1% ROE last year, but still below the 11-15% ROE needed. Combined ratios will need to go down to the 90% level to achieve expected profit.</li> <li>This provides room for continued rate increases. The question remains if the industry has the necessary discipline to drive results to expected levels. Premium growth industry and other carriers will push short a chain reaction of rates decreases in an effort to increase market share forcing others to match rates or risk losing business. This struggle will likely intensify over the next six months. While the carrier of [redacted] and [redacted] may have additional rate decreases the market's appetite for growth outside the short term gain from these carriers.</li> <li>Centers are very receptive to developing business plans with strategic partners like Wills. These plans include targeted geographic and industry event exposure supported with capacity and financial commitments for adjustment market share plans.</li> </ul> <p>WRENSA: Property capacity remains in line with good accounts getting premium reductions and improved terms and conditions. Call rate is competitive with markets such as AIG (harder to exhibit) AIG accounts and generally providing reduced rates.</p> <p>XL is operating as a voluntary capacity market in the U.S. with [redacted] involvement. Executive still remains hard within all assets (D &amp; S, Green, RPL and Liberty).</p> <p>BSGI: The market is increasingly short term, making steady earnings since my Q3 update, but prospects despite it definitely remaining under the canopy. The market is a bit harder in the large metropolitan offices of NY, San Francisco and Los Angeles, but the rates are steady at the moment.</p>
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**\$2.5 MILLION REVENUE STRATEGY  
WNA MARKETING PRACTICE  
OCTOBER 31, 2003**

At the recent NA Marketing Practice Business Planning Meeting held in Chicago, a significant item discussed on the agenda was the development of a strategy to generate \$2.5 million in unanticipated income from North America in November and December 2003. [REDACTED], [REDACTED], established this Revenue Goal as one mechanism to illustrate the value that a dedicated and coordinated Marketing Practice delivers to a large and complex Insurance Broker such as Willis Group. This initiative will be successful by establishing targeted income goals by region, pursuing identified key objectives, assigning responsibilities for revenue enhancing activities and tracking the results.

**TARGET INCOME BY REGION**

Upon evaluation of the \$2.5 million revenue goal, it is clear that each Marketing Region, as they are currently structured, will contribute a different amount towards the goal based upon the overall revenue size of the region, business mix and upcoming revenue flow for the months of November and December. In addition, it was determined that one-third of the Revenue Goal is expected to be fulfilled in November with the remaining two-thirds completed in December. Income targets as outlined will be the responsibility of each RMO and activities will overseen by the North American Marketing Director.

MARKETING REGION	RMO	INCOME GOAL
Northeast	[REDACTED]	\$775,000
Midwest	[REDACTED]	\$460,000
Southern	[REDACTED]	\$675,000
Northwest	[REDACTED]	\$190,000
West	[REDACTED]	\$400,000
	<b>TOTAL REVENUE</b>	<b>\$2,500,000</b>

**KEY OBJECTIVES**

- Increase commission percentages on existing lines of business eligible for commission.
- Maximize premium volume flow to key carriers with most attractive contingent income agreements.
- Increase New Business hit ratio by targeting new business opportunities in the pipeline and focusing direct marketing support to ensure we utilize all of the Group's available leverage to secure the most competitive program available in the marketplace.
- Identify key accounts, both new and renewal, which will maximize income from the utilization of Willis Group resources including [REDACTED] Willis Re, Global Markets and other Willis Practice Groups.
- Monitor key renewal accounts which are "in jeopardy" and deliver Marketing resources where necessary to increase renewal retention percentages.







000128 Uid: 63E5B63880331E9B86256DD3005374B5

From : [REDACTED] WCG  
To : [REDACTED]  
Date Sent : 11/03/2003 10:11:45 AM  
Subject : We need your help!

.....wrong [REDACTED].....

[REDACTED]  
Willis North America  
10 South LaSalle St., Ste. 3000  
Chicago, IL 60603

Phone: 312 621 4761  
Fax: 312 621 6870  
Mobile: 312 953 0174

----- Forwarded by [REDACTED]/Chi/US/WCG on 11/03/2003 09:11 AM -----

[REDACTED]  
11/03/2003 08:48 AM CST

To: [REDACTED], [REDACTED]@zurichna.com, [REDACTED]  
cc: [REDACTED]  
bcc:  
Subject: We need your help!

[REDACTED] note does a great job of encapsulating our objectives wanted to share this with you so you don't have to recreate the wheel.

Regards,

[REDACTED]  
Willis North America  
10 South LaSalle St., Ste. 3000  
Chicago, IL 60603

Phone: 312 621 4761  
Fax: 312 621 6870  
Mobile: 312 953 0174

----- Forwarded by [REDACTED]/Chi/US/WCG on 11/03/2003 08:47 AM -----

[REDACTED]  
11/03/2003 06:55 AM CST

To: [REDACTED]@WCG, [REDACTED]@WCG,  
[REDACTED]@WCG, [REDACTED]@WCG, [REDACTED]  
[REDACTED]@WCG, [REDACTED]@WCG, [REDACTED]  
[REDACTED]@WCG, [REDACTED]@WCG, [REDACTED]@WCG,  
[REDACTED]@WCG, [REDACTED]@WCG, [REDACTED]  
cc: [REDACTED]@WCG, [REDACTED]@WCG, [REDACTED]@WCG,  
[REDACTED]@WCG, [REDACTED]@WCG, [REDACTED]

EWCG, [REDACTED], [REDACTED]  
bcc:  
Subject: We need your help!

