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At IAS Part 47 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 80 Centre Street, in the County, City and State of New York, on the 14 day of December, 2017.

P R E S E N T :

HON. **HON. ERIKA M. EDWARDS** J.S.C.

MS#

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

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In the Matter of
the Application of

Index No.: 453158/2017

ORDER TO SHOW CAUSE

Maria T. Vullo, Superintendent of Financial Services of the State of New York, for an Order of Appointment as Ancillary Receiver of

GUARANTEE INSURANCE COMPANY.

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Upon the reading and filing of the annexed verified petition ("Verified Petition") of Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on the 5th day of December, 2017, the affidavit of Joan L. Riddell, Deputy Chief Examiner of the Property Bureau, New York State Department of Financial Services, sworn to on the 5th day of December, 2017, and it appearing that the relief sought should be granted;

NOW, on motion of Eric