

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

PRESENT: LING-COHAN
Justice

PART 36

LAWSKY, BENJAMIN M.

INDEX NO.

451373/13

MOTION DATE

- v -
GRAND CENTRAL ASSURANCE CORPORATION

MOTION SEQ. NO.

01

MOTION CAL. NO.

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 as per attached order.

caption is amended as per attached order.

Counsel to serve on final support of County Clerk, so caption can be amended.

Next date 1/29/14 @ 10:30 for monitoring as per order.

Dated: 9/24/13

JUSTICE DORIS LING COHAN
J.S.C.

Check one: FINAL DISPOSITION NON-FINAL DISPOSITION

Check if appropriate: DO NOT POST REFERENCE

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

At IAS Part 36 of the Supreme Court of the State of New York, County of New York, at the courthouse, 60 Centre Street, in the County, City and State of New York, on the 24 day of ~~February~~ September 2013.

P R E S E N T :

HON. DORIS LING-COHAN, J.S.C.

-----x

In the Matter of

the Application of

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York, for an order to take possession, liquidate the business and affairs, and dissolve the corporate charter of

GRAND CENTRAL ASSURANCE CORPORATION.

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Index No.

451373/13

ORDER OF LIQUIDATION

Petitioner, Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York (the "Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order to take possession of the property of Grand Central Assurance Corporation ("GCAC"), liquidate GCAC's business and affairs and dissolve GCAC's corporate charter, and upon reading and filing the petition of the Superintendent, duly verified on the 2nd day of August, 2013, the affirmation of Patrick Harrigan, Esq., dated July 15, 2013, and the exhibit annexed thereto, this Court finds that:

1. GCAC was incorporated on or about June 8, 2010. GCAC intended to transact the kind of insurance authorized by paragraph 25 (financial guaranty insurance) of Insurance Law § 1113(a). GCAC's proposed principal office was to be located in the City, County and State of New York;

2. GCAC has not completed its organization or obtained a license or certificate authorizing it to commence the doing of an insurance business within one year from its date of incorporation, nor has it requested an extension to do so. Thus, under Insurance Law § 1203(a), GCAC has forfeited its corporate charter, and, pursuant to Insurance Law § 7402(m), it may be liquidated;

3. GCAC is subject to the Insurance Law and, particularly, to Article 74 thereof;

4. It is in the best interest of all persons concerned that the Superintendent be authorized and directed to take possession of GCAC's property, liquidate GCAC's business and affairs, and that GCAC's corporate charter be dissolved;

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the petition for an order of liquidation is granted;
2. The Superintendent, and his successors in office, are appointed liquidator of GCAC ("Liquidator") and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; (ii) authorized and directed to immediately take possession of GCAC's property, liquidate GCAC's business and affairs, and dissolve GCAC's corporate charter in accordance with Insurance Law Article 74, (iii) vested with title to GCAC's property, contracts, and rights of action; and (iv) authorized and directed to take possession of GCAC's books, files, records and other property, wherever located, as of the date of entry of this Order;
3. The Liquidator may deal with the property and business of GCAC in GCAC's name or in the name of the Liquidator;
4. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of GCAC, and all other persons other than the Liquidator and his agents, are permanently enjoined and restrained from: (i) wasting or permitting to be done any act or thing that might waste GCAC's property; (ii) transacting GCAC's business or disposing of GCAC's property, except as authorized by the Liquidator; (iii) interfering with the Liquidator in the possession, control or

management of GCAC's property or in the discharge of his duties; and (iv) disclosing any proprietary information of GCAC that is not in the public domain, except as authorized by the Liquidator;

5. All persons are enjoined and restrained from commencing or prosecuting any actions or proceedings against GCAC, the Liquidator, the New York Liquidation Bureau, or their present or former employees, attorneys, or agents with respect to any claims against GCAC;
6. All persons are enjoined and restrained from obtaining preferences, judgments, attachments, or other liens, or making any levy against GCAC's assets or any part thereof;
7. The Liquidator is authorized, permitted, and allowed to sell, assign, or transfer any and stocks, bonds, or securities, and any real or other property of GCAC 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 interest of the creditors of GCAC, 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;
8. In accordance with Insurance Law § 7405, all in-force contracts, leases, tax sharing agreements, employment contracts, and obligations of GCAC, however described, shall terminate, and all liability thereunder shall cease and be fixed as of the date of entry of this Order unless expressly ratified in writing by the Liquidator;
9. GCAC, its officers, directors, shareholders, members, depositories, policyholders, trustees, agents, servants, employees, attorneys, managers, and affiliates, and all firms, corporations, associations, persons or entities other than the Liquidator having any property and/or information, including, but not limited to, business records, insurance policies, claims files (electronic or paper), software programs, bank records and/or any tangible or intangible items of value, belonging or potentially belonging to GCAC, shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Liquidator or his designees;
10. Any person or entity providing claims processing services, data processing services, electronic records retention services, or other information technology services to GCAC shall maintain and preserve all information in its possession relating in any way to GCAC, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs, and software licenses owned by GCAC, and are

directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees;

11. Any bank, savings and loan association, other financial institution, or any other entity or person, which has on deposit or in its possession, custody, or control any of GCAC's funds, accounts, or assets shall immediately, upon the Liquidator's request and direction: (i) transfer or otherwise turn over custody and control of such funds, accounts, or assets to the Liquidator; (ii) transfer title of such funds, accounts, or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; or (iv) take any other action necessary for the proper conduct of the liquidation proceeding;
12. Judicial immunity is extended to the Superintendent in his capacity as Liquidator of GCAC, his successors in office, and their agents and employees for any cause of action of any nature against them, individually or jointly, for any action or omission when acting in good faith, in accordance with this Order, or in the performance of their duties as Liquidator pursuant to Insurance Law Article 74;
13. In accordance with Insurance Law § 7432(b), all claims against GCAC must be presented to the Liquidator within four months of the date of entry of this Order;
14. The Liquidator shall provide notice of this Order to all creditors, claimants and other interested persons by: (i) posting this Order on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 30 days after the entry of this Order; and (ii) publication of notice of this Order in *Business Insurance* once a week in two consecutive publication weeks, commencing within four weeks of entry of this Order, in a form substantially similar to the one attached hereto;
15. The notice prescribed in decretal paragraph 14 hereof is sufficient notice to all persons interested in GCAC;
16. A copy of this Order shall be served forthwith by first class mail upon the members of GCAC's initial Board of Directors, at their last known addresses;
17. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
18. The corporate charter of GCAC is relinquished, forfeited, surrendered and annulled, and GCAC is dissolved;
19. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
20. This Court shall retain jurisdiction over this matter for all purposes;

21. (a) The caption to this proceeding is hereby amended as follows:

SUPEME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
In the Matter of

the Liquidation of

Grand Central Assurance Corporation.
-----X

(b) Movant is directed to serve copy on Trial Support + County Clerk ~~Aug~~

22. All further papers in this proceeding shall bear the above amended caption.

23. Case is scheduled on 1/29/13 @ 10:30 AM,
ENTER

for monitoring of
anticipated motion.
If motion is
filed, ^{or more time is needed,} counsel
may contact court by letter
(w/ copy of this
order attached to
envelope)

[Signature] 9/24/13
JUSTICE JUSUS LING-CHAN

Clerks
copy
directed to
amend
their
records
to
reflect
a amended
caption.