[REDACTED] has asked the marketing department to find an additional \$2,500,000 in revenue in the last two months of this year. Each region is being asked to contribute its fair share. For the North East that translates into \$780,000 among seven offices. That equates to less than 2% of the November and December revenue for the offices. We are asking that all marketers look to do the following:

Ask for 2% additional commission on all renewals

With all fee accounts look to have [REDACTED] place the as many lines as possible especially (umbrellas are generally an easy one and if you have difficulty with [REDACTED] call me. We are warning them they should have additional flow, and that we expect them to deliver).

Look for opportunities to feed our biggest contingency players, Hartford, St. Paul, Chubb, Liberty Mutual (national accounts)

Look for opportunities to get Willis Re involved in any accounts possible.

Ask for bonuses from carriers for new business placements.

Ask for 2% additional commission on all accounts (I now I already said it, but it is so important that I am repeating it again).

We will be passing the above message on to all carriers that we meet over the next few weeks to help soften the carriers up, but they are so bad at internal communication that we obviously cannot count on the local staff to receive the message. Therefore, we will keep repeating it again, and again. We also are looking into additional (not early) payouts of contingencies to help us along. Please pass on to me any problems, and also all of your successes (we want to track the wins).

We have learned over the past few months that we can receive a lot by just asking. Please keep the pressure on the carriers. We have two months to go, and we can make 2003 a record year.

As always thank you for all that you do.

[REDACTED]



**PARTNERSHIP DIVIDEND PLAN AGREEMENT**

This AGREEMENT is effective July 1, 2002 (the "Effective Date"), by and between Aon Re Inc. ("Aon Re") an Illinois corporation, a wholly owned subsidiary of Aon Corporation, a Delaware corporation (which, together with its other subsidiaries and affiliates is hereinafter referred to as "Aon Corp.") with its principal place of business in Chicago, Illinois and Liberty Mutual Insurance Company, domiciled in Massachusetts, along with certain of its affiliates and subsidiaries, through and exclusively for its business unit Liberty Mutual Property with its principal place of business in Weston, Massachusetts.

**WITNESSETH**

**I. SERVICES AGREEMENT**

1. Liberty Mutual Property and Aon Re have entered into an agreement, whereby Aon Re has agreed to act as reinsurance intermediary broker in placing treaty reinsurance business at the instruction of Liberty Mutual Property for the term extending from July 1, 2002, through June 30, 2003.
2. ██████████ a licensed broker, is a subsidiary of Liberty Mutual Insurance Company. Aon Re agrees to utilize ██████████ to provide to Aon Re services relating to the Liberty Mutual Property treaty reinsurance business having effective dates during the period extending from July 1, 2002, through June 30, 2003. The services will be described in a separate memorandum of agreement.
3. In consideration of this Services Agreement, Liberty Mutual Property agrees to the provisions of the Placement Service Agreement as detailed herein with respect to retail property insurance business placed by Aon Corp. with Liberty Mutual Property.

**II. PLACEMENT SERVICE AGREEMENT**

1. In consideration of its agreement to the terms of the Services Agreement, Aon Re becomes eligible to receive Placement Service Payments in conjunction with the placement of retail property insurance business with Liberty Mutual Property by Aon Corp. In calculating the Placement Service Payments due Aon Re, all retail property insurance placed by Aon Corp. and written by Liberty Mutual Property shall be eligible.
2. Payments hereunder are referred to as "Placement Service Incentives" and shall be in addition to, and not in lieu of, customary commissions due Aon Corp. in conjunction with retail property insurance business placed with and written by Liberty Mutual Property as well as any reinsurance brokerage due Aon Re in accordance with the placement of property reinsurance on behalf of Liberty Mutual. Liberty Mutual Property shall pay Aon Re separate Placement Service Incentives based on Direct Written Premium and Loss Ratio as follows:

- a. Liberty Mutual Property shall pay Aon Re a Placement Service Incentive in an amount equal to the Payout as set forth below based on the Direct Written Premium for subject policies with effective dates from July 1, 2002, through June 30, 2003:

<u>Direct Written Premium</u>	<u>Payout</u>
- or > \$40,000,000	\$500,000
- or > \$35,000,000 to \$40,000,000	\$400,000
- or > \$32,000,000 to \$35,000,000	\$300,000.

Aon Re shall not be entitled to any Placement Insurance Incentive based on Direct Written Premium if the Direct Written Premium is less than \$32,000,000.

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"Direct Written Premium" is defined as direct written premiums for retail property insurance business placed by Aon Corp. and written by Liberty Mutual Property less premiums refunded by Liberty Mutual Property with respect to returns, allowances, or cancellations; provided, that no deduction shall be made for return premiums in the event a policy is canceled and rewritten mid-term by Liberty Mutual Property through another broker. If Aon Corp. is appointed, pursuant to a broker of record letter and not part of a purchase, merger, or other acquisition, as broker on any policy or policies written by Liberty Mutual Property through a different broker, Direct Written Premium attributable to such policies shall not be recognized in the calculation of the Placement Service Incentive. Direct Written Premium attributable to the renewal of any such policies during the term of this Agreement shall be recognized as part of the Placement Service Incentive calculation if the broker of record appointment is still in effect on the date of renewal.

