

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

)
IN THE MATTER OF: AMERICAN CONSTANTINE) FILE NO. 1000094
INSURANCE COMPANY LIMITED, THEIR OFFICERS,)
AND DIRECTORS, AGENTS, MANAGERS, EMPLOYEES,))
MEMBERS, AFFILIATES, SUCCESSORS, AND ASSIGNS.))
_____)

NOTICE OF HEARING

TO RESPONDENTS: American Constantine Insurance Company Limited
Century House
16 Par-la-ville Road
Hamilton HM HX, Bermuda

American Constantine Insurance Company Limited
c/o Apex Insurance Managers, LLC
200 West Monroe Street, Suite 1800
Chicago, Illinois 60606

You are hereby notified that pursuant to Section 11.F of The Illinois Securities Law of 1953, as amended, Ch. 815 ILCS 5/1, et seq. (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 27TH day of October 2010, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before James L. Kopecky, or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether a permanent Order of Prohibition should be entered against American Constantine Insurance Company Limited, its officers and directors, agents, managers, employees, members, affiliates, successors and assigns, the ("Respondent"), and/or granting such other relief as may be authorized under the Act including, but not limited to, censure and the imposition of a monetary fine in the maximum amount of \$10,000 per violation, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

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1. That American Constantine Insurance Company Limited, a Bermuda Monetary Authority licensed class 3A insurer (hereinafter "Respondent"), at all times relevant herein maintained a business address at Century House, 16 Par-la-ville Road, Hamilton HM HX, Bermuda.
2. That on or about September 1, 2006, or thereabouts, a representative of Respondent, cold-called at least one Illinois resident (the "Purchaser") offering to sell a Surplus Collateral Note. (the "Offering").
3. That subsequent to the foregoing telephone solicitation, Respondents e-mailed to Purchaser a Surplus Note Purchase Agreement (the "Offering Documents") for the Offering.
4. That following receipt of the Offering Documents the Purchaser executed and returned said document and thereafter made payment in the form of an Irrevocable Standby Letter of Credit with Respondent as the Beneficiary. Respondent thereafter executed a Surplus Collateral Note and delivered it to the Purchaser.
5. That the activities described in paragraphs 2, 3 and 4 above constitute the offer and sale of an investment contract and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
6. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
7. That Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
8. That Respondent delivered to the Purchaser the Surplus Note Purchase Agreement and Surplus Collateral Note without or preceded by a prospectus or memorandum of any type.
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
10. That Section 12.B of the Act provides, inter alia, that it shall be a violation for any person to fail to deliver to a Purchaser any security required to be registered under Section 5 unless accompanied or preceded by a prospectus that meets the requirements of the pertinent subsection of Section 5.

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11. That by virtue of the foregoing, Respondent has violated Sections 12.A, 12.B and 12.D of the Act.
12. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer and sale of any securities in this State is in violation of Section 12 of the Act, the Secretary of State shall by written order prohibit the offer or sale of such securities.
13. That by virtue of the foregoing, Respondent, its officers and directors, agents, managers, employees, members, affiliates, successors and assigns, are subject to an Order prohibiting them from offering or selling securities issued or issuable by American Constantine Insurance Company Limited in or from the State of Illinois.
14. That Section 11.E(4) provides, inter alia, that in addition to any other sanction or remedy contained in subsection E, the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order against the violator not to exceed \$10,000, and may issue an order of public censure against the violator.
15. That by virtue of the foregoing, Respondent is subject to censure and a fine.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default; unless any Respondent has upon due notice moved for and obtained a continuance.

NOTICE is hereby given that Respondent by having requesting a hearing on this matter, the effectiveness of the Temporary Order is extended for sixty days from the date the hearing request was received by the Department.

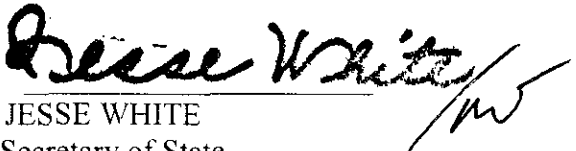
A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, and are on the following web site: <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

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Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 24th day of August, 2010.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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Illinois Securities Department
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312-793-3988

Hearing Officer:

James L. Kopecky
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203 North LaSalle Street, Suite 1620
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