

At IAS Part 3 of the Supreme Court
of the State of New York, County
of Nassau 100 Supreme Court
Drive, Mineola, New York, on the *24th*
day of *April*, 1998.

PRESENT:

HON. *John W. Burke*

JUSTICE

-----X

In the Matter of

Index No. 98-~~00~~2306

The Rehabilitation of

LIQUIDATION ORDER

FIRST CENTRAL INSURANCE 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, vesting the Superintendent, as liquidator, with title to the property, contracts and rights of action of First Central Insurance Company ("FCIC") fixing the rights and liabilities of FCIC, 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. Bruce D. Alpert on March 31, 1998 the petition of Superintendent Neil D. Levin, duly verified March 20, 1998, the exhibits annexed thereto, the affidavit of service of Michael Russo, *And the respondent having failed to respond or appear* sworn to April 9, 1998, and it appearing to my satisfaction that:

- 1. FCIC is insolvent;

JWB
BSC
4/23/98

2. the further transaction of business by FCIC would be hazardous to its policyholders, creditors and the public;
3. further efforts to rehabilitate FCIC would be futile;
4. It is in the best interest of FCIC's policyholders, creditors and the public that the Superintendent be vested with title to FCIC's property, contracts and rights of action and directed to liquidate its business;

And, the petitioner, having appeared by the Hon. Dennis C. Vacco, Attorney General of the State of New York, and ~~the court having held a hearing and due deliberation having been had;~~

JWB
SC
4/23/98

NOW, on motion of the Hon. Dennis C. Vacco, Attorney General of the State of New York, it is ordered as follows:

1. The petition is granted;
2. FCIC is insolvent;
3. Neil D. Levin, Superintendent, and his successors in office as superintendent, are appointed liquidator of FCIC, 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;
4. In accordance with Insurance Law § 7432(b), all claims against FCIC must be presented to the Superintendent, as Liquidator, within four months from the date of entry of this order;
5. In accordance with Insurance Law § 7433(b)(2), all persons who appear on FCIC's books and records as policyholders or claimants thirty days after the last day set for filing claims set forth in paragraph 4 herein shall be deemed to have duly filed proofs of claims prior to the last day set for filing claims;
6. All former policyholders of FCIC policies which expired within three years of the date of entry of this order shall be deemed to have duly filed a proof of claim prior to the last day set for filing claims;
7. 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 entry of this order by publication in

- a) the New York Times and;
- b) the Journal of Commerce.

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

8. The notice provided for herein is sufficient notice to all persons interested in FCIC;
9. In accordance with Insurance Law § 7405, insurance policies, bonds, and other insurance obligations, if any, issued or undertaken by FCIC 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 the procurement of replacement policies, bonds or insurance coverage by the policyholders or principals, whichever is earlier;
10. In accordance with Insurance Law § 7405, all other contracts, leases, tax sharing agreements, employment contracts and obligations, however described, of FCIC shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this order;
11. The Superintendent, as Liquidator, is authorized to sell, assign or transfer any and all real or personal property, stocks, bonds or securities of FCIC at market price or better, or if there is no market price, at the best price obtainable, at private sale and at such times and upon such terms and conditions as in his discretion he deems is in the best interests of FCIC 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 or assignments;
12. FCIC, its officers, directors, depositories, trustees, agents, servants, employees, and all other persons, having any property or records belonging to FCIC, including, but not limited to insurance policy, claim and legal files, are directed to assign, transfer, set over and deliver such property or records to the Superintendent, as liquidator;
13. All persons, firms, corporations or associations having books, papers or records relating to the business of FCIC shall preserve them and submit them to the Superintendent, as liquidator, for examination and copying at all reasonable times;
14. ALL PERSONS ARE PERMANENTLY ENJOINED AND RESTRAINED FROM COMMENCING OR PROSECUTING ANY ACTIONS OR PROCEEDINGS AGAINST FCIC.

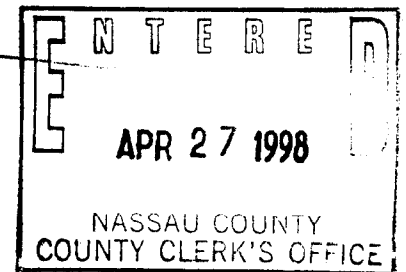
15. ALL PERSONS ARE PERMANENTLY ENJOINED AND RESTRAINED FROM OBTAINING PREFERENCES, JUDGMENTS, ATTACHMENTS, OR OTHER LIENS, OR MAKING ANY LEVY AGAINST FCIC'S ASSETS OR ANY PART THEREOF.
16. The officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of FCIC and all other persons are permanently enjoined and restrained from the transaction of FCIC's business, the waste or disposition of its property, interfering with the Superintendent, as liquidator, in the possession, control and management of FCIC's property or in the discharge of his duties;
17. All parties to lawsuits in which FCIC 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 July 28, 1998;
18. All persons who have first party or New York Comprehensive Automobile Insurance Reparations Act [No fault] policyholder loss claims against FCIC shall continue to be enjoined from presenting and filing claims with the Superintendent, as Liquidator, until April 28, 1998;
19. All further papers in this proceeding shall bear the caption:

"In the Matter of
the Liquidation of
FIRST CENTRAL INSURANCE COMPANY"

20. The Superintendent, as Liquidator, shall serve a conformed copy of this Order upon the county clerk ^{TLC} and trial support office ^{for the Clerk of the Nassau County, NY} for the amendment of the caption and computer records.

ENTER,

[Handwritten Signature]
J. S. C.



SU:cb
g/o/1 First Central

INDEX NO. 98-602306

INDEX NO. 98-602306
FILED

APR 27 1998

CLERK OF SUPREME COURT
LIQUIDATION BUREAU
123 WILLIAM STREET
NEW YORK, NY 10038

S. Ungar
(212) 341-6768

SUPREME COURT : NASSAU COUNTY

In the Matter of
the Rehabilitation of
FIRST CENTRAL INSURANCE COMPANY

LIQUIDATION ORDER

DENNIS C. VACCIO
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

with
is admitted this
19

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

Yours, etc.,
DENNIS C. VACCIO
Attorney General,

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

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
M.

Date, N.Y.,
Yours, etc.,
DENNIS C. VACCIO
Attorney General,

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

Esq.