- b. Liberty Mutual Property shall pay Aon Re a Placement Service Incentive in an amount equal to the Payout as set forth below based on the Loss Ratio resulting from the retail property insurance business placed by Aon Corp. with Liberty Mutual Property:

<u>Loss Ratio</u>	<u>Payout</u>
Less than 20%	\$1,000,000
20% to 25%	\$800,000
> 25% to 30%	\$600,000
> 30% to 35%	\$400,000
> 35% to 40%	\$200,000.

"Loss Ratio" is defined as direct losses incurred from all accident dates (paid and/or reserved), excluding catastrophe losses, on all retail property insurance business placed by Aon Corp. with Liberty Mutual Property having effective dates extending from July 1, 2002, through June 30, 2003, divided by the earned portion (as of the date of calculation) of Direct Written Premium for retail property insurance business placed by Aon Corp. with Liberty Mutual Property having effective dates extending from July 1, 2002, through June 30, 2003.

In the event the Direct Written Premium for the above term is less than \$15,000,000, there will be no payout under this Loss Ratio section.

- All definitions and calculations of Direct Written Premium and loss ratio shall be based solely on Liberty Mutual Property reporting metrics; although, Liberty Mutual Property shall allow Aon Re reasonable access to its books and records for purposes of verifying any amounts due hereunder.
- Liberty Mutual Property shall prepare and deliver Placement Service Incentive Statements to Aon Re within 45 days of the end of each calendar quarter and payment of Placement Service Incentives shall be made by September 30, 2003; although, Liberty Mutual Property shall be entitled to retain from any such payment any return premium and return commissions due to Liberty Mutual Property under any reinsurance treaty or insurance policy with respect to any property business the subject of this Agreement. At each subsequent June 30, until such time as all liabilities under the retail property insurance business placed by Aon Corp. and written by Liberty Mutual Property are fully extinguished, Liberty Mutual Property shall recalculate the Placement Service Incentive based on Loss Ratio and any amount due either party based on the recalculation shall be paid by September 30. Aon Re shall not be entitled to any Placement Service Incentive if either this Placement Service Agreement or the Services Agreement are canceled by Aon Corp. or Aon Re, or if Liberty cancels the Services Agreement before the service are received or if Liberty cancels the Placement Service Agreement because of misrepresentation, fraud, malfeasance, or nonfeasance by Aon Corp. or Aon Re.

**III. TERMS APPLICABLE TO BOTH AGREEMENTS**

- 1. Dispute Resolution:** Any dispute arising under this Agreement shall be resolved by binding arbitration pursuant to the rules of the American Arbitration Association before a panel of three arbitrators. The party demanding arbitration shall notify the other party in writing of its intent to invoke this provision, and shall notify the recipient of the name and address of its arbitrator. The party receiving the notice to arbitrate shall have 21 days after receipt of such notice to select an arbitrator, and to provide the name and address of its arbitrator. In the event the party receiving notice fails to select an arbitrator within 21 days, the party demanding arbitration shall be entitled to select the other party's arbitrator. The two arbitrators shall select a third arbitrator within 21 days of the naming of the second arbitrator. All arbitrators shall be experienced in the insurance industry, with knowledge of the insurance broking business, and shall be disinterested in the outcome of the arbitration. The arbitration shall be conducted in Boston, Massachusetts.
- 2. Term and Termination:** This Agreement, and the Services Agreement and Placement Service Agreements comprising this Agreement, shall be effective on July 1, 2002, and shall remain in effect through June 30, 2003, unless terminated in accordance as provided herein. Either party may terminate this Agreement at any time by providing written notice to the other. Termination of one of the two Agreements comprising this Agreement automatically terminates the other Agreement. Notwithstanding the expiration of this Agreement, the terms and conditions of this Agreement shall continue to apply to all obligations and duties assumed hereunder until these obligations and duties are satisfied in full.
- 3. Confidentiality:** The terms of these Agreements are confidential and shall not be disclosed by either party except as may be required by law.
- 4. Assignment:** These Agreements and the rights, duties and responsibilities set forth herein shall not be assignable by either party hereto.
- 5. Notices:** All notices as required under this Agreement shall be sent by pre-paid, first class mail to the other party and shall be deemed to have been effected when sent. Notices shall be sent to:

Aon Corporation  
Aon Re Inc.  
Attn: [REDACTED]  
200 East Randolph  
Chicago, Illinois 60601

Liberty Mutual Property  
Attn: [REDACTED]  
9 Riverside Road  
Weston, Massachusetts 02493-2298.

Or to such other person or address as either party may from time to time so notify the other party.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date first above-written.

Aon Corporation  
Aon Re Inc.

By: [REDACTED]  
Name: [REDACTED]

Date: 4/21/03

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Liberty Mutual Insurance Company

By: [REDACTED]  
Name: [REDACTED]

Date: 4/29/03

AON0014306

**AON**

*Reinsurance Services*

**VIA OVERNIGHT COURIER**

April 14, 2003

Mr. [REDACTED]  
Liberty Mutual Insurance Company  
9 Riverside Road  
Weston, MA 02493-2298

Dear Mr. [REDACTED]

Pursuant to the Memorandum of Agreement among Aon Re Inc., [REDACTED],  
and Liberty Mutual Insurance Company, effective July 1, 2002, the fee for the period July 1,  
2002, through June 30, 2003, shall be \$3,000,000.

Please sign below indicating your acknowledgement and return an original to me.

