

At IAS Part 16 of the Supreme Court of the State of New York, County of New York at the Courthouse, 60 Centre Street, New York, New York on the 29 day of *December* 2007.

PRESENT:

HON. ALICE SCHLESINGER,

JUSTICE

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In the Matter of

Index No.: 405445/2007

the Application of

ORDER OF LIQUIDATION

ERIC R. DINALLO, Superintendent of Insurance of the State of New York, for an order to take possession of and liquidate the business and affairs of and dissolve the corporate charter of

FILED

AUG 30 2007

COMMUNITY HEALTH PLAN

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COUNTY CLERK'S OFFICE

Petitioner, Eric R. Dinallo, Superintendent of Insurance of the State of New York

(the "Superintendent"), having moved this court for an order to take possession of the property of and liquidate the business and affairs and dissolve the corporate charter of Community Health Plan ("CHP");

NOW, upon reading and filing the petition of the Superintendent, duly verified on the 28th day of June, 2007, and the exhibits annexed thereto; and it appearing to my satisfaction that:

1. CHP is a New York corporation, with its principal office in Albany County;

2. Pursuant to a license issued by the New York State Insurance Department, CHP formerly operated as a health service organization under Article 43 of the Insurance Law of the State of New York.

3. Pursuant to a Transfer and Assumption Agreement between CHP and Kaiser Foundation Hospitals (“KFH”) dated July 5, 2006 (the “Transfer Agreement”), all debts, liabilities and obligations of CHP were transferred to KFH.

4. CHP has consented to an order of liquidation being entered against it in the Supreme Court, County of New York;

5. CHP is amenable to the Insurance Law of the State of New York (the “Insurance Law”) and, particularly, to Article 74 thereof;

6. CHP should be dissolved and its corporate charter annulled and forfeited;
and

7. It is in the best interest of all persons concerned that the Superintendent be authorized and directed to take possession of CHP’s property, liquidate its business and affairs, and dissolve its corporate charter;

NOW, on motion of the Honorable Andrew M. Cuomo, Attorney General of the State of New York, it is hereby ORDERED as follows:

1. The petition is granted;
2. By a unanimous vote of its Board of Directors, CHP has consented to its liquidation in New York;
3. The Superintendent, and his successors in office as Superintendent, are appointed liquidator of CHP (the “Liquidator”), are authorized and directed to immediately take possession of its property, are vested with title to its property, contracts and rights of action, and are directed to liquidate its business and affairs in accordance with Article 74 of the Insurance Law. The Liquidator may deal with the

property and business of CHP in its name or in the name of the Liquidator;

4. The Transfer Agreement shall survive and remain in full force and effect after entry of this Order of Liquidation.
5. Since all debts, liabilities and obligations of CHP were transferred to KFH under the Transfer and Assumption Agreement dated July 5, 2006, and all claims against CHP are being handled by KFH, there are no claims against CHP to be presented to the Liquidator, nor will any claims be accepted or processed by the Liquidator;
6. The Liquidator, shall provide notice of the entry of this Order of Liquidation by publication in the New York Times, National Edition, once per week for two consecutive weeks, commencing within three weeks of entry of this order, to all creditors, claimants and interested persons;
7. The Liquidator shall also provide notice by publication in one newspaper in the capital cities of each state in the United States wherein CHP is or was licensed to do business, once per week for two successive weeks, the newspaper to be selected by the Liquidator at his discretion;
8. In the event one or more Insurance Departments of foreign states which have adopted the Uniform Insurers Liquidation Act and in which CHP was licensed to do business desire to give formal notice to creditors in their respective states, the Liquidator may permit the giving of such notice as he in his discretion may deem appropriate;
9. The notice prescribed herein is sufficient notice to all persons interested in CHP and shall direct any and all claimants of CHP to forward their claims to KFH;
10. With the exception of the Transfer Agreement which shall remain in full force and effect and survive entry of this Order of Liquidation, all other contracts, leases, tax sharing agreements, employment contracts and obligations of CHP, however described, shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this order in accordance with Insurance Law § 7405 unless ratified by the Liquidator;
11. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all real or personal property, stocks, bonds or securities of CHP at market price or better, or if there is no market price, at the best price obtainable at private sale at such times and

upon such terms and conditions as he in his discretion deems is in the best interest of the creditors of CHP, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments;

