

At IAS Part 36, of the Supreme Court of the State of New York, at the Courthouse thereof, 80 Centre Street in the Borough of Manhattan, City and State of New York, on the 11 day of March, 2002.

PRESENT:

JUSTICE.

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In the Matter of

Index No.400734/02

the Application of

ORDER

GREGORY V. SERIO, as Superintendent of Insurance of the State of New York, for an Order of Appointment as Ancillary Receiver of

FRONTIER PACIFIC INSURANCE COMPANY

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FILED
MAR 19 2002
NEW YORK COUNTY CLERK'S OFFICE

Upon reading and filing the Order to Show Cause of GREGORY V. SERIO, Superintendent of Insurance of the State of New York (the "Superintendent"), verified the 25th day January, 2002, for an Order appointing him Ancillary Receiver for FRONTIER PACIFIC INSURANCE COMPANY (hereinafter referred to as "FRONTIER PACIFIC"), and directing him to take possession of the property and assets of FRONTIER PACIFIC 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: *and upon the default of Frontier Pacific*

1. FRONTIER PACIFIC is domiciled in the State of California, and licensed in the State of New York as a property and casualty and fidelity and surety insurer;

2. FRONTIER PACIFIC's principal place of business is located at 6404 Wilshire Boulevard, Suite 850, Los Angeles, California 90048 (its California statutory office was located at 101 West Broadway, Suite 700, San Diego, California 92101);
3. FRONTIER PACIFIC conducted an insurance business in the State of New York;
4. FRONTIER PACIFIC was declared insolvent by a Court of competent jurisdiction of the State of California on November 30, 2001 and is unable to meet its insurance obligations;
5. The Insurance Commissioner of the State of California was appointed Liquidator of FRONTIER PACIFIC;
6. FRONTIER PACIFIC is amenable to the Insurance Laws of the State of New York and particularly to Article 74 thereof;
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 GREGORY V. SERIO, Superintendent of Insurance of the State of New York, is granted.
2. GREGORY V. SERIO, 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 FRONTIER PACIFIC, and are hereby authorized and directed forthwith to take possession of the property of FRONTIER PACIFIC 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 FRONTIER PACIFIC, and they are further directed to take and preserve all the other assets and claims which are the property of FRONTIER PACIFIC 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 FRONTIER PACIFIC and/or its policyholders that are covered by the insurance security funds maintained in accordance with Article 76 of the Insurance Law and/or Article 6A of the Workers' Compensation Law.

3. FRONTIER PACIFIC, its officers, directors, depositories, trustees, policyholders, attorneys, agents and employees and all other persons having any property or records relating to FRONTIER PACIFIC 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 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 FRONTIER PACIFIC, 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. Pursuant to the order of liquidation of a court of competent jurisdiction in the State of California, entered on November 30, 2001, and the relevant provisions of the California insurance law, all FRONTIER PACIFIC policies including bonds and other non-cancellable business, but excluding bail bonds, in effect at the time of issuance of the order of liquidation (November 30, 2001) were cancelled as of thirty days from the date of entry of the liquidation order.
6. The officers, directors, trustees, depositories, policyholders, agents and employees of FRONTIER PACIFIC and all other persons, including but not limited to claimants, plaintiffs and petitioners who have claims against FRONTIER PACIFIC, be and they are hereby enjoined and restrained from bringing or further prosecuting any action or proceeding, including, but not limited to actions at law, suits in equity, special or other proceedings against FRONTIER PACIFIC or its 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 FRONTIER PACIFIC, or from making or executing any levy upon the property or estate of said company, or the Superintendent as Ancillary Receiver, or the New York State Insurance Department-Liquidation Bureau, 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.

7. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against FRONTIER PACIFIC's assets or any part thereof in the State of New York.
8. All parties to lawsuits in the State of New York, in which FRONTIER PACIFIC is obligated to defend a party pursuant to or by virtue of an insurance policy or in which FRONTIER PACIFIC is the excess or umbrella layer of insurance and the primary or other 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, are enjoined and restrained from proceeding in all actions at law, suits in equity, special, or other proceeding for 180 days from the date of entry of this order, including, but not limited to, proceedings with any discovery, pre-trial conference, trial, application for judgment, or proceedings on judgment or settlement.
9. Those persons who may have first-party or New York comprehensive automobile insurance reparations act (no-fault) policyholder loss claims against FRONTIER PACIFIC 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.
10. Notice of making and entry of this Order be given by publication in The New York Times, commencing three 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 FRONTIER PACIFIC.
11. The license of FRONTIER PACIFIC to do business in the State of New York, be and the same is hereby revoked.

12. 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

FRONTIER PACIFIC INSURANCE COMPANY"

in place and stead of the caption heretofore used.

ENTER

MARILYN SHAFER
J.S.C.

J. S. C.

L2382/Frontier Pac Osc-Order

FILED

MAR 19 2002

NEW YORK
COUNTY CLERK'S OFFICE

cf
SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY
HON. MARILYN SHAFER, JSC

PRESENT: _____
Justice

PART 36

Gregory V. Sero

INDEX NO.

400734/02

MOTION DATE

MOTION SEQ. NO.

001

MOTION CAL. NO.

Traveler Pacific Insurance Co.

- v -

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 pursuant to attached Order

FILED

MAR 19 2002

NEW YORK COUNTY CLERK'S OFFICE

MAR 13 2002

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE

Dated: 3/11/02

Check one:

FINAL DISPOSITION

NON-FINAL DISPOSITION

J.S.C.

[Handwritten signature]

Sir:

Please take notice that the within is a true copy of duly filed and entered in the office of the clerk of New York County, on the day of , 2002

Yours, etc.,
ELIOT SPITZER

Attorney for

Attorney General,

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 , 20 , at day of

Date, N.Y.,

Yours, etc.,
ELIOT SPITZER
Attorney General,

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

To

, Esq.

Attorney for

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GREGORY V. SERIO, as Superintendent of Insurance of the State of New York, for an Order of Appointment as Ancillary Receiver of

FRONTIER PACIFIC INSURANCE COMPANY

ORDER

ELIOT SPITZER
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

within..... day of

is admitted this..... day of

.....20