

IPC HOLDINGS LTD  
Form DFAN14A  
May 21, 2009

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**  
**SCHEDULE 14A INFORMATION**  
**PROXY STATEMENT PURSUANT TO SECTION 14(a)**  
**OF THE SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Materials Pursuant to Section 240.14a-12

**IPC HOLDINGS, LTD.**

**(Name of Registrant as Specified in its Charter)**

**VALIDUS HOLDINGS, LTD.**

**VALIDUS LTD.**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

1.) Title of each class of securities to which the transaction applies:

2.) Aggregate number of securities to which transaction applies:

3.) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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- o Fee paid previously with preliminary materials
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - 1.) Amount Previously Paid:
  
  
  
  
  
  
  
  
  
  
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  - 4.) Date Filed:

Explanatory Note

The following materials have been previously filed with the Securities and Exchange Commission under Rule 425 and are being re-submitted as definitive additional proxy materials.

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**Filed by Validus Holdings, Ltd. pursuant to Rule 425  
under the Securities Act of 1933, as amended,  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange of 1934, as amended**

**Subject Company: IPC Holdings, Ltd.  
(Commission File No.: 000-27662)**

Validus Holdings, Ltd.  
Bermuda Commercial Bank  
Building  
19 Par-la-Ville Road  
Hamilton, HM 11  
Bermuda  
*Mailing Address:*  
Suite 1790  
48 Par-la-Ville Road  
Hamilton, HM 11  
Bermuda  
Telephone: (441) 278-9000  
Facsimile: (441) 278-9090  
Website: www.validusre.bm

May 8, 2009

**IPC SHAREHOLDERS: DON'T ACCEPT A BAD DEAL FOR IPC VOTE AGAINST THE  
PROPOSED MAX AMALGAMATION ON THE GOLD PROXY CARD TODAY!**

Dear Fellow IPC Shareholder,

As you may know, Validus Holdings, Ltd. ( Validus ) recently announced an offer for a compelling strategic combination with IPC Holdings, Ltd. ( IPC ) to create a market-leading carrier in Bermuda's short-tail reinsurance and insurance market ( the Validus Offer ). Under the Validus Offer, each IPC common share would be exchanged for 1.2037 Validus common shares, providing you with an 18% premium based on the closing prices of both companies on March 30, 2009, the last trading day prior to the announcement of the Validus Offer, and the opportunity to share in the significant growth potential of the combined company. We believe that the Validus Offer is superior to IPC's previously announced amalgamation agreement with Max Capital Group Ltd. ( Max ), in which IPC shareholders would receive no consideration and significantly increased exposure to risky assets and underperforming business lines.

Under the terms of the proposed Max amalgamation agreement, including a no-talk provision that has prevented IPC from even discussing our offer with us, we have been left with no other choice but to take our offer directly to IPC shareholders. As a critical first step in receiving the benefits of the Validus Offer, IPC shareholders must vote

**AGAINST** the proposed Max amalgamation. In doing so, you will send a strong message to the IPC Board that you want to receive the superior economics and value provided by Validus.

**A VOTE AGAINST THE PROPOSED MAX AMALGAMATION STOPS THE IPC BOARD FROM HANDING OVER OPERATING CONTROL OF YOUR COMPANY WITH NO CONSIDERATION BEING PAID TO YOU**

Under the proposed Max amalgamation, the combined company would be led by Max's existing senior management team, including its president and chief executive officer, chief operating officer, chief financial officer and general counsel in a transaction in which you would receive no consideration. In contrast, the Validus Offer provides IPC shareholders with an 18% premium based upon closing prices of IPC and Validus on March 30, 2009, the last trading day prior to the announcement of the Validus Offer. Moreover, we believe that the performance of Validus common shares in the market indicates that the market views Validus as an attractive investment: from the date of our IPO on July 24, 2007, to March 30, 2009, the last trading day prior to the announcement of the Validus Offer, our stock price increased 13%, while Max's stock price declined 37%. **In short, rejecting the proposed Max amalgamation paves the way for you to receive what we believe is an attractive investment.**

**THE PROPOSED MAX AMALGAMATION TRANSACTION WILL MATERIALLY IMPAIR IPC'S BALANCE SHEET**

According to Max's most recent Form 10-K, as of December 31, 2008, its holdings of alternative investments totaled 61% of its tangible equity, indicating a significant amount of embedded risk. The riskiness of the Max balance sheet is evident in the fact that Max wrote down the value of its alternative investments by \$233 million in 2008, a markdown which exceeded its underwriting income. Also, IPC has publicly disclosed that it will have to add \$130 million to Max's property and casualty and life and annuity reserves.

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In contrast, Validus holds no alternative investments in its investment portfolio and has specific investment policies in place prohibiting it from investing in those asset classes. Moreover, we don't expect that the combination of Validus and IPC will require additions to IPC's or Validus' existing insurance reserves.

**THE PROPOSED MAX AMALGAMATION WOULD COMBINE IPC WITH AN UNDERPERFORMING COMPANY UNDER THE GUISE OF DIVERSIFICATION**

Under the proposed Max transaction, IPC's Board has chosen to combine with an entity that in 2008 suffered a comprehensive net loss of \$200.4 million, or \$3.10 per Max diluted share. Additionally, Max's U.S. Specialty segment, the centerpiece of its diversified businesses, operated in 2008 with a combined ratio of 138.5%, indicating that it paid out significantly more money in claims and expenses than it received from premiums. The IPC Board's choice to combine with an underperforming company diversifies IPC and its shareholders into businesses which have earned returns well below what IPC earned on a standalone basis in the same period. Based on Max's history, we question whether a Max amalgamation will create any value for IPC shareholders. In contrast to Max's 2008 losses, Validus earned \$45.3 million, or \$0.61 per Validus diluted share, in 2008.

