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At IAS Part ~~Room~~, of the Supreme Court of the State of New York, County of New York, at the Courthouse thereof, 60 Centre Street in the Borough of Manhattan, City and State of New York, on the *14th* day of *April*, 1998.

P R E S E N T:

HON: *Harold Tompkins*

JUSTICE.

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In the Matter of

the Application of

Index No.: *400737/98*

ORDER

NEIL D. LEVIN, as Superintendent
of Insurance of the State of New York,
for an Order of Appointment as Ancillary
Receiver of

AMERICAN EAGLE INSURANCE COMPANY,
a Texas Corporation

*Filed
May 4 1998
County Clerk's Office
New York*

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Upon reading the Limited Waiver and Consent, and the annexed petition of NEIL D. LEVIN, Superintendent of Insurance of the State of New York, verified the *23rd* day of *February*, 1998, for an Order appointing him Ancillary Receiver for AMERICAN EAGLE INSURANCE COMPANY (hereinafter referred to as "AMERICAN EAGLE"), and to take possession of the property and assets of AMERICAN EAGLE located in the State of New York, pursuant to Article 74 of the Insurance Law of the State of New York; and it appearing to my satisfaction that AMERICAN EAGLE was created under the laws of the State of Texas and licensed as a stock property and casualty insurer in the

State of New York; that it conducted an insurance business in the State of New York; that it has been declared insolvent by a Court of competent jurisdiction of the State of Texas on December 22, 1998, and is unable to meet its insurance obligations; that its license to conduct such business should be revoked by the Superintendent of Insurance of the State of New York; that the Commissioner of Insurance of the State of Texas was appointed Permanent Receiver of AMERICAN EAGLE; that it is amenable to the Insurance Laws of the State of New York and particularly to Article 74 thereof; that it is to the best interests of all policyholders, claimants, creditors and other interested persons located in the State of New York that the Superintendent of Insurance of the State of New York be appointed Ancillary Receiver of the property of said Company, subject to the order of this Court; and that the Commissioner of Insurance of the State of Texas, as Permanent Receiver of AMERICAN EAGLE has waived process, service of process, notice of hearing and hearing, and consents to the entry of an Order appointing the Superintendent of Insurance of the State of New York Ancillary Receiver of AMERICAN EAGLE.

NOW, on motion Hon. DENNIS C. VACCO, Attorney General of the State of New York, it is

ORDERED, that the petition of NEIL D. LEVIN, Superintendent of Insurance of the State New York is granted; and it is further

ORDERED, that NEIL D. LEVIN, as Superintendent of Insurance of the State of New York, and his successors in office as Superintendents of Insurance of the State of New York, be and he is and they are hereby appointed Ancillary Receiver of AMERICAN EAGLE, and are hereby authorized and directed forthwith to take possession of the property of AMERICAN EAGLE located in the State of New York, under and pursuant to the provisions of Article 74 of the Insurance Law of the State of

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New York and to deal with the property and business of AMERICAN EAGLE, and they are further directed to take and preserve all the other assets and claims which are the property of AMERICAN EAGLE and to protect same for the benefit of creditors, policyholders and others interested parties within the State of New York, and upon the authorization of this Court to pay such claims against AMERICAN EAGLE and/or its policyholders as are approved by this Court as being valid; and it is further

ORDERED, that AMERICAN EAGLE, its officers, directors, depositories, trustees, policyholders, attorneys, agents and employees and all other persons having any property or records relating to AMERICAN EAGLE located in the State of New York, including but not limited to claim files, legal files and insurance policy files, are hereby directed to assign, transfer and deliver to the Superintendent of Insurance, as Ancillary Receiver, all of such property located in the State of New York in whomsoever name the same may be, and that any persons, firms or corporations having any books, papers or records relating to the business of said company shall preserve the same and submit them to the Superintendent of Insurance, as Ancillary Receiver, for examination at such place as he shall reasonably designate or, at his request, make them available for examination at all reasonable times; and it is further

ORDERED, that the officers, directors, trustees, depositories, policyholders, agents and employees of AMERICAN EAGLE, and all other persons, be and they are hereby are enjoined and restrained from the further transaction of business or from dealing with or disposing of the property or assets of company located in the State of New York, or doing or permitting to be done any act or thing which might waste its property or assets or allow or suffer the obtaining of preference, judgments, attachments or other liens, or the making of any levy against said company, or its estate while in the possession and control of the Superintendent of Insurance, as Ancillary Receiver; and it is further

ORDERED, that the officers, directors, trustees, depositories, policyholders, agents and employees of AMERICAN EAGLE and all other persons, including but not limited to claimants, plaintiffs and petitioners who have claims against AMERICAN EAGLE, be and they are hereby enjoined and restrained from bringing or further prosecuting any action at law, suit in equity, special or other proceedings against the said company or estate or the Superintendent of Insurance of the State of New York and his successors in office, as Ancillary Receiver thereof, except insofar as such claims arise in, or are brought in, this Ancillary Receivership proceeding of AMERICAN EAGLE, or from making or executing any levy upon the property or estate of said company, or from in any way interfering with the Superintendent of Insurance of the State of New York, or his successors in office, in his or their possession, control or management of the property of said company, or in the discharge of his or their duties as Ancillary Receiver thereof, *or in the liquidation of the business of said company, and it is further*

ORDERED, that all parties to law suits in this State are hereby enjoined and restrained from proceeding with any trial, application for judgment or proceeding on judgments or settlements in such actions at law, suit in equity, special or other proceedings in which AMERICAN EAGLE is obligated to defend a party insured or any other persons they are legally obligated to defend by virtue of their insurance contract and any and all actions being defended by a primary or other underlying insurer where such primary or underlying insurer has tendered or offered its full policy limits or where said policy limits have been exhausted by payment of the underlying insurer's aggregate and AMERICAN EAGLE is the next excess or umbrella layer of insurance for a period of 180 days from the date of entry of this Order; and it is further

ORDERED, that those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against AMERICAN EAGLE coming within the purview of Article 76 of the Insurance Law, are enjoined for 90 days from the date of entry of this Order hereof from

presenting and filing such formal claims in this proceeding pursuant to Section 7432 of the Insurance Law; and it is further

ORDERED. notice of making and entry of this Order be given by publication in the N.Y. Times, commencing two weeks from the date of entry of this order once a week for two successive weeks, and that said notice is sufficient notice to all persons interested in the assets of AMERICAN EAGLE; and is further

ORDERED. that the license of AMERICAN EAGLE to do business in the State of New York, be and the same is hereby revoked; and it is further

ORDERED. that all further papers in this proceeding shall bear the caption and be entitled:

"SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the Matter of
the Ancillary Receivership of
"AMERICAN EAGLE INSURANCE COMPANY"

in place and stead of the caption heretofore used; and it is further

ORDERED, that the Superintendent of Insurance, as Ancillary Receiver,
may at any time make further application at the foot of this order for such further and

different relief as he sees fit. *Also, ORDERED, that the petitioner serve
a conformed copy of this order upon the County Clerk
and Trial Support office (Rm. 158)*

ENTER

c/

J. S. C.

*Harold Tompkins,
S.S.C.*

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*Filed
May 4 1998
County Clerk office
New York*