

STILWELL JOSEPH  
Form DFAN14A  
February 25, 2008  
**SCHEDULE 14A**

(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Amendment No. \_\_)

Filed by the registrant o

Filed by a party other than the registrant X

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 material under Rule 14a-12.

SCPIE HOLDINGS INC.

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(Name of Registrant as Specified in its Charter)

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STILWELL VALUE PARTNERS III, L.P.

STILWELL VALUE LLC

JOSEPH STILWELL

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(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 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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(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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THE STILWELL GROUP

26 BROADWAY

23<sup>rd</sup> FLOOR

NEW YORK, NY 10004

PHONE: (212) 269-5800

FACSIMILE: (212) 269-2675

February 25, 2008

Dear Fellow Shareholder:

If the proposed sale of our Company for \$28 per share in cash occurs, you will, as SKP management continues to write, receive that \$28. However, **if you are a California doctor who received shares in exchange for your membership interests in the old reciprocal, you will generally be required to send \$4.20 per share to your Uncle Sam in Washington, D.C. and \$2.60 per share to your Uncle Arnold in Sacramento.\* This is not tax advice, and you should confirm your liabilities to Uncles Sam and Arnold with your tax advisor. Generally, a California doctor can expect to have \$21.20 of capital remaining if the sale to The Doctors Company occurs less capital than before the deal was approved.**

If SKP were to accept the board-rejected but still outstanding merger offer from American Physicians Capital, Inc. (ACAP) which you are not being asked to vote on at this time you would not owe taxes on your shares until such time as you decide to sell them.

Additionally, should SKP merge with ACAP which you are not being asked to vote on at this time SCPIE Insurance Company will continue to exist. All agreements including premium rates, coverage terms, limits of liability and retirement tail vesting will be honored. SCPIE personnel will continue to provide California doctors the high level of service that SCPIE insureds have enjoyed for more than 30 years sans the board members who voted for a deal that would leave our California doctors with a \$6.80 per share tax liability.

If you have already voted in favor of the \$28 cash deal **that will generally result in tax liabilities of \$6.80 per share to a California doctor who received shares in exchange for interests in the old reciprocal,\*** you can vote AGAINST the proposed deal by signing the enclosed gold proxy card. Only your last vote will count.

Sincerely,

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/s/ Joseph Stilwell  
Joseph Stilwell

\*The estimated tax liability of \$6.80 for a California physician who received shares in SKP when it went public in 1997 is calculated as follows. According to SKP's proxy statement, the receipt of cash exchanged for stock will result in a gain between the cash received and the basis (p. 3), the basis for shares received for membership interests would be zero, and this would result generally in a taxable gain of \$28 per share. The federal capital gain rate of 15% yields a tax liability of \$4.20; California has a marginal tax rate of 9.3% for taxable income levels above \$44,819, yielding a California income tax liability of \$2.60 per share. Please note that this is not tax advice. I urge you to consult your own tax advisor for advice regarding your personal tax liability.

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On February 4, 2008, the Stilwell Group (the "Group") filed with the Securities and Exchange Commission (the "Commission") a definitive proxy statement in connection with the March 26, 2008 special meeting of stockholders of SCPIE Holdings Inc. On the record date for the meeting, February 4, 2008, there were 9,583,165 shares of common stock of SCPIE Holdings Inc. outstanding. Copies of the Group's definitive proxy statement were mailed to stockholders beginning February 8, 2008. Investors and security holders are urged to read the Group's definitive proxy statement and additional definitive soliciting material because they contain important information. Investors and security holders may obtain a free copy of the definitive proxy statement and other documents filed by the Group with the Commission at the Commission's website at [www.sec.gov](http://www.sec.gov). The definitive proxy statement and these other documents may also be obtained for free by writing to Mr. Joseph Stilwell at 26 Broadway, 23rd Floor, New York, New York 10004, or by contacting Morrow & Co., LLC at 800-662-5200.