**A VOTE AGAINST THE PROPOSED MAX AMALGAMATION PRESERVES YOUR RIGHT TO RECEIVE THE BENEFITS OF THE VALIDUS OFFER**

The Validus Offer would provide:

IPC shareholders with the opportunity to receive a premium for your shares and an attractive investment in the form of Validus shares, which have historically outperformed Max shares.

A combined company with a strong balance sheet and minimal exposure to risky asset classes.

An experienced, proven and stable management team with substantial expertise operating in IPC's core lines of business.

The opportunity for IPC shareholders to benefit from stable, profitable diversification into attractive business lines with superior growth opportunities.

If IPC shareholders reject the proposed Max amalgamation, we hope the IPC Board will do the right thing and accept the Validus Offer. However, even without the support of IPC's Board, Validus has announced a clear plan to a timely closing of its acquisition of IPC.

We intend to commence an Exchange Offer for all of the outstanding common shares of IPC. **If the conditions of our Exchange Offer are satisfied, we believe we would be able to acquire IPC shares under our Exchange Offer in June.** Validus is also pursuing a Scheme of Arrangement in the Supreme Court of Bermuda as an alternative mechanism to allow IPC shareholders to receive our superior offer.

**However, you must first vote AGAINST the proposed Max amalgamation to preserve your opportunity to benefit from the Validus Offer.** We urge you to send the IPC Board a clear message that IPC shareholders reject the Max amalgamation and that the IPC Board should accept the Validus Offer.

**REJECT THE MAX AMALGAMATION: VOTE YOUR GOLD PROXY CARD TODAY**

If your IPC shares are held in your own name, please vote AGAINST Proposal #8, which is for the issuance of shares in connection with the proposed Max amalgamation, sign, date and return the enclosed GOLD proxy card in the

postage-paid envelope we have provided. This preserves your right to receive the benefits of the Validus Offer. If you hold your IPC shares in street name with a bank, brokerage firm, dealer, trust company or other nominee, only they can exercise your right to vote with respect to your shares and only after receiving your specific instructions. **IT IS CRITICAL THAT YOU PROMPTLY GIVE INSTRUCTIONS TO YOUR BANK, BROKERAGE FIRM, DEALER, TRUST COMPANY OR OTHER NOMINEE TO ENSURE THAT A GOLD PROXY CARD IS SUBMITTED ON YOUR BEHALF.** Please follow the instructions to authorize a proxy to vote on the enclosed **GOLD** proxy card. If your bank, brokerage firm, dealer, trust company or other nominee provides for voting instructions to be delivered to them by Internet or telephone, instructions are included with the enclosed **GOLD** proxy card. We urge you to confirm in writing your instructions to the person responsible for your account and to provide a copy of those instructions to us, care of Georgeson Inc., at 199 Water Street, 26th Floor, New York, New York 10038, or by facsimile at (212) 440-9009, or by email at [validusIPC@georgeson.com](mailto:validusIPC@georgeson.com) so that we may be aware of all instructions given and are in a position to ensure that your instructions are followed.

*We urge you not to return any white proxy card you may receive from IPC or otherwise authorize a proxy to vote your shares for the proposed Max amalgamation. If you have already returned a white proxy card to IPC or otherwise authorized a proxy to vote your shares for the proposed Max amalgamation, it is not too late to change your vote. To revoke your prior proxy and change your vote, simply sign and date the enclosed **GOLD** proxy card and return it in the postage-paid envelope provided. Only your latest dated proxy will be counted.*

IPC shareholders of record as of April 28, 2009 are entitled to vote at the annual meeting. If you were an IPC holder on such date, you can still vote even if you have since sold your shares.

Georgeson Inc. is assisting Validus with its efforts to solicit proxies. If you have any questions about voting your IPC shares, please call Georgeson Inc. toll-free at (888) 274-5119 (banks and brokerage firms should call (212) 440-9800), or email [validusIPC@georgeson.com](mailto:validusIPC@georgeson.com).

Your vote is extremely important, regardless of how many or how few shares you own. To ensure your vote is counted, submit your vote on the **GOLD** proxy card so we receive it on or before June 12, 2009.

We thank you for your consideration and support.

Sincerely,

Edward J. Noonan  
Chairman and Chief Executive Officer  
Validus Holdings, Ltd.