Sincerely yours,

[REDACTED]

On behalf of [REDACTED]

[REDACTED]

On behalf of Liberty Mutual Insurance Company

By: [REDACTED]

Confidential Treatment  
Requested

## MEMORANDUM OF AGREEMENT

In anticipation of a continuing business relationship between Liberty Mutual Insurance Company, a Massachusetts domiciled insurance company ("LMIC") and Aon Re Inc. ("Aon Re") and its affiliates, an Illinois domiciled reinsurance intermediary broker, the parties to this Memorandum of Agreement ("Agreement") deem it desirable and prudent to reduce to writing the manner in which they will continue to do business together.

In an effort to more efficiently coordinate its property treaty reinsurance needs, LMIC hereby delegates to [REDACTED], a Massachusetts licensed insurance broker [REDACTED] and a wholly owned subsidiary of LMIC, the responsibility for coordinating and administering specific Property Catastrophe and Property Per Risk reinsurance treaties for LMIC and the Wausau Insurance Companies ("WIC").

Therefore, the parties hereto make the following representations and jointly agree to the following:

1. **Best Efforts.** [REDACTED] will assist LMIC in preparing and packaging LMIC's and WIC's Property Catastrophe and Property Per Risk reinsurance needs and shall submit to Aon Re LMIC's requests for reinsurance placement. Aon Re agrees to use its best efforts to procure, from time to time and at the request and direction of [REDACTED], reinsurance for LMIC.
2. **Binding.** [REDACTED] acknowledges that it is not an agent of Aon Re, and as such it has no power to bind Aon Re or any reinsurer.
3. **Licensing.** [REDACTED] represents that it is a duly licensed insurance broker in every state in which it transacts business.
4. **Premiums.** [REDACTED] agrees to be responsible for forwarding to Aon Re premiums (including premium adjustments) for such reinsurance placed by Aon Re on behalf of LMIC.
5. **Servicing Fee.** Aon Re agrees to allow [REDACTED] a servicing fee for the reinsurance placed for LMIC by Aon Re. The amount of this servicing fee will be agreed to each year.

6. **Accounting.** Aon Re will issue a separate premium invoice to [REDACTED] for each placement of reinsurance for LMIC and [REDACTED] will forward invoices to LMIC for payment. LMIC shall forward premium payments to [REDACTED] for remittance to Aon Re in accordance with due dates agreed upon. The Servicing fee may be offset against premium before payment is remitted to Aon Re.
7. **Claims and Losses.** [REDACTED] acknowledges that Aon Re will be the designated intermediary and that as such Aon Re will receive from [REDACTED] for filing with the reinsurers all notices of occurrence or claim, unless specific circumstances dictate otherwise. Each party agrees to furnish the other with copies of correspondence to and from the reinsurers and LMIC in a prompt manner upon request. To the extent called upon to do so by LMIC, each agrees to assist LMIC with the presentation of their claims to the reinsurer whenever feasible.
8. **Termination.** This Agreement may be terminated by either party upon forty-five (45) days written notice to the other party.

Except as is otherwise indicated, this Agreement shall be effective as of July 1, 2002, and shall apply generally to all future reinsurance placed by Aon Re for LMIC at [REDACTED] direction.

This Agreement dated 4/14/03.

AON RE INC.

By [REDACTED]  
Authorized Representative

Acknowledged and Accepted by:

LIBERTY MUTUAL INSURANCE COMPANY

By [REDACTED]  
Authorized Representative

Confidential Treatment  
Requested

AON0014309



Plea

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK: CRIMINAL TERM PART 41

- - - - -X

THE PEOPLE OF THE STATE OF NEW YORK : S.C.I.  
 : No. 3931/05  
 - against - :  
 KEVIN BOTT, :  
 : PLEA  
 Defendant. :  
 - - - - -X

August 8th, 2005  
100 Centre Street  
New York, New York

B E F O R E :

HONORABLE JAMES A YATES,  
Justice.

A P P E A R A N C E S :

FOR THE PEOPLE:

ELIOT SPITZER  
Attorney General  
State of New York  
120 Broadway  
New York, New York

BY: MICHAEL D. ROE, ESQ., A.A.G.

FOR THE DEFENDANT:

FRIEDMAN KAPLAN SEILER ADELMAN  
1633 Broadway  
New York, New York

BY: PAUL FIRHMAN, ESQ., Of Counsel.

JOSEPH V. CONNOLLY  
Senior Court Reporter

1 (Whereupon, the Court, Mr. Roe, Mr.  
2 Fishman and the defendant being present in the  
3 courtroom, the following proceedings commenced:)

4 COURT CLERK: Added to the calendar;  
5 S.C.I. 3931 of 2005; the People of the State of  
6 New York against Kevin Bott, B-O-T-T.

7 Present in the courtroom is the defend-  
8 ant, his attorney and the assistant attorney  
9 general.

10 State your appearances for the record,  
11 please, counsellors.

12 MR. FISHMAN: Good morning, your Honor.

13 Paul Fishman, from Friedman, Kaplan,  
14 Seiler and Adelman, 1633 Broadway, New York, New  
15 York, on behalf of the Defendant Kevin Bott.

