

At IAS Part of the Supreme Court of the State of New York, County of New York, at the Courthouse, 60 Centre Street, in the Borough of Manhattan, City and State of New York, on the ~~7~~ day of October, 1994.

P R E S E N T :

HON. *FERN Fisher Brandveen*

JUSTICE.

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In the Matter of
the Application of

Index No. *407611/94*
Consent
ORDER OF LIQUIDATION

SALVATORE R. CURIALE, as Superintendent of Insurance of the State of New York, for an order to take possession of and liquidate the business of and dissolve

GALAXY INSURANCE COMPANY
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Upon reading and filing the annexed petition of SALVATORE R. CURIALE, Superintendent of Insurance of the State of New York, duly verified the ~~5~~ day of October, 1994, for an order directing him to take possession of the property of GALAXY INSURANCE COMPANY (hereinafter referred to as "GALAXY") and to liquidate the business and affairs and dissolve the corporate charter of GALAXY pursuant to Article 74 of the Insurance Law of the State of New York, and upon the annexed consent of GALAXY, dated the 30th day of September, 1994; and it appearing to my satisfaction that GALAXY was incorporated on

September 3, 1980 under the laws of the State of New York and began business as a stock property/casualty insurer on November 28, 1980 as GALAXY REINSURANCE COMPANY; that the name was changed to GALAXY INSURANCE COMPANY on February 17, 1987; that the principal place of business of GALAXY is located at 116 John Street, Suite 1102, New York, New York 10038-3396; that it is amenable to the Insurance Laws of the State of New York and particularly to Article 74 thereof; that it is not prudent to reinsure in whole or in part the existing policy obligations of GALAXY pursuant to Section 7405(c) of the Insurance Law; that it should be dissolved and its corporate charter annulled and forfeited; that GALAXY is insolvent; that on the 30th day of September, 1994, GALAXY consented to the entry of an Order of Liquidation, without notice to it; that it is in GALAXY's best interests that this application should be granted and GALAXY liquidated under and pursuant to Article 74 Section 7402 (a), (c), and (1) of the Insurance Law; and petitioner having appeared by Hon. G. OLIVER KOPPELL, Attorney General of the State of New York; ~~and no one appearing in opposition thereto;~~

NOW on motion of Hon. G. OLIVER KOPPELL, Attorney General of the State of New York, it is

ORDERED, that the petition of the Superintendent of Insurance of the State of New York is granted; and it is further

ORDERED, that SALVATORE R. CURIALE, the Superintendent of Insurance of the State of New York or any successor in office as Superintendent, (hereinafter referred to as

"Superintendent") is hereby appointed Liquidator of GALAXY, and is hereby authorized and directed forthwith to take possession of the property and liquidate the business and affairs of GALAXY pursuant to Article 74 of the Insurance Law and to deal with the property and business affairs of GALAXY in his name as Superintendent, and is vested with title to all of the property, contracts and rights of action of GALAXY pursuant to Section 7405 of the Insurance Law; and it is further

ORDERED, that the Superintendent pursuant to Section 7433(b)(2) of the Insurance Law shall make a list of all persons whose names appears on the books and records of GALAXY as policyholders or claimants and said listed persons shall be deemed to have duly filed a proof of claim prior to the last date set for filing claims and the Superintendent is relieved of notifying, pursuant to Section 7432(b), those persons whose names appear on said list; and it is further

ORDERED, that all persons who may have claims against GALAXY and whose names do not appear on the books and records of GALAXY as policyholders or claimants, shall present proof of claim to the Superintendent, as Liquidator, within four months from the date of the entry of this Order; and it is further

S.S.C.
ORDERED, that the notice of liquidation be given by publication in the New York Times and the Journal of Commerce, commencing three weeks from the date of entry of this order once a week for two successive weeks; and it is further

ORDERED, that notice of liquidation be given by publication in one newspaper in the Capital Cities of Idaho,

Indiana, Kansas, South Carolina, Utah, Maryland, Nebraska, Nevada, Pennsylvania, Texas, West Virginia, Wyoming, and the District of Columbia, once a week for two successive weeks within the period allowed for the filing of claims, the newspaper to be selected by the Liquidator in his discretion; and it is further

ORDERED, that the notice prescribed is sufficient notice to all persons interested in the assets of GALAXY; and it is further

