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2001

At IAS Part 1<sup>st</sup>, of the Supreme Court of the State of New York, at the Courthouse thereof, 60 Centre Street in the Borough of Manhattan, City and State of New York, on the 2<sup>nd</sup> day of March, 2001.

PRESENT:

HON. EDWARD H. LEHNER

JUSTICE.

-----x

In the Matter of

the Application of

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

CREDIT GENERAL INSURANCE COMPANY

-----x

I.A.S. 101  
SUPPORT OFFICE  
Index No. 400160-01

ORDER

FILED  
MAR 6 2001  
NEW YORK  
COUNTY CLERK'S OFFICE

Upon reading and filing the Order to Show Cause of NEIL D. LEVIN, Superintendent of Insurance of the State of New York (the "Superintendent"), verified the 10<sup>th</sup> day of January, 2001, for an Order appointing him Ancillary Receiver for CREDIT GENERAL INSURANCE COMPANY (hereinafter referred to as "CGIC"), and directing him to take possession of the property and assets of CGIC 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:

1. CGIC is domiciled in the State of Ohio and licensed in the State of New York as a property and casualty and workers' compensation insurer;
2. CGIC conducted an insurance business in the State of New York;

3. CGIC was declared insolvent by a Court of competent jurisdiction of the State of Ohio on January 5, 2001 and is unable to meet its insurance obligations;
4. the Superintendent of Insurance of the State of Ohio was appointed Liquidator of CGIC;
5. CGIC is amenable to the Insurance Laws of the State of New York and particularly to Article 74 thereof;
6. CGIC's license to conduct an insurance business in the State of New York should be revoked by the Superintendent;
7. It is in the best interests of all policyholders, claimants, creditors, and other interested persons located in the State of New York that the Superintendent be appointed Ancillary Receiver of the property of said Company, subject to the order of this Court.

NOW, on motion of Hon. ELLIOT L. SPITZER, Attorney General of the State of New York, it is ORDERED that:

1. The petition of NEIL D. LEVIN, Superintendent of Insurance of the State of New York, is granted.
2. NEIL D. LEVIN, as Superintendent of Insurance of the State of New York, and his successors in office as Superintendent, be and he is and they are hereby appointed Ancillary Receiver of CGIC, and are hereby authorized and directed forthwith to take possession of the property of CGIC located in the State of New York, under and pursuant to the provisions of Article 74 of the Insurance Law of the State of New York and to deal with the property and business of CGIC, and they are further directed to take and preserve all the other assets and claims which are the property of CGIC and to protect same for the benefit of creditors, policyholders and other interested parties within the State of New York, and upon the authorization of this Court to pay such claims against CGIC and/or its policyholders that are covered by the insurance security funds maintained in accordance with Article 76 of the Insurance Law or Article 6A of the Workers' Compensation Law.
3. CGIC, its officers, directors, depositories, trustees, policyholders, attorneys, agents and employees and all other persons having any property or records relating to CGIC 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, as Ancillary Receiver, all of such property in the State of New York in whomsoever's 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, 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.

4. The officers, directors, trustees, depositories, policyholders, agents and employees of CGIC, and all other persons, be and they are hereby enjoined and restrained from the further transaction of business or from dealing with or disposing of the property or assets of the 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 preferences, 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.
5. THE OFFICERS, DIRECTORS, TRUSTEES, DEPOSITORIES, POLICYHOLDERS, AGENTS AND EMPLOYEES OF CGIC AND ALL OTHER PERSONS, INCLUDING BUT NOT LIMITED TO CLAIMANTS, PLAINTIFFS AND PETITIONERS WHO HAVE CLAIMS AGAINST CGIC, BE AND THEY ARE HEREBY ENJOINED AND RESTRAINED FROM BRINGING OR FURTHER PROSECUTING ANY ACTION AT LAW, SUIT IN EQUITY, SPECIAL OR OTHER PROCEEDING AGAINST THE SAID COMPANY OR ESTATE, THE SUPERINTENDENT AND HIS SUCCESSORS IN OFFICE, AS ANCILLARY RECEIVER THEREOF, OR THE NEW YORK STATE INSURANCE DEPARTMENT LIQUIDATION BUREAU WITH RESPECT TO CLAIMS AGAINST CGIC, OR FROM MAKING OR EXECUTING ANY LEVY UPON THE PROPERTY OR ESTATE OF SAID COMPANY, OR FROM IN ANY WAY INTERFERING WITH THE SUPERINTENDENT 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.
6. ALL PARTIES TO LAW SUITS IN THIS STATE ARE HEREBY ENJOINED AND RESTRAINED FROM PROCEEDING WITH ANY DISCOVERY, PRE-TRIAL CONFERENCES, TRIAL, APPLICATION FOR JUDGMENT OR PROCEEDING ON JUDGMENTS OR SETTLEMENTS IN SUCH ACTIONS AT LAW, SUITS IN EQUITY, SPECIAL OR OTHER PROCEEDINGS IN WHICH CGIC IS OBLIGATED TO DEFEND A PARTY, INSURED OR ANY OTHER PERSONS 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 CGIC IS THE NEXT EXCESS OR UMBRELLA LAYER

OF INSURANCE FOR A PERIOD OF 180 DAYS FROM THE DATE OF ENTRY OF THIS ORDER.