12. CHP, its officers, directors, depositories, trustees, agents, servants, employees and attorneys and all other persons having any property or records belonging or relating to CHP, are directed to assign, transfer, set over and deliver to the Liquidator, all such property or records;
13. Any persons, firms, corporations or associations having any books, papers or records relating to the business of CHP shall preserve them and submit them to the Liquidator for examination and copying at all reasonable times;
14. Any distribution of assets shall be in accordance with the priorities set forth in Article 74 of the Insurance Law;
15. The officers, directors, shareholders, trustees, agents, servants, employees, attorneys and managers of CHP and all other persons are permanently enjoined and restrained from the transaction of CHP's business, from the waste or disposition of its property, and from interfering with the Liquidator in the possession, control and management of the property of CHP or in the discharge of his duties;
16. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against CHP, the Liquidator or the New York Liquidation Bureau, its employees, attorneys and agents, with respect to claims against CHP;
17. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against CHP's assets or any part thereof;
18. The license and Certificates of Authority of CHP to do business in the various counties of the State of New York are revoked;
19. The corporate charter of CHP is relinquished, forfeited, surrendered and annulled and CHP is dissolved;
20. The Liquidator, his successors in office and their agents and employees are granted judicial immunity and are relieved of liability for any cause of action of any nature against them for any action taken by any one or more of them when acting in accordance with the orders of this Court and/or in the

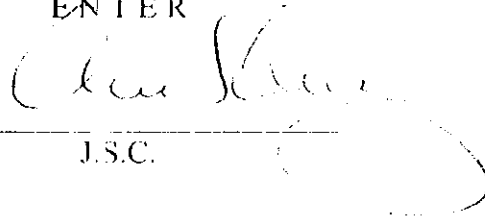
performance of their powers and duties pursuant to Article 74 of the New York Insurance Law;

21. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
22. All further papers in this proceeding shall bear the caption:

“In the Matter of
the Liquidation of
Community Health Plan”

23. The Liquidator shall serve a conformed copy of this Order upon the county clerk and the clerk of the trial support office for amendment of the court and computer records.

ENTER



J.S.C.

ALICE SCHLESINGER
J.S.C.

AUG 29 2007

FILED

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COUNTY CLERK'S OFFICE
NEW YORK

SUPREME COURT: NEW YORK COUNTY

In the Matter of
the Application of

ERIC R. DINALLO, Superintendent of Insurance of the State
of New York, for an order to take possession of and liquidate
the business and affairs of and dissolve the corporate charter of

COMMUNITY HEALTH PLAN

LIQUIDATION ORDER

ANDREW M. CUOMO
Attorney General

Attorney for the Superintendent of
Insurance

Office and Post Office Address
120 Broadway, New York, N.Y. 10271
Tel. (212) 416-8658

Personal service of a copy of

with/in day of

is admitted this day of

. 20

Sir:

Please take notice that the within is a true

copy of
duly filed and entered in the office of the clerk
of County, on
the day of 20

Yours, etc.,
ANDREW M. CUOMO

Attorney General.

Attorney for

Office and Post Office Address
120 Broadway, New York, N.Y. 10271

To Esq.

Attorney for

Sir

Please take notice that the within

will be presented for settlement and signature

herein to the HON.

one of the judges of the within named Court, at

. in the Borough of
City of New York, on the day of
200, at A. M.

Date, N.Y.

Yours, etc.,
ANDREW M. CUOMO

Attorney General.

Attorney for

Office and Post Office Address
120 Broadway, New York, N.Y. 10271

To