### **Cautionary Note Regarding Forward-Looking Statements**

This letter may include forward-looking statements, both with respect to us and our industry, that reflect our current views with respect to future events and financial performance. Statements that include the words expect, intend, plan, believe, project, anticipate, will, may and similar statements of a future or forward-looking nature identify forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond our control. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements. We believe that these factors include, but are not limited to, the following: 1) uncertainty as to whether Validus will be able to enter into and to consummate the proposed acquisition on the terms set forth in the Validus Offer; 2) uncertainty as to the actual premium that will be realized by IPC shareholders in connection with the proposed acquisition; 3) uncertainty as to the long-term value of Validus common shares; 4) unpredictability and severity of catastrophic events; 5) rating agency actions; 6) adequacy of Validus or IPC's risk management and loss limitation methods; 7) cyclical nature of demand and pricing in the insurance and reinsurance markets; 8) Validus' limited operating history; 9) Validus' ability to implement its business strategy during soft as well as hard markets; 10) adequacy of Validus or IPC's loss reserves; 11) continued availability of capital and financing; 12) retention of key personnel; 13) competition; 14) potential loss of business from one or more major insurance or reinsurance brokers; 15) Validus or IPC's ability to implement, successfully and on a timely basis, complex infrastructure, distribution capabilities, systems, procedures and internal controls, and to develop accurate actuarial data to support the business and regulatory and reporting requirements; 16) general economic and market conditions (including inflation, volatility in the credit and capital markets, interest rates and foreign currency exchange rates); 17) the integration of Talbot or other businesses we may acquire or new business ventures we may start; 18) the effect on Validus or IPC's investment portfolios of changing financial market conditions including inflation, interest rates, liquidity and other factors; 19) acts of terrorism or outbreak of war; 20) availability of reinsurance and retrocessional coverage; 21) failure to realize the anticipated benefits of the proposed acquisition, including as a result of failure or delay in integrating the businesses of Validus and IPC; and 22) the outcome of litigation arising from the Validus Offer, as well as management's response to any of the aforementioned factors.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in our most recent reports on Form 10-K and Form 10-Q and the risk factors included in IPC's most recent reports on Form 10-K and Form 10-Q and other documents of Validus and IPC on file with the Securities and Exchange Commission (SEC). Any forward-looking statements made in this letter are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Validus will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. Except as required by law, we undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

#### **Additional Information about the Proposed Acquisition and Where to Find It:**

This letter relates to the offer to be commenced by Validus to exchange each issued and outstanding common share of IPC for 1.2037 common shares of Validus. This letter is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, IPC common shares, nor is it a substitute for the Tender Offer Statement on Schedule TO or the preliminary Prospectus/Offer to Exchange to be included in the Registration Statement on Form S-4 (including the Letter of Transmittal and related documents and as amended from time to time, the Exchange Offer Documents) that Validus intends to file with the SEC. The Validus exchange offer will be made only through the Exchange Offer Documents.



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This letter is not a substitute for the proxy statements that Validus has filed or may file with the SEC or any other documents which Validus may send to its or IPC's shareholders in connection with the proposed acquisition. A definitive proxy statement seeking proxies to oppose the issuance of IPC shares in connection with the amalgamation agreement between IPC and Max (the Opposition Proxy Statement) is being sent by Validus to IPC shareholders, and Validus has filed a preliminary proxy statement with the SEC seeking proxies to approve the issuance of Validus shares in connection with the proposed amalgamation between IPC and Validus (the Validus Share Issuance Proxy Statement).

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE EXCHANGE OFFER DOCUMENTS, THE OPPOSITION PROXY STATEMENT, THE VALIDUS SHARE ISSUANCE PROXY STATEMENT AND ANY OTHER PROXY STATEMENTS OR RELEVANT DOCUMENTS THAT VALIDUS HAS FILED OR MAY FILE WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION. All such documents, when filed, are available free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)) or by directing a request to Validus through Jon Levenson, Senior Vice President, at +1-441-278-9000.

Participants in the Solicitation:

Validus and certain of its executive officers are deemed to be participants in any solicitation of shareholders in connection with the proposed acquisition. Information about Validus' executive officers is available in Validus' proxy statement, dated March 25, 2009 for its 2009 annual general meeting of shareholders.

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**Filed by Validus Holdings, Ltd. pursuant to Rule 425  
under the Securities Act of 1933, as amended,  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange of 1934, as amended**

**Subject Company: IPC Holdings, Ltd.  
(Commission File No.: 000-27662)**

Validus Holdings, Ltd.  
Bermuda Commercial Bank Building  
19 Par-la-Ville Road  
Hamilton, HM 11 Bermuda

*Mailing Address:*  
Suite 1790  
48 Par-la-Ville Road  
Hamilton, HM 11  
Bermuda

Telephone: (441) 278-9000  
Facsimile: (441) 278-9090  
Website: www.validusre.bm

**VALIDUS FILES DEFINITIVE OPPOSITION PROXY MATERIALS**

**Asks IPC Shareholders to Vote the GOLD Proxy Card to Reject the Proposed Max Amalgamation and  
Preserve the Opportunity to Benefit from the Validus Offer**

**Hamilton, Bermuda May 8, 2009** Validus Holdings, Ltd. ( Validus ) (NYSE: VR) today announced that it has filed its definitive proxy statement with the Securities and Exchange Commission and is mailing proxy materials to shareholders of IPC Holdings, Ltd. (NASDAQ: IPCR) asking them to vote the **GOLD** proxy card and reject the proposed amalgamation agreement with Max Capital Group Ltd. ( Max ). Validus asks IPC shareholders to thoroughly read the definitive proxy statement as it contains important information.

Validus reiterated that voting **AGAINST** the proposed Max amalgamation preserves IPC shareholders' opportunity to benefit from Validus' offer for a compelling strategic combination with IPC to create a market-leading carrier in Bermuda's short-tail reinsurance and insurance market (the Validus Offer ). Under the Validus Offer, each IPC common share would be exchanged for 1.2037 Validus common shares, providing IPC shareholders with an 18% premium based on the closing prices of both companies on March 30, 2009, the last trading day prior to the announcement of the Validus Offer. The Validus Offer also would provide IPC shareholders with the opportunity to benefit from stable, profitable diversification into attractive business lines with superior growth opportunities. In addition, the combined company would have a strong balance sheet and minimal exposure to risky asset classes and an experienced, proven and stable management team with substantial expertise operating in IPC's core lines of business.

