

At IAS Part 34 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 day of 1999.

FILED

OCT - 4 1999

**COUNTY CLERK'S OFFICE
NEW YORK**

PRESENT:

HON. PHYLLIS GANGEL-JACOB

JUSTICE

-----x

In the Matter of

Index No.: 402553/99

the Rehabilitation of

LIQUIDATION ORDER

CONTRACTORS CASUALTY AND
SURETY COMPANY

-----x

Petitioner, Neil D. Levin, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this court by order to show cause for an order converting this proceeding into a liquidation proceeding, appointing the Superintendent liquidator of Contractors Casualty and Surety Company ("CCSC"), vesting the Superintendent, as liquidator, with title to the property, contracts and rights of action of CCSC, fixing the rights and liabilities of CCSC, its creditors, policyholders, shareholders, and all interested parties, and continuing the injunctions that have been issued in accordance with Insurance Law §7419,

NOW, upon reading and filing the order to show cause signed by the Hon. Phyllis Gangel-Jacob on September 15, 1999, the petition of Superintendent Neil D. Levin, duly verified September 10, 1999, the exhibits annexed thereto, the affidavit of service of

Barry Lesser, sworn to September 28, 1999, the default of the respondent, and it appearing to my satisfaction that:

1. CCSC is insolvent;
2. CCSC is in such condition that its further transaction of business would be hazardous to its policyholders, creditors and the public;
3. Further efforts to rehabilitate CCSC would be futile;
4. It is in the best interests of CCSC's policyholders, creditors, and the public that the Superintendent be vested with title to CCSC's property, contract and rights of action and directed to liquidate its business.

And the petitioner, having appeared by the Hon. Eliot L. Spitzer, Attorney General of the State of New York, and due deliberation having been had:

NOW, on motion of the Hon. Eliot L. Spitzer, Attorney General of the State of New York, IT IS ORDERED as follows:

1. The petition is granted;
2. CCSC is insolvent;
3. Neil D. Levin, Superintendent, and his successors in office as superintendent, are appointed liquidator of CCSC, vested with title to its property, contracts, and rights of action, and are directed to liquidate its business and affairs in accordance with Article seventy-four of the New York Insurance Law;
4. In accordance with Insurance Law §7432(b), all claims against CCSC must be presented to the Superintendent, as liquidator, within four months of the date of entry of this order;
5. In accordance with Insurance Law §7433(b)(2), all persons who appear on CCSC's books and records as policyholders, obligees or claimants as of the date of entry of this order shall be deemed to have duly filed proofs of claim prior to the last day set for filing claims;
6. The Superintendent shall provide notice to all other creditors, claimants, former policyholders and interested persons to present

claims within four months of the date of this order by publication in the following newspapers:

- a) The New York Times, and
- b) The Journal of Commerce.

Publication shall be made once a week for two consecutive weeks commencing within three weeks of entry of this order;

7. The notice provided for herein is sufficient notice to all persons interested in CCSC;
8. In accordance with Insurance Law §7405, insurance policies, bonds, and other insurance obligations, if any, issued and undertaken by CCSC shall terminate and all liability thereunder shall cease and be fixed as of 12:01 a.m. on the thirtieth day after entry of this order or upon cancellation or the procurement of replacement policies, bonds or insurance coverage by the policyholders or principals, whichever is earlier;
9. In accordance with Insurance Law §7405, all other contracts, leases, tax sharing agreements, employment contracts and obligations, however described, of CCSC shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this order unless ratified by the Superintendent, as liquidator;
10. The Superintendent, as Liquidator, is authorized to sell, assign or transfer any and all real or personal property, stocks, bonds or securities of CCSC 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 in his discretion he deems is in the best interests of CCSC's creditors 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;
11. CCSC, its officers, directors, depositories, trustees, agents, servants, employees, and all other persons having any property or records belonging to CCSC, including, but not limited to, insurance policy, bond, claim and legal files, are directed to assign, transfer, turn over and deliver such property or records to the Superintendent, as liquidator;