16 MR. ROE: Assistant Attorney General  
17 Michael Roe, for the People.

18 Good morning, your Honor.

19 THE COURT: Good morning.

20 Did you say Paul Friedman?

21 MR. FISHMAN: Fisman.

22 THE COURT: Fishman, that's what I  
23 thought.

24 Is there anything we need to discuss or  
25 should I just go ahead with the allocution?

1 MR. FISHMAN: We have a plea agreement,  
2 Judge.

3 THE COURT: All right.

4 Mr. Bott?

5 THE DEFENDANT: Yes, sir?

6 THE COURT: You've been charged in a  
7 felony complaint, 2005NY053898, with the Class E  
8 felony of Violation of the General Business Law,  
9 Section 340 and 341, that being a combination of  
10 restraint of trade.

11 You have a right - - before you can be  
12 prosecuted for that felony, you have a right to  
13 have that case presented to a Grand Jury. A per-  
14 son cannot be prosecuted for a felony in New York  
15 unless a Grand Jury has met.

16 A Grand Jury consists of twenty-three  
17 citizens meeting in secret.

18 If twelve of them find, based on com-  
19 petent, legal evidence, legally sufficient evi-  
20 dence, that there's reasonable cause to believe  
21 that you've committed a felony, then they go  
22 ahead and vote an indictment. If they fail to  
23 vote an indictment, then you cannot be prosecuted  
24 for that felony.

25 This is an important and valuable

1 right.

2 The law permits to you waive that  
3 right, if you so choose. If you waive that  
4 right, then means you're consenting to be pro-  
5 secuted by a Superior court Information, a piece  
6 of paper, having been filed by the Attorney  
7 General's Office, which charges you with that  
8 same felony offense.

9 Have you discussed all of this with  
10 your attorney?

11 THE DEFENDANT: Yes, I have, your  
12 Honor.

13 THE COURT: And are you satisfied with  
14 the work Mr. Fishman has done as an attorney for  
15 you?

16 THE DEFENDANT: Yes, I am.

17 THE COURT: And is it your desire to  
18 waive a presentation to a Grand Jury?

19 By the way, you have a right to testify  
20 in front of that Grand Jury. You have a right,  
21 as well, to ask that they hear from witnesses or  
22 see evidence that you produce, as well.

23 Is it your desire to waive the presen-  
24 tation to a Grand Jury, to waive the requirement  
25 that an indictment be voted and, instead, consent

1 to be prosecuted by a filed Superior Court Infor-  
2 mation?

3 THE DEFENDANT: Yes, your Honor.

4 THE COURT: If that's what you want to  
5 do, then go ahead and signe the waiver that is  
6 before you.

7 (Defendant and counsel execute the  
8 waiver.)

9 (Handed to Mr. Roe.)

10 (Waiver executed by Mr. Roe.)

11 (Handed to the Court.)

12 THE COURT: All right.

13 Mr. Bott, Mr. Fishman and Mr. Roe  
14 having signed this waiver in open court and in my  
15 presence, I am now signing it.

16 Okay.

17 Mr. Bott, the People have filed a  
18 Superior Court Information 3931 of 2005, charging  
19 you with a Class E felony of Violation of the  
20 General Business Law, Sections 340 and 341, that  
21 being a combination of restraint of trade.

22 How do you plead to that charge?

23 THE DEFENDANT: Not guilty.

24 THE COURT: Now I've been handed a  
25 written agreement, a five page agreement, that

1 was signed at the bottom.

2 Is that your signatures at the bottom  
3 of that agreement?

4 THE DEFENDANT: Yes, your Honor.

5 THE COURT: Before you signed that  
6 agreement, did you discuss it with your attorney  
7 and do you have any questions about it?

8 THE DEFENDANT: I did discussion it  
9 with my attorney; I have to questions.

10 THE COURT: Okay. Is that your under-  
11 standing?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: In there you have offer to  
14 plead guilty to the as Class A misdemeanor, a  
15 lesser included offense, of attempted Violation  
16 of General Business Law, under Section 340 of the  
17 General Business Law, that being acting in a com-  
18 bination of restraint of trade.

19 Is that your desire, to plead guilty to  
20 that Class A misdemeanor?

21 THE DEFENDANT: Yes, it is, your Honor.

22 THE COURT: When you signed that agree-  
23 ment, is that your understanding of the entire  
24 agreement that induced you to enter that plea of  
25 guilty?

1 THE DEFENDANT: Yes, it is, your Honor.

2 THE COURT: Has anyone made any other  
3 promises or threats to make you plead guilty?

4 THE DEFENDANT: No, sir.

5 THE COURT: Do you understand by plead-  
6 ing guilty you're giving up your right to trial?

7 At a trial, the People would have to  
8 prove your guilty beyond a reasonable doubt to  
9 the unanimous satisfaction of twelve jurors;  
10 you'd have a right to testify; a right to call  
11 witnesses to testify for you; a right to have  
12 your attorney cross examine, ask questions, of  
13 the People's witnesses; a right to remain silent.

14 Because you're pleading guilty, you're  
15 going to give up all those rights.

16 Is that what you want to do?

17 THE DEFENDANT: Yes, sir.

18 THE COURT: As well, pursuant to the  
19 terms of that agreement, you have agreed to a  
20 couple of other thing. I'm not going to go  
21 through the whole agreement.

22 But some of the more notable points  
23 are as follows:

24 You agreed to waiver appeal to any  
25 higher court with regard to any of the other

1 issues in this case.