Georgeson Inc. is assisting Validus with its efforts to solicit proxies. IPC shareholders who have questions about voting their IPC shares should call Georgeson Inc. toll-free at (888) 274-5119 (banks and brokerage firms should call (212) 440-9800), or email validusIPC@georgeson.com.

**About Validus Holdings, Ltd.**

Validus Holdings, Ltd. is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly-owned subsidiaries, Validus Reinsurance, Ltd. ( Validus Re ) and Talbot Holdings Ltd. ( Talbot ). Validus Re is a Bermuda based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty

insurance group primarily operating within the Lloyd's insurance market through Syndicate 1183.

**Contacts:**

Investors:

Validus Holdings, Ltd.

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Jon Levenson, Senior Vice President  
+1-441-278-9000

or

Media:

Jamie Tully/Jonathan Doorley  
Sard Verbinnen & Co  
+1-212-687-8080

### **Cautionary Note Regarding Forward-Looking Statements**

This press release may include forward-looking statements, both with respect to us and our industry, that reflect our current views with respect to future events and financial performance. Statements that include the words expect, intend, plan, believe, project, anticipate, will, may and similar statements of a future or forward-looking nature identify forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond our control. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements. We believe that these factors include, but are not limited to, the following: 1) uncertainty as to whether Validus will be able to enter into and to consummate the proposed acquisition on the terms set forth in the Validus Offer; 2) uncertainty as to the actual premium that will be realized by IPC shareholders in connection with the proposed acquisition; 3) uncertainty as to the long-term value of Validus common shares; 4) unpredictability and severity of catastrophic events; 5) rating agency actions; 6) adequacy of Validus or IPC's risk management and loss limitation methods; 7) cyclicity of demand and pricing in the insurance and reinsurance markets; 8) Validus' limited operating history; 9) Validus' ability to implement its business strategy during soft as well as hard markets; 10) adequacy of Validus or IPC's loss reserves; 11) continued availability of capital and financing; 12) retention of key personnel; 13) competition; 14) potential loss of business from one or more major insurance or reinsurance brokers; 15) Validus or IPC's ability to implement, successfully and on a timely basis, complex infrastructure, distribution capabilities, systems, procedures and internal controls, and to develop accurate actuarial data to support the business and regulatory and reporting requirements; 16) general economic and market conditions (including inflation, volatility in the credit and capital markets, interest rates and foreign currency exchange rates); 17) the integration of Talbot or other businesses we may acquire or new business ventures we may start; 18) the effect on Validus or IPC's investment portfolios of changing financial market conditions including inflation, interest rates, liquidity and other factors; 19) acts of terrorism or outbreak of war; 20) availability of reinsurance and retrocessional coverage; 21) failure to realize the anticipated benefits of the proposed acquisition, including as a result of failure or delay in integrating the businesses of Validus and IPC; and 22) the outcome of litigation arising from the Validus Offer, as well as management's response to any of the aforementioned factors.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in our most recent reports on Form 10-K and Form 10-Q and the risk factors included in IPC's most recent reports on Form 10-K and Form 10-Q and other documents of Validus and IPC on file with the Securities and Exchange Commission (SEC). Any forward-looking statements made in this press release are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Validus will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. Except as required by law, we undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

**Additional Information about the Proposed Acquisition and Where to Find It:**

This press release relates to the offer to be commenced by Validus to exchange each issued and outstanding common share of IPC for 1.2037 common shares of Validus. This press release is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, IPC common shares, nor is it a substitute for the Tender Offer Statement on Schedule TO or the preliminary Prospectus/Offer to

Exchange to be included in the Registration Statement on Form S-4 (including the Letter of Transmittal and related documents and as amended from time to time, the Exchange Offer Documents ) that Validus intends to file with the SEC. The Validus exchange offer will be made only through the Exchange Offer Documents.

This press release is not a substitute for the proxy statements that Validus has filed or may file with the SEC or any other documents which Validus may send to its or IPC's shareholders in connection with the proposed acquisition. A definitive proxy statement seeking proxies to oppose the issuance of IPC shares in connection with the amalgamation agreement between IPC and Max (the Opposition Proxy Statement ) is being sent by Validus to IPC shareholders, and Validus has filed a preliminary proxy statement with the SEC seeking proxies to approve the issuance of Validus shares in connection with the proposed amalgamation between IPC and Validus (the Validus Share Issuance Proxy Statement ).

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE EXCHANGE OFFER DOCUMENTS, THE OPPOSITION PROXY STATEMENT, THE VALIDUS SHARE ISSUANCE PROXY STATEMENT AND ANY OTHER PROXY STATEMENTS OR RELEVANT DOCUMENTS THAT VALIDUS HAS FILED OR MAY FILE WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION. All such documents, when filed, are available free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)) or by directing a request to Validus through Jon Levenson, Senior Vice President, at +1-441-278-9000.

Participants in the Solicitation:

Validus and certain of its executive officers are deemed to be participants in any solicitation of shareholders in connection with the proposed acquisition. Information about Validus' executive officers is available in Validus' proxy statement, dated March 25, 2009 for its 2009 annual general meeting of shareholders.