12. All persons, firms, corporations, or associations having books, papers, or records relating to the business of CCSC shall preserve them and submit them to the Superintendent, as liquidator, for examination and copying at all reasonable times;
13. ALL PERSONS ARE PERMANENTLY ENJOINED AND RESTRAINED FROM COMMENCING OR PROSECUTING ANY ACTIONS OR PROCEEDINGS AGAINST CCSC, THE SUPERINTENDENT, AS LIQUIDATOR OF CCSC OR THE NEW YORK STATE INSURANCE DEPARTMENT LIQUIDATION BUREAU WITH RESPECT TO CLAIMS AGAINST CCSC OR PAYABLE UNDER POLICIES OR BONDS ISSUED BY CCSC;
14. ALL PERSONS ARE PERMANENTLY ENJOINED AND RESTRAINED FROM OBTAINING PREFERENCES, JUDGMENTS, ATTACHMENTS OR OTHER LIENS, OR MAKING ANY LEVY AGAINST CCSC'S ASSETS OR ANY PART THEREOF.
15. The officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of CCSC, and all other persons are permanently enjoined and restrained from the transaction of CCSC's business, the waste or disposition of its property, interfering with the Superintendent, as liquidator, in the possession, control and management of CCSC's property or in the discharge of his duties;
16. All parties to lawsuits in which CCSC is obligated to defend a party pursuant to an insurance policy, contract or otherwise shall continue to be enjoined and restrained from proceeding with any pre-trial conference, trial, application for judgment or proceeding on judgments or settlements in all actions and proceedings until December 28, 1999;
17. All further papers in this proceeding shall bear the caption:

"In the Matter of

the Liquidation of

CONTRACTORS CASUALTY AND SURETY COMPANY"

18. The Superintendent, as 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.

FILED

OCT - 4 1999

**COUNTY CLERK'S OFFICE
NEW YORK**

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

PRESENT Hon. ~~Byttis Conrad Jacob~~

PART ~~27~~ 27

IRA GAMMERMAN

Justice

Re Contractors Casualty and Surety v. Co.

INDEX NO. 402553/99

MOTION DATE 9-28-99

MOTION SEQ. NO. 003

MOTION CAL. NO. 12

The following papers, numbered 1 to _____ were read on this motion to/for _____

Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...

Answering Affidavits — Exhibits _____

Replying Affidavits _____

PAPERS NUMBERED

Cross-Motion: Yes No

Upon the foregoing papers, it is ordered that this motion *is granted, there being no opposition. Order signed.*

FILED

OCT - 4 1999

COUNTY CLERK'S OFFICE
NEW YORK

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE *of Ira Gammerman*

DATED: 9/28/99

Dated: 9/28/99

Check one:

FINAL DISPOSITION

NON-FINAL DISPOSITION
IRA GAMMERMAN J.S.C.

15048

Sir:

Please take notice that the within is a true copy of duly filed and entered in the office of the clerk of the County, on the day of , 19

Yours, etc,
ELIOT L. SPITZER
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 19 , at , 19 M.
Date, N.Y., Yours, etc,
ELIOT L. SPITZER
Attorney General,

Attorney For

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

Attorney for

COUNTY CLERK'S OFFICE
NEW YORK

OCT - 4 1999

SUPREME COURT : NEW YORK COUNTY

In the Matter of
the Rehabilitation of

CONTRACTORS CASUALTY AND SURETY COMPANY

LIQUIDATION ORDER

ELIOT L. SPITZER
Attorney General

Attorney for the Superintendent of Insurance

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

Tel. (212) 416-8657

Personal service of a copy of

within.....

is admitted this.....day of

.....19

N.Y.S.Ins.
Liquidation
123 William
New York, N

S. Ungar
(212) 618-6