

**IN THE MATTER OF THE REHABILITATION OF
COLONIAL COOPERATIVE INSURANCE COMPANY
New York Supreme Court, Index No.: 400236/10**

NOTICE

By order of the Supreme Court of the State of New York, County of New York (the “Court”), entered March 1, 2010 (the “Rehabilitation Order”), Colonial Cooperative Insurance Company (“CCIC”) was placed into rehabilitation and the then-Superintendent of Insurance of the State of New York (“Superintendent”) was appointed rehabilitator. The Superintendent hereby gives notice that he has submitted a petition (“Petition”) to the Court for an order (“Liquidation Order”): (1) converting CCIC’s rehabilitation proceeding to a liquidation proceeding; (2) appointing the Superintendent and his successors in office as liquidator (“Liquidator”) of CCIC; (3) vesting title to all CCIC’s property, contracts and rights of action with the Liquidator; (4) continuing the permanent injunctions provided for in Insurance Law Section 7419, including enjoining and restraining all persons from transacting CCIC’s business, wasting or disposing of its property, interfering with the Liquidator or the proceeding, or commencing or prosecuting any actions, obtaining any preferences, judgments, attachments or other liens, or making any levy against CCIC, its assets or any part thereof; (5) granting injunctions enjoining and restraining: (a) all parties from commencing or prosecuting any actions or proceedings against CCIC, the Liquidator or the New York Liquidation Bureau, its employees, attorneys or agents with respect to any claims against CCIC; (b) all parties to actions, lawsuits and special or other proceedings in which CCIC is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise, from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including but not limited to conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from entry of the Liquidation Order, and (c) all persons who have first party or New York Comprehensive Automobile Insurance Reparations Act (No Fault) policyholder loss claims, from presenting and filing claims with the Liquidator for a period of 90 days from entry of the Liquidation Order; (6) authorizing, permitting and allowing the Liquidator to sell, assign, transfer any and all stocks, bonds, or securities of CCIC at market price or at the best price obtainable at private sale; (7) terminating all contracts and agreements, unless otherwise expressly assumed by the Liquidator, and fixing liability thereunder as of the date of entry of the Liquidation Order; (8) requiring that all persons or entities having property, including, but not limited to, insurance policies, claims files (electronic or paper), software programs and/or bank records belonging or relating to CCIC shall preserve such information and immediately, upon the Liquidator’s request and direction, assign, transfer, turn over and deliver such information to the Liquidator; (9) extending judicial immunity to the Superintendent in his capacity as Liquidator of CCIC and his successors in office and their agents and employees and extending such immunity to them for any cause of action of any nature against them, individually or jointly, for any action or omission of any one or more of them when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Article 74 of the Insurance Law; and (10) granting such other relief as is just.

The order to show cause further provides that the injunctions provided for in the Rehabilitation Order remain in effect pending a hearing on the Superintendent's Petition.

A hearing is scheduled on the Petition on the 30th day of September, 2010 (the "Return Date") at 9:30 a.m., at the Courthouse, 60 Centre Street, New York, New York, at IAS Part 10.

If you wish to object to the Petition, you must serve your objections and all supporting documentation ("Answering Papers") upon the Superintendent so as to be received by the Superintendent at least seven days prior to the Return Date, and by submitting copies of the Answering Papers, with affidavits of service on the Superintendent, to the Court at IAS Part 13, at the Courthouse located at 60 Centre Street, New York, New York, on or before the Return Date. Service of Answering Papers on the Superintendent shall be made by first class mail at the following address:

Superintendent of Insurance of the State of New York
as Rehabilitator of Colonial Cooperative Insurance Company
123 William Street
New York, New York 10038-3889
Attention: John Pearson Kelly, Esq.
General Counsel

The Petition and supporting papers are available for inspection at office of the New York Liquidation Bureau at 123 William Street, New York, New York.

Dated: New York, New York
August 26, 2010

James J. Wrynn
Superintendent of Insurance
of the State of New York