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Validus Holdings, Ltd.  
Bermuda Commercial Bank Building  
19 Par-la-Ville Road  
Hamilton, HM 11 Bermuda

*Mailing Address:*  
Suite 1790  
48 Par-la-Ville Road  
Hamilton, HM 11  
Bermuda

Telephone: (441) 278-9000  
Facsimile: (441) 278-9090  
Website: www.validusre.bm

**VALIDUS HOLDINGS MOVES FORWARD ON THREE-PART PLAN TO EXPEDITE  
ACQUISITION OF IPC HOLDINGS**

**Commences Exchange Offer to Acquire IPC Shares**

**Filing Preliminary Proxy Materials Related to Scheme of Arrangement**

**Hamilton, Bermuda May 12, 2009** Validus Holdings, Ltd. ( Validus ) (NYSE: VR) today commenced an Exchange Offer for all of the outstanding common shares of IPC Holdings, Ltd. ( IPC ) (NASDAQ: IPCR). Under the terms of the Exchange Offer, IPC shareholders would receive 1.2037 Validus common shares for each IPC common share. The terms and conditions of the Exchange Offer are set forth in the offering documents that Validus is filing today with the Securities and Exchange Commission (the SEC ).

The Exchange Offer will expire at 5:00 p.m., New York City time (6:00 p.m., Atlantic time), on Friday, June 26, 2009, unless extended. The offering documents, including a preliminary prospectus/offer to exchange and a related letter of transmittal, describing the Exchange Offer and the means for IPC shareholders to tender IPC common shares into the offer will be delivered to IPC shareholders. Shareholder questions regarding the Exchange Offer or requests for offering documents should be directed to Validus Information Agent for the Exchange Offer, Georgeson Inc., toll-free at (800) 213-0317; banks and brokers should call: (212) 440-9800.

The agreement between IPC and Max precludes IPC from engaging in discussions with Validus, which has left us with no choice but to take our offer directly to IPC shareholders, said Ed Noonan, Validus Chairman and Chief Executive Officer. We believe IPC shareholders deserve the right to choose our superior offer over the Max transaction and our three-part plan gives them that opportunity.

As announced on April 30, Validus three-part plan includes: (1) soliciting IPC shareholders to vote AGAINST the proposed Max Capital Group Ltd. ( Max ) amalgamation, (2) commencing an Exchange Offer for all IPC common shares and (3) pursuing a Scheme of Arrangement under Bermuda law.

Validus noted that contrary to recent IPC assertions, Validus can complete the acquisition of IPC shares tendered in the Exchange Offer notwithstanding an IPC bye-law restricting the registration of transfer of share ownership of 10% or more. This is because while Validus will acquire beneficial ownership of the exchanged IPC shares, Cede & Co., which is already the registered owner of over 90% of the outstanding IPC shares, will continue to be the registered

owner, and no registration of transfer for such shares will be necessary. Validus also noted that despite repeated statements by IPC to the contrary, Validus offer is not conditioned on the receipt of a specified rating by the rating agencies.

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### **Scheme of Arrangement**

In addition to commencing the Exchange Offer, Validus is today filing preliminary proxy materials with the SEC in connection with its previously announced plan to pursue a Scheme of Arrangement under Bermuda law. The Scheme of Arrangement, under which Validus would acquire all of the IPC common shares under the same economic terms as in the Exchange Offer, can be accomplished without the approval of the IPC Board if sanctioned by the Bermuda court and approved by IPC shareholders at two shareholder meetings:

A court-ordered meeting at which IPC shareholders can vote to approve the Scheme of Arrangement, and

If the IPC Board continues to be uncooperative despite shareholder approval at the court-ordered meeting, a second meeting at which IPC shareholders resolve for IPC to approve and to be bound by the Scheme of Arrangement and to terminate the IPC-Max amalgamation agreement.

### **Solicitation AGAINST Proposed Max Amalgamation**

As previously announced on May 8, 2009, Validus filed its definitive proxy statement with the SEC in connection with the IPC annual general meeting of shareholders, which urges IPC shareholders to vote AGAINST the proposed Max amalgamation, and has commenced mailing such proxy materials to IPC shareholders.

### **About Validus Holdings, Ltd.**

Validus Holdings, Ltd. is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly-owned subsidiaries, Validus Reinsurance, Ltd. ( Validus Re ) and Talbot Holdings Ltd. ( Talbot ). Validus Re is a Bermuda based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd's insurance market through Syndicate 1183.

### **Contacts:**

Investors:

Validus Holdings, Ltd.

Jon Levenson, Senior Vice President

+1-441-278-9000

or

Media:

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Sard Verbinnen & Co

+1-212-687-8080

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This press release may include forward-looking statements, both with respect to us and our industry, that reflect our current views with respect to future events and financial performance. Statements that include the words expect, intend, plan, believe, project, anticipate, will, may and similar statements of a future or forward-looking nature identify forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond our control. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements. We believe that these factors include, but are not limited to, the following: 1) uncertainty as to whether Validus will be able to enter into and to consummate the proposed acquisition on the terms set forth in the Validus amalgamation offer; 2) uncertainty as to the actual premium that will be realized by IPC shareholders in connection with the proposed acquisition; 3) uncertainty as to the long-term value of Validus common shares; 4) unpredictability and severity of catastrophic events; 5) rating agency actions; 6) adequacy of Validus or IPC's risk management and loss limitation methods; 7) cyclicalities of demand and pricing in the insurance and reinsurance markets; 8) Validus' limited operating history; 9) Validus' ability to implement its business strategy during soft as well as hard markets; 10)