2 Is that what you want to do?

3 THE DEFENDANT: Yes, sir.

4 THE COURT: You agreed that you would  
5 have - - that you would consent to a deferral of  
6 the sentence date in this case until the People  
7 have concluded their investigation in related  
8 matters here and not complain about the fact that  
9 you weren't sentenced promptly.

10 Is that what you want to do?

11 THE DEFENDANT: Yes, sir.

12 THE COURT: You agreed to make yourself  
13 available to the People in this case, both in  
14 their further investigation and, if necessary, to  
15 testify either in the Grand Jury or at trial; and  
16 at all times you'll answer questions, waive your  
17 right, your privilege against self-incrimination  
18 with regard to related matters here; and at all  
19 times you'll answer all questions truthfully and  
20 honestly.

21 As well, you recognize that under this  
22 agreement I could sentence you to as much as one  
23 year in jail.

24 However, what I'm going to do is defer  
25 sentence. I'll listen to the People with regard

1 to your compliance with the terms of this agree-  
2 ment, I'll listen to your attorney, I'll listen  
3 to you and then I'll decide what sentence to  
4 impose.

5 It could be a year in jail; it could be  
6 a lesser term. It could be a non-incarceratory  
7 sentence; it could be a fine; it could be Proba-  
8 tion, community service, a conditional discharge,  
9 restitution. All of those are the possibilities  
10 available to me.

11 Is that your understanding of the  
12 promise in this case.

13 THE DEFENDANT: Yes, it is, your Honor.

14 THE COURT: I want you to raise your  
15 right hand.

16 Do you swear that the statement that  
17 you're about to make is the truth, the whole  
18 truth and nothing but the truth, so help you God?

19 THE DEFENDANT: Yes.

20 THE COURT: Look at paragraph 3.

21 (Defendant complies.)

22 THE DEFENDANT: Yes.

23 THE COURT: If it's completely accu-  
24 rate, please it out loud. If you have any ques-  
25 tions or reservations about - -

1 MR. FISHMAN: I'm sorry; paragraph 3,  
2 Judge.

3 THE COURT: Paragraph 3?

4 You changed the numbers on it?

5 MR. ROE: Yes, your Honor.

6 THE COURT: Look at paragraph 3.

7 THE DEFENDANT: Yes.

8 THE COURT: If it's completely honest  
9 and accurate, read it out loud, slowly, for the  
10 Reporter.

11 THE DEFENDANT: Okay.

12 From about January, 2001, to about  
13 June, 2005, I was an Assistant Vice President  
14 Underwriter in the Excess Casualty Division at  
15 Liberty International Underwriters, an insurance  
16 company in Manhattan. As an underwriter at  
17 Liberty, I had the primary relationship with  
18 Marsh Global Broking, a subsidiary of Marsh and  
19 McLennan Companies, Inc., an insurance brokerage  
20 base in Manhattan.

21 In many instances during this time  
22 period, brokers at marsh instructed me to sub-  
23 mit protected quotes on certain pieces of busi-  
24 ness where Marsh had predetermined which insur-  
25 ance carrier would win the bid. Such quote were

1 sometimes referred to as "B quotes, "back-up  
2 quotes," and "alternative leads."

3 Excuse me.

4 I understood that such quotes were in-  
5 tended to allow Marsh to maintain control of the  
6 market and to protect the incumbent. This could  
7 be accomplished by either bidding at a higher  
8 price than the incumbent or providing less at-  
9 tractive terms for the insurance program. On  
10 such occasions, brokers at Marsh would give me  
11 either the incumbent's bid, a specific target or  
12 a range within which to bid. On these occasions,  
13 I understood that this bid had to be less favor-  
14 able than the incumbent's bid.

15 I complied with these requests by sub-  
16 mitting such quotes, which had the effect of  
17 allowing Marsh to obtain property in the form of  
18 millions of dollars in commissions and fees from  
19 each of numerous policyholders and insurance com-  
20 panies.

21 Likewise, during this time, I under-  
22 stood that Liberty benefited from this scheme  
23 when liberty submitted a "B quote" on the lead  
24 layer of insurance. Marsh often allowed Liberty  
25 either to renew its place on the excess layer or

1 to gain new business.

2 THE COURT: All right; thank you.

3 I'm going to adjourn this to September  
4 29th.

5 If the matter is not concluded and you  
6 both agree upon an adjourned date, the defendant  
7 will be excused and you can just call for the ad-  
8 journed date.

9 MR. FISHMAN: Thank you, Judge.

10 THE COURT: Thank you.

11 MR. ROE: Thank you.

12 I'll file a copy of the agreement with  
13 the Court, along with the S.C.I.

14 THE COURT: Thank you.

15 COURT CLERK: R.O.R., Judge?

16 THE COURT: Yes.

17 MR. FISHMAN: Thank you, your Honor.

18 THE DEFENDANT: Thank you, Judge.

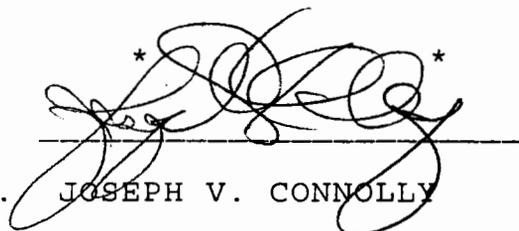
19 MR. ROE: Thank you, Judge.

20 (Whereupon, the proceedings were ad-  
21 journed until September 29th, 2005, at nine-  
22 thirty a.m.)