7. THOSE PERSONS WHO MAY HAVE FIRST-PARTY OR NEW YORK COMPREHENSIVE AUTOMOBILE INSURANCE REPARATIONS ACT (NO-FAULT) POLICYHOLDER LOSS CLAIMS AGAINST CGIC COMING WITHIN THE PURVIEW OF ARTICLE 76 OF THE INSURANCE LAW, ARE ENJOINED FROM PRESENTING AND FILING SUCH CLAIMS IN THIS PROCEEDING FOR 90 DAYS FROM THE DATE OF ENTRY OF THIS ORDER.
8. 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 CGIC.
9. The license of CGIC to do business in the State of New York, be and the same is hereby revoked.
10. 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

CREDIT GENERAL INSURANCE COMPANY"

in place and stead of the caption heretofore used.

ENTER



\_\_\_\_\_  
J. S. C.

**FILED**  
MAR 6 2001  
NEW YORK  
COUNTY CLERK'S OFFICE

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

PRESENT: Hon. EDWARD H. LEHNER Justice

PART 19

Neil D. Levin

INDEX NO. 400160/01

MOTION DATE \_\_\_\_\_

MOTION SEQ. NO. 001

MOTION CAL. NO. \_\_\_\_\_

- v -  
REDIT General Insurance Co.

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 \_\_\_\_\_

Cross-Motion:  Yes  No

Upon the foregoing papers, it is ordered that this motion for an order

PAPERS NUMBERED  
**FILED**  
MAR 6 2001  
NEW YORK COUNTY CLERK'S OFFICE

J.S.C.  
appointing the Superintendent Ancillary Receiver of CGIC and to take possession of property, and assets of CGIC pursuant to Article 74 of the Insurance Law of the State of New York is granted on default. Settle order.

SUPREME COURT  
STATE OF NEW YORK  
FEB - 2 2001  
LAW  
SUPPORT

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE DATED: \_\_\_\_\_

FEB 02 2001

Check one:  FINAL DISPOSITION  NON-FINAL DISPOSITION

J.S.C.

STATE OF NEW YORK )  
 )SS.:  
COUNTY OF NEW YORK)

CATHY BOSCO, being duly sworn, deposes and says:

That she is over the age of eighteen years, is not a party to the action and is employed in the office of MARILYN L. LYTLE, Attorney for the Superintendent of Insurance for the State of New York that on the 7<sup>th</sup> of February, 2001 (s)he served the annexed ORDER WITH NOTICE OF SETTLEMENT

upon: J. Lee Covington, II  
Superintendent of Insurance  
Ohio Insurance Liquidator  
1366 Dublin Road  
Columbus, Ohio 43216-1093

by depositing a true copy thereof in the letter box at 123 William Street, Borough of Manhattan, City of New York, maintained and exclusively controlled by the United States Government, enclosed in a securely closed wrapper, with the postage thereon prepaid, addressed to said parties that being the address designated by them in the last papers served by them herein.



\_\_\_\_\_  
CATHY BOSCO

Sworn to before me on this  
7<sup>th</sup> day of February, 2001



\_\_\_\_\_  
Notary Public

AMY R. BORODACH  
Notary Public, State of New York  
No. 01204906300  
Qualified in Kings County  
Commission Expires June 1, 2002

affsvee

SUPREME COURT : NEW YORK COUNTY

In the Matter of  
the Application of

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

CREDIT GENERAL INSURANCE COMPANY

NYS Ins. Dept.  
Liquidation Bu  
123 William St  
New York, NY 10

L. Dinerstein  
(212) 341-6638

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 \_\_\_\_\_, 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

Order with Notice of Settlement  
will be presented for settlement and signature  
herein to the Hon. Edward Lehner  
one of the judges of the within named Court, at  
60 Centre Street  
in the Borough of Manhattan  
City of New York on the 23rd day of  
February, 2001 ~~19~~ at 10:00 M. A.M.  
Date, N.Y., February 7, 2001 ~~xx~~

Yours, etc.,  
ELIOT L. SPITZER  
Attorney General,

Attorney For Superintendent of Insurance

Office and Post Office Address  
120 Broadway, New York, N.Y. 10271  
J. Lee Covington, II

To : Superintendent of Insurance, Esq.  
Ohio Insurance Liquidator  
Attorney for 1366 Dublin Road  
Columbus, Ohio 43216-1093

O R D E R

WITH NOTICE OF SETTLEMENT

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