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adequacy of Validus' or IPC's loss reserves; 11) continued availability of capital and financing; 12) retention of key personnel; 13) competition; 14) potential loss of business from one or more major insurance or reinsurance brokers; 15) Validus' or IPC's ability to implement, successfully and on a timely basis, complex infrastructure, distribution capabilities, systems, procedures and internal controls, and to develop accurate actuarial data to support the business and regulatory and reporting requirements; 16) general economic and market conditions (including inflation, volatility in the credit and capital markets, interest rates and foreign currency exchange rates); 17) the integration of Talbot or other businesses we may acquire or new business ventures we may start; 18) the effect on Validus' or IPC's investment portfolios of changing financial market conditions including inflation, interest rates, liquidity and other factors; 19) acts of terrorism or outbreak of war; 20) availability of reinsurance and retrocessional coverage; 21) failure to realize the anticipated benefits of the proposed acquisition, including as a result of failure or delay in integrating the businesses of Validus and IPC; and 22) the outcome of litigation arising from the Validus Offer for IPC, as well as management's response to any of the aforementioned factors.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in our most recent reports on Form 10-K and Form 10-Q and the risk factors included in IPC's most recent reports on Form 10-K and Form 10-Q and other documents of Validus and IPC on file with the Securities and Exchange Commission (SEC). Any forward-looking statements made in this press release are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Validus will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. Except as required by law, we undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

#### Additional Information about the Proposed Acquisition and Where to Find It:

This press release relates to the Exchange Offer by Validus to exchange each issued and outstanding common share of IPC for 1.2037 common shares of Validus. This press release is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, IPC common shares, nor is it a substitute for the Tender Offer Statement on Schedule TO or the preliminary prospectus/offer to exchange to be included in the Registration Statement on Form S-4 (including the letter of transmittal and related documents and as amended from time to time, the Exchange Offer Documents) that Validus is filing today with the SEC. The Registration Statement has not yet become effective. The Exchange Offer will be made only through the Exchange Offer Documents.

This press release is not a substitute for the proxy statements that Validus has filed or may file with the SEC or any other documents which Validus may send to its or IPC's shareholders in connection with the proposed acquisition, including the definitive proxy statement seeking proxies to oppose the issuance of IPC shares in connection with the amalgamation agreement between IPC and Max (the Opposition Proxy Statement) sent by Validus to IPC shareholders. Validus has also filed a preliminary proxy statement with the SEC seeking proxies to approve the issuance of Validus shares in connection with the proposed transaction between IPC and Validus (the Validus Share Issuance Proxy Statement). In addition, Validus is today filing preliminary proxy statements with the SEC in connection with the Scheme of Arrangement (the Scheme of Arrangement Proxy Statements).

**INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE EXCHANGE OFFER DOCUMENTS, THE OPPOSITION PROXY STATEMENT, THE VALIDUS SHARE ISSUANCE PROXY STATEMENT, THE SCHEME OF ARRANGEMENT PROXY STATEMENTS AND ANY OTHER PROXY STATEMENTS OR RELEVANT DOCUMENTS THAT VALIDUS HAS FILED OR MAY FILE WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION.** All such documents, when filed, are available free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)) or by directing a request to Validus through Jon Levenson, Senior Vice President, at +1-441-278-9000.

#### Participants in the Solicitation:

Validus and certain of its executive officers are deemed to be participants in any solicitation of shareholders in connection with the proposed acquisition. Information about Validus' executive officers is available in Validus' proxy statement, dated March 25, 2009 for its 2009 annual general meeting of shareholders.

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**Filed by Validus Holdings, Ltd. pursuant to Rule 425  
under the Securities Act of 1933, as amended,  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange of 1934, as amended**

**Subject Company: IPC Holdings, Ltd.  
(Commission File No.: 000-27662)**

Validus Holdings, Ltd.  
Bermuda Commercial Bank Building  
19 Par-la-Ville Road  
Hamilton, HM 11  
Bermuda

*Mailing Address:*  
Suite 1790  
48 Par-la-Ville Road  
Hamilton, HM 11  
Bermuda

Telephone: (441) 278-9000  
Facsimile: (441) 278-9090  
Website: [www.validusre.bm](http://www.validusre.bm)

#### **VALIDUS COMMENTS ON BERMUDA COURT PROCEEDINGS**

**Hamilton, Bermuda May 14, 2009** Validus Holdings, Ltd. ( Validus ) (NYSE: VR) today issued the following statement regarding yesterday's decision by the Supreme Court of Bermuda not to expedite Validus' lawsuit against IPC Holdings, Ltd. ( IPC ) (NASDAQ: IPCR), IPC Limited and Max Capital Group Ltd. ( Max ). The lawsuit challenges the \$50 million termination fee and no-talk provision contained in the IPC-Max Amalgamation Agreement.

Yesterday's ruling by the Supreme Court of Bermuda was only related to the timetable for the proceedings and was not a judgement on the merits of Validus' claims. The Judge acknowledged that Validus has raised serious questions to be tried. The Court's ruling has no effect on Validus' resolve to complete its acquisition of IPC, including the Exchange Offer we announced on May 12, 2009 and the Scheme of Arrangement, neither of which is conditioned on the elimination of the possible termination fee to Max.

Validus continues to recommend that IPC shareholders vote AGAINST the IPC-Max Amalgamation Agreement.