ORDERED, that in the event one or more Insurance Departments and/or Guaranty Funds or Associations of foreign States that have adopted the Uniform Insurers Liquidation Act in which GALAXY was licensed to do business, desire to give formal notice to policyholders and creditors in their respective State Insurance Department or Guaranty Fund or Association, the Superintendent, as Liquidator, may permit the giving of such notice as he in his discretion may find desirable; and it is further

ORDERED, that all outstanding policy and other insurance obligations if any, as well as surety bonds and obligations thereunder of GALAXY terminate and all liability thereunder cease and be fixed as of 12:01 A.M., 30 days after the entry of this Order, or prior thereto upon the procurement by policyholders of new insurance covering the risks insured thereby, as well as procurement by principals of new surety bonds covering the obligations thereunder and notice thereof shall be given as herein above set forth; and it is further

ORDERED, that all other subsisting contracts, leases, tax sharing agreements, individual labor or employment contracts, and other obligations of GALAXY and all liability thereunder cease and be fixed as of the date of the entry of this Order; and it is further

ORDERED, that the Superintendent, as Liquidator, is relieved of the provisions set forth in Section 7405(c) of the Insurance Law, to wit: to reinsure in whole or in part the policy obligations of GALAXY; and it is further

ORDERED, that SALVATORE R. CURIALE, the Superintendent or any successor in office as Superintendent, is hereby authorized, permitted and allowed to sell, assign and transfer any and all real and personal property, stocks, bonds and securities in his possession or which may hereafter come into his possession belonging to GALAXY, in liquidation, at market price or better, or when 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 for the best interests of the creditors of GALAXY, in liquidation, and that he be authorized, permitted and allowed 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; and it is further

ORDERED, that GALAXY, its officers, directors, depositories, trustees, policyholders, agents and employees and all other persons having any property or records belonging to

GALAXY, are hereby directed to assign, transfer and deliver to the Superintendent, as Liquidator, all of such property in whomsoever the same may be, and that any persons, firms or corporations having any books, papers or records relating to the business of said corporation shall preserve the same and submit them to the Superintendent, as Liquidator, for examination at all reasonable times; and it is further

ORDERED, that the officers, directors, trustees, depositories, policyholders, agents and employees of GALAXY, and all other persons are enjoined and restrained from the further transaction of business or from dealing with or disposing of the property or assets of said corporation, 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 corporation, or its estate while in the possession and control of the Superintendent, as Liquidator; and it is further

ORDERED, that the officers, directors, trustees, depositories, policyholders, agents and employees of GALAXY, and all other persons, including but not limited to claimants, plaintiffs and petitioners who have claims against GALAXY, are permanently enjoined and restrained from bringing or further prosecuting any action at law, suit in equity, special or other proceeding against the said corporation or its estate, or the Superintendent and his successors in office, as Liquidator thereof, or from making or executing any levy upon the property

or estate of said corporation, or from in any way interfering with the Superintendent, or any successor in office, in his possession or in the discharge of his duties as Liquidator thereof, or in the liquidation of the business of said corporation as well as the Superintendent of Insurance as Administrator of the Article 76 of the Insurance Law, Property/Casualty Security Funds, and Section 107 Workers' Compensation Security Fund insofar as they apply to policyholders and claimants of GALAXY; and it is further

ORDERED, that all parties to law suits in this State and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with any trial, application for judgment or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which GALAXY is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract 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 GALAXY is the next excess or umbrella layer of insurance for a period of 180 days from the date hereof; and it is further

ORDERED, that those persons who may have first party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against GALAXY coming within the purview of Article 76 of the Insurance Law, are

enjoined for 90 days from the date hereof from presenting and filing such formal claims in this proceeding pursuant to Section 7432 of the Insurance Law; and it is further

ORDERED, that the corporate charter of said GALAXY be and the same hereby is forfeited, surrendered and annulled and the said GALAXY is hereby dissolved; and it is further

ORDERED, that 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 Liquidation of
GALAXY INSURANCE COMPANY"

in place and stead of the caption as heretofore used; and it is further

ORDERED, that the Superintendent, as Liquidator, may at any time make further application for such further and different relief as he sees fit.; *And it is further*

ENTER

J. S. C.

ORDERED that Petitioner serve a conformed copy of this order upon the County Clerk and Trial Support Office for amendment of papers and computer records.

ENTER

1st

SSC 10/7/94

Fern Fisher-Brandie 607

Filed - County
Clerk's Office
New York County
October 7, 1994 JUD/100