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**P R O X Y**

**THIS PROXY IS SOLICITED BY THE STILWELL GROUP IN OPPOSITION TO THE BOARD OF DIRECTORS OF SCPIE HOLDINGS INC.**

**SCPIE HOLDINGS INC.**

**SPECIAL MEETING OF SHAREHOLDERS**

**March 26, 2008**

**VOTING CONTROL NUMBER**

Your vote is important. Casting your vote in one of the three following ways votes all shares of Common Stock of SCPIE Holdings Inc. that you are entitled to vote. Internet and telephone voting facilities are available 24 hours a day, seven days a week. Please consider the issues discussed in the proxy statement and cast your vote:

§ **VIA INTERNET** Have the above control number handy when you go to <https://www.proxyvotenow.com/skp>. Follow the instructions. You will have the option of receiving an e-mail confirmation.

§ **BY TELEPHONE** Dial toll-free from the U.S. or Canada: 1-888-216-1297. Have the control number handy and follow the instructions.

§ **BY MAIL** Unless you have voted via the Internet or by telephone, complete, sign and date the **GOLD** proxy card below and mail it promptly in the enclosed postage-paid envelope to Ellen Philip Associates, PO Box 1997, New York, NY 10117-0024.

**Your Internet or telephone vote must be received no later than 10:00 a.m.,**

**Eastern time, on March 26, 2008.**

**Detach Here**





**PROXY SOLICITED BY THE STILWELL GROUP IN OPPOSITION  
TO THE BOARD OF DIRECTORS OF SCPIE HOLDINGS INC.**

**GOLD PROXY CARD  
SCPIE HOLDINGS INC.**

**GOLD PROXY CARD**

**SPECIAL MEETING OF SHAREHOLDERS**

**March 26, 2008**

The undersigned hereby appoints Joseph Stilwell and Spencer Schneider, or either of them, as proxies with full power of substitution, to vote in the name of and as proxies for the undersigned at the Special Meeting of SCPIE Holdings Inc. (the "Company"), to be held on March 26, 2008, at 10:00 a.m. Pacific Time, and at any adjournment(s) or postponement(s) thereof, according to the number of votes that the undersigned would be entitled to cast if personally present on the matters shown on the reverse side:

This proxy, when properly executed, will be voted in the manner directed herein by the undersigned Shareholder. **Unless otherwise specified, this proxy will be voted "AGAINST" Proposal 1 relating to the merger agreement with The Doctors Company and AGAINST Proposal 2 relating to adjournment of the Special Meeting.** This proxy revokes all prior proxies given by the undersigned.

Until the voting deadline, you may revoke a prior proxy vote at any time by submitting a new vote, which automatically revokes any previous vote. **ONLY YOUR LATEST VOTE WILL COUNT IN THE TABULATION.**

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting, or any adjournments or postponements thereof, as provided in the proxy statement provided herewith. The proxies may exercise discretionary authority only as to matters unknown to the Group a reasonable time before this Proxy Solicitation.

**Unless you have voted via the Internet or by telephone, please mark this GOLD proxy card on the reverse side, sign it and date it, and return it promptly in the**

**envelope provided.**

**THANK YOU FOR VOTING**

**Detach Here**

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**GOLD PROXY CARD**

**GOLD PROXY CARD**

**We recommend that you vote AGAINST Proposal 1.**

1. To adopt the Agreement and Plan of Merger, dated October 15, 2007, by and among The Doctors Company, Scalpel Acquisition Corp. and SCPIE Holdings Inc.

☐ FOR

☐ AGAINST

☐ ABSTAIN

**We recommend that you vote AGAINST Proposal 2.**

2. To adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the Agreement and Plan of Merger, dated October 15, 2007, by and among The Doctors Company, Scalpel Acquisition Corp. and SCPIE Holdings Inc.

☐ FOR

☐ AGAINST

☐ ABSTAIN

\_\_\_\_\_, 2008  
Signature                                      Signature (Joint Owners)                                      Date  
Please sign exactly as your name appears hereon or on proxy cards previously sent to you by the Company. When shares are held by joint tenants, both should sign. When signing as an attorney, executor, administrator, trustee, or guardian, please give full title as such. If a corporation, please sign in full corporation name by the President or other duly authorized officer. If a partnership, please sign in partnership name by authorized person. This proxy card votes all shares held in all capacities.

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Title