#### **About Validus Holdings, Ltd.**

Validus Holdings, Ltd. is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly-owned subsidiaries, Validus Reinsurance, Ltd. ( Validus Re ) and Talbot Holdings Ltd. ( Talbot ). Validus Re is a Bermuda based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd's insurance market through Syndicate 1183.

#### **Contacts:**

Investors:

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Jon Levenson, Senior Vice President

+1-441-278-9000

or

Media:

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### **Cautionary Note Regarding Forward-Looking Statements**

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IPC shares in connection with the amalgamation agreement between IPC and Max (the Opposition Proxy Statement ) sent by Validus to IPC shareholders. Validus has also filed a preliminary proxy statement with the SEC seeking proxies to approve the issuance of Validus shares in connection with the proposed transaction between IPC and Validus (the Validus Share Issuance Proxy Statement ). In addition, Validus has filed preliminary proxy statements with the SEC in connection with the Scheme of Arrangement (the Scheme of Arrangement Proxy Statements ). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE EXCHANGE OFFER DOCUMENTS, THE OPPOSITION PROXY STATEMENT, THE VALIDUS SHARE ISSUANCE PROXY STATEMENT, THE SCHEME OF ARRANGEMENT PROXY STATEMENTS AND ANY OTHER PROXY STATEMENTS OR RELEVANT DOCUMENTS THAT VALIDUS HAS FILED OR MAY FILE WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION. All such documents, when filed, are available free of charge at the SEC s website ([www.sec.gov](http://www.sec.gov)) or by directing a request to Validus through Jon Levenson, Senior Vice President, at +1-441-278-9000.

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**Subject Company: IPC Holdings, Ltd.  
(Commission File No.: 000-27662)**

Validus Holdings, Ltd.  
Bermuda Commercial Bank Building  
19 Par-la-Ville Road  
Hamilton, HM 11  
Bermuda

*Mailing Address:*  
Suite 1790  
48 Par-la-Ville Road  
Hamilton, HM 11  
Bermuda

Telephone: (441) 278-9000  
Facsimile: (441) 278-9090  
Website: [www.validusre.bm](http://www.validusre.bm)

**VALIDUS SUBMITS APPLICATION TO BERMUDA COURT  
FOR SCHEME OF ARRANGEMENT**

**Hamilton, Bermuda May 14, 2009** Validus Holdings, Ltd. ( Validus ) (NYSE: VR) announced today that it has filed with the Supreme Court of Bermuda an application for the court to convene a meeting of shareholders of IPC Holdings, Ltd. ( IPC ) (NASDAQ: IPCR) in connection with Validus' previously announced Scheme of Arrangement under which Validus would acquire all of the IPC common shares under the same economic terms as in the Exchange Offer announced by Validus on May 12, 2009.

**Exchange Offer**

On May 12, 2009, Validus announced that it had commenced an Exchange Offer for all of the outstanding common shares of IPC. Under the terms of the Exchange Offer, IPC shareholders will receive 1.2037 Validus voting common shares for each IPC common share. We encourage you to read the Exchange Offer documents on file with the Securities and Exchange Commission. Shareholder questions regarding the Exchange Offer or requests for offering documents should be directed to Validus' Information Agent for the Exchange Offer, Georgeson Inc., toll-free at (800) 213-0317; banks and brokers should call: (212) 440-9800.

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*Mailing Address:*  
Suite 1790  
48 Par-la-Ville Road  
Hamilton, HM 11  
Bermuda

Telephone: (441) 278-9000  
Facsimile: (441) 278-9090  
Website: www.validusre.bm

**VALIDUS INCREASES OFFER FOR IPC HOLDINGS  
Increased Offer Provides Total Current Consideration of \$30.14 per IPC Share  
13.2% Premium to Current IPC Share Price  
Increased Offer Includes \$3.00 Cash per IPC Share  
Validus Urges IPC Board to Support Offer and IPC Shareholders to Vote AGAINST  
Max Amalgamation**

**Hamilton, Bermuda May 18, 2009** Validus Holdings, Ltd. ( Validus ) (NYSE: VR) today announced that it has delivered an increased offer to the Board of Directors of IPC Holdings, Ltd. ( IPC ) (NASDAQ: IPCR) for the amalgamation of Validus and IPC. Under the increased offer, IPC shareholders will now receive \$3.00 in cash and 1.1234 Validus voting common shares for each IPC common share.

The increased offer provides IPC shareholders with total consideration of \$30.14 per IPC share based on Validus closing price on Friday, May 15, 2009, a 13.2% premium to IPC's closing price that day and a 21.9% premium based on IPC's and Validus' closing prices on March 30, 2009, the last trading day before the announcement of Validus' initial offer. Under Validus' initial offer, IPC shareholders would have received 1.2037 Validus voting common shares, and no cash, for each IPC common share.

	<b>Initial Offer</b>	<b>Increased Offer</b>
<b>Per IPC Share</b>		
Cash Consideration	\$	\$ 3.00
Exchange Ratio	1.2037	1.1234
<b>Current Value Per IPC Share <sup>1</sup></b>		
Cash	\$	\$ 3.00
Common Shares	29.08	27.14

Total	\$ 29.08	\$ 30.14
<b>Premium To IPC Share Price</b> <sup>1,2</sup>		
% Premium	9.2%	13.2%
\$ Premium	\$ 2.45	\$ 3.51

<sup>1</sup> Based on closing price of Validus on May 15, 2009 of \$24.16 per share.