23 \*

24 Certified to be a true

25 aEnd accurate transcript. JOSEPH V. CONNOLLY

\*  \*



---

**From:** Greg J Doherty  
**Sent:** Wednesday, March 26, 2003 8:58 AM  
**To:** [REDACTED]@LibertyInternational.com@Internet @ MMC\_CDS  
**Subject:** Re: [REDACTED] - Liberty Response

---

see below and I will talk to you later.  
03/26/2003 09:57 AM

---

Forwarded by Greg J Doherty/NYC-NY/US/Marsh/MMC on 26 Mar 2003, 09:57 Wednesday

Edward Keane on 26 Mar 2003, 09:48 Wednesday

**To:** Greg J Doherty  
**cc:**  
**Subject:** Re: [REDACTED] - Liberty Response

Doherty -

I need a B quote from Liberty. I finally had AIG agree to write this thing at the target.

Have Liberty come in around \$175,000. E-Mail indication would be fine.

Thanks.

Ed

<<< Memo from Edward Keane/NYC-NY/US/Marsh/MMC on 25 March, 2003, 14:01 Tuesday >>>

Edward Keane on 25 Mar 2003, 14:01 Tuesday  
**To:** Greg J Doherty  
**cc:**  
**Subject:** Re: [REDACTED] - Liberty Response

Greg -

Please have them quote without Personal attached.

Thank You.

Ed

<<< Memo from Greg J Doherty/NYC-NY/US/Marsh/MMC on 24 March, 2003, 17:45 Monday >>>  
From Greg J Doherty on 24 Mar 2003, 17:45 Monday  
**To:** Edward Keane  
**cc:**  
**Subject:** [REDACTED] - Liberty Response

Liberty is out on the personal lines attachments. Will look at it without.

Greg



---

**From:** Edward Keane  
**Sent:** Thursday, March 27, 2003 7:58 AM  
**To:** Greg J Doherty; [REDACTED]  
**Cc:** Marie Hulin  
**Subject:** Merle Norman

Greg & [REDACTED]

The Client is looking for options from the CA and we are still waiting for B Quotes from Liberty & Zurich. Please have your markets get us an e-mail indication ASAP. AIG hit our target at \$140,000. We need these quotes from Zurich and Liberty to strengthen AIG's quote.

Thanks!

Ed



---

**From:** [REDACTED]  
**Sent:** Tuesday, October 09, 2001 2:43 PM  
**To:** Joshua Bewlay  
**Subject:** RE: [REDACTED]

---

**Start Time:**

**Required Attendees:** CN=Joshua Bewlay/OU=NYC-NY/OU=US/OU=Marsh/O=MMC@MMC

**Josh:**

Does the insured perform any residential homebuilding in the states of Arizona, California, Colorado or Nevada?

If so, Liberty would have to decline on quoting this altogether due to treaty exclusion.

Please advise.

Thanks.

10/09/2001 04:41 PM

---

Forwarded by [REDACTED]/NYC-NY/US/Marsh/MMC on 9 Oct 2001, 16:41 Tuesday

Kevin.Bott@LibertyInternational.com on 9 Oct 2001, 16:36 Tuesday

**To:** [REDACTED]  
**cc:**  
**Subject:** RE: [REDACTED]

I would love to simply sign a quote protecting AIG however I need the following question(s) answered:

1) Does the insured perform any residential homebuilding in the states of Arizona, California, Colorado or Nevada?

If so, we would need to decline due to class of business/treaty exclusion.

Await your advice.

KB

PS - I guess this one got lost in the shuffle. sorry.

-----Original Message-----

**From:** [REDACTED] [mailto:[REDACTED]@marshmc.com]  
**Sent:** Tuesday, October 09, 2001 4:07 PM  
**To:** Bott, Kevin (New York-LIU)  
**Subject:** RE: [REDACTED]

**Dude:**

I sent this to you on 10/1/01. This is the one that NJ should have sent to you.

It would be so much easier if you could just e-mail me a number that

would be great.

They are a real estate development out Los Angeles. If you really need a protective quote

I will have to do it tomorrow. Josh is just looking for an e-mail at this point. If you want to quote \$125,000 that sounds good.

<<< Memo from Kevin.Bott@LibertyInternational.com on 09 October, 2001, 16:01 Tuesday >>>

Kevin.Bott@LibertyInternational.com on 9 Oct 2001, 16:01 Tuesday

To: [REDACTED]  
cc:  
Subject: RE: [REDACTED]

I don't think after looking at my submission activity this one came up.

Having said that, what do they do?

How about you e-mail me a protective quote, at the price desired?

Let me know.

KB

-----Original Message-----  
From: [REDACTED] [mailto:[REDACTED]@marshmc.com]  
Sent: Tuesday, October 09, 2001 3:55 PM  
To: Bott, Kevin (New York-LIU)  
Subject: [REDACTED]  
Importance: High

KB:  
You have this submission. Can you please e-mail me a lead protective quote for the \$25MM.  
Thanks.  
10/09/2001 03:53 PM

----- Forwarded by [REDACTED] NYC-NY/US/Marsh/MMC on 9 Oct 2001, 15:53 Tuesday -----  
From Joshua Bewlay on 9 Oct 2001, 15:31 Tuesday

To: [REDACTED]  
cc: [REDACTED]  
Subject: [REDACTED]

I need you to email me Type B indications from Liberty and Zurich on a lead \$25 million.

AIG came in at \$79,750 for 25 x p. (This is a huge Real estate risk in LA.)

There are only 9 vehicles and 45 employees.

Please have Zurich and Liberty email you some numbers.

Josh

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC  
cc: [REDACTED]/NYC-NY/US/Marsh/MMC  
From: [REDACTED]/NYC-NY/US/Marsh/MMC

---

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC  
cc:  
From: Kevin.Bott@LibertyInternational.com

To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC  
cc:  
From: Kevin.Bott@LibertyInternational.com





Edward Keane on 10 Apr 2003, 14:27 Thursday

To: [REDACTED]  
cc: [REDACTED]  
Subject: USS POSCO

---

[REDACTED]

Per our conversation, I will need B Quotes from Liberty and ACE Excess. Zurich has quoted \$25mm x \$25mm for \$163,000, so please have ACE and Liberty provide e-mail indications.

Thank You.

Ed

All Recipients  
To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC  
cc: [REDACTED]/NYC-NY/US/Marsh/MMC  
From: Edward Keane/NYC-NY/US/Marsh/MMC





Edward Keane on 11 Apr 2003, 14:12 Friday

To: [REDACTED]  
cc: [REDACTED]  
Subject: RE: USS POSCO

[REDACTED]  
Please see Liberty's indication.

Please advise of any questions or comments.

Thank You.

Ed

----- Forwarded by Edward Keane/NYC-NY/US/Marsh/MMC on 11 Apr 2003, 14:09 Friday -----

 From [REDACTED] on 11 Apr 2003, 11:53 Friday  
To: Edward Keane  
cc:  
Subject: RE: USS POSCO

Ed:

Please see the below indication from Liberty w/respect to the \$25MM xs \$25MM layer. I await your advices.

[REDACTED]

----- Forwarded by [REDACTED]/NYC-NY/US/Marsh/MMC on 11 Apr 2003, 11:53 Friday -----

 Kevin.Bott@libertyiu.com@Internet on 11 Apr 2003, 11:50 Friday

To: [REDACTED]  
cc:  
Subject: RE: USS POSCO

[REDACTED]  
We can provide you with the following relative to the captioned account as follows:

\$25mm x \$25mm @ \$195,000

TRIA of 2002 - Terrorism coverage is offered in accordance with the Terrorism Risk Insurance Act of 2002. The Terrorism premium allocation \$10,000, which is included in the Annual Premium above. The attached TRIA Form must be signed and returned to binding.

Terms: Following Form AIG's noted in their Binder Confirmation dated 2/28/2003 by Melena Omega.

Please advise if this option will be viable option.

Await your further advices.

Regards,

KB

Kevin M. Bott  
Assistant Vice President  
Excess Casualty Division  
Liberty International Underwriters  
55 Water Street  
New York, NY 10041  
(212) 208-4143 - Direct  
(212) 208-4111 - Fax

Thanks KB, I truly just need to get your indication for the \$25MM xs \$25MM - Zurich quoted it for \$163,000. Please call me with any questions.

---

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To: [REDACTED]/NYC-NY/US/Marsh/MMC@MMC  
CC:  
From: Kevin.Bott@LibertyIU.Com@Internet



---

**From:**  
**Sent:**  
**To:**  
**Subject:**

[REDACTED]  
Monday, September 30, 2002 6:45 PM  
kevin.bott@libertyinternational.com@internet  
[REDACTED]

---

KB,

Please provide us with a supportive quote for the \$40MM xs \$25MM [REDACTED] Zurich layer). They quoted \$215,000.

[REDACTED]  
[REDACTED]  
[REDACTED]

Any questions, please call me.

Thanks a million! [REDACTED]



---

**From:** Kevin.Bott@libertyiu.com@Internet  
**Sent:** Monday, September 30, 2002 1:09 PM  
**To:** ██████████/NYC-NY/US/Marsh/MMC@MMC  
**Cc:** ██████████/NYC-NY/US/Marsh/MMC@MMC  
**Subject:** RE: ██████████

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C.htm (2 KB)

<[http://skins.hotbar.com/skins/mailskins/em/033102/033102bebe\\_1\\_prv.gif](http://skins.hotbar.com/skins/mailskins/em/033102/033102bebe_1_prv.gif)>  
Sorry goldy, can't help you on this one...I'm crushing ██████████ number

—Original Message—  
**From:** ██████████@marsh.com [mailto:██████████@marsh.com]  
**Sent:** Monday, September 30, 2002 2:45 PM  
**To:** kevin.bott@libertyinternational.com  
**Subject:** ██████████

KB,

Please provide us with a supportive quote for the \$40MM xs \$25MM (██████████  
Zurich layer). They quoted \$215,000.

██████████  
██████████  
██████████  
Any questions, please call me.

Thanks a million! ██████████

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<<http://promos.hotbar.com/promos/promodll.dll?RunPromo&E=em%3bhotbar%5felem ent%3b&SG=&RAND=1>>

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**From:** Kevin.Bott@libertyiu.com@Internet  
**Sent:** Monday, September 30, 2002 1:12 PM  
**To:** ██████████/NYC-NY/US/Marsh/MMC@MMC  
**Subject:** RE: ██████████

---

Please be advised that we can offer the following indication relative to the captioned account:

\$40mm x \$25mm @ \$325,000

NET

Terms: To be advised upon receipt and acceptable review of the lead umbrella.

Should you have any questions, give me a call.

Regards,

Kevin

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