<sup>2</sup> Based on closing price of IPC on May 15, 2009 of \$26.63 per share.

This increase underscores our strong commitment to the acquisition of IPC and reinforces the clear superiority of our offer over IPC's proposed amalgamation with Max Capital, stated Ed Noonan, Validus Chairman and Chief Executive Officer. In addition, by adjusting our exchange ratio, we are able to provide the IPC shareholders with a meaningful cash component, a request we have heard repeatedly from IPC shareholders whom we've talked to extensively over the last few weeks, along with the continued opportunity to benefit from being part of a leading Bermuda carrier in the short-tail reinsurance and insurance market. The combined company will have a global underwriting platform, quality diversification into profitable business lines with superior growth opportunities, a strong balance sheet and a proven management team.

Mr. Noonan continued, "Following numerous meetings with IPC shareholders, we believe there is widespread support for our acquisition of IPC, and in light of our increased offer, we urge the IPC Board of Directors to determine that our new proposal is superior to the transaction with Max and to withdraw its support for the Max amalgamation, which provides no consideration to IPC shareholders and significantly increases their exposure to risky assets and underperforming business lines. While we hope the IPC Board will do the right thing and support our increased offer which delivers even greater value to its shareholders, our Exchange Offer and the Scheme of Arrangement that we are pursuing under Bermuda law will allow us to complete a timely closing of our acquisition of IPC on the same economic terms as our increased offer even without the support of IPC's Board.

Validus is also amending the terms of its Exchange Offer for all of the outstanding common shares of IPC, as well as the Scheme of Arrangement, to reflect its increased offer for IPC. As previously announced, the Exchange Offer will expire at 5:00 p.m., New York City time (6:00 p.m., Atlantic time), on Friday, June 26, 2009, unless extended. The revised offering documents, including a new letter of transmittal, describing the improved economic terms of the Exchange Offer and the means for IPC shareholders to tender IPC common shares into the offer will be delivered to IPC shareholders. Shareholder questions regarding the Exchange Offer or requests for offering documents should be directed to Validus Information Agent for the Exchange Offer, Georgeson Inc., toll-free at (800) 213-0317 (banks and brokers should call (212) 440-9800), or email [validusIPC@georgeson.com](mailto:validusIPC@georgeson.com).

#### **Vote AGAINST Proposed Max Amalgamation**

Validus continues to urge IPC shareholders to preserve their right to receive the improved economic terms of the Validus offer by voting AGAINST the Max Capital amalgamation on the GOLD proxy card. Shareholders who have previously voted on IPC's white proxy card may obtain assistance in revoking or changing that vote by contacting Georgeson Inc. toll-free at (888) 274-5119 (banks and brokers should call (212) 440-9800), or email [validusIPC@georgeson.com](mailto:validusIPC@georgeson.com).

Copies of the transaction documents and an updated Validus investor presentation, detailing the benefits of Validus increased offer, will be available on its website at [www.validusre.bm](http://www.validusre.bm).

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**Additional Information about the Proposed Acquisition and Where to Find It:**

This press release relates to the Exchange Offer by Validus to exchange each issued and outstanding common share of IPC for 1.1234 voting common shares of Validus and \$3.00 in cash. This press release is for informational purposes only and does not constitute an offer to exchange, or a solicitation of an offer to exchange, IPC common shares, nor is it a substitute for the Tender Offer Statement on Schedule TO or the preliminary prospectus/offer to exchange included in the Registration Statement on Form S-4 (including the letter of transmittal and related documents and as amended and supplemented from time to time, the Exchange Offer Documents) that Validus has filed or may file with the SEC. The Registration Statement has not yet become effective. The Exchange Offer will be made only through the Exchange Offer Documents.

This press release is not a substitute for the proxy statements that Validus has filed or may file with the SEC or any other documents which Validus may send to its or IPC's shareholders in connection with the proposed acquisition, including the definitive proxy statement seeking proxies to oppose the issuance of IPC shares in connection with the amalgamation agreement between IPC and Max (the Opposition Proxy Statement) sent by Validus to IPC shareholders. Validus has also filed a preliminary proxy statement with the SEC seeking proxies to approve the

issuance of Validus voting common shares in connection with the proposed transaction between IPC and Validus

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(the Validus Share Issuance Proxy Statement ). In addition, Validus has filed preliminary proxy statements with the SEC in connection with the Scheme of Arrangement (the Scheme of Arrangement Proxy Statements ). INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE EXCHANGE OFFER DOCUMENTS, THE OPPOSITION PROXY STATEMENT, THE VALIDUS SHARE ISSUANCE PROXY STATEMENT, THE SCHEME OF ARRANGEMENT PROXY STATEMENTS AND ANY OTHER PROXY STATEMENTS OR RELEVANT DOCUMENTS THAT VALIDUS HAS FILED OR MAY FILE WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION. All such documents, when filed, are available free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)) or by directing a request to Validus through Jon Levenson, Senior Vice President, at +1-441-278-9000.

**Participants in the Solicitation:**

Validus and certain of its executive officers are deemed to be participants in any solicitation of shareholders in connection with the proposed acquisition. Information about Validus' executive officers is available in Validus' proxy statement, dated March 25, 2009 for its 2009 annual general meeting of shareholders.

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**Filed by Validus Holdings, Ltd. pursuant to Rule 425  
under the Securities Act of 1933, as amended,  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange of 1934, as amended**

**Subject Company: IPC Holdings, Ltd.  
(Commission File No.: 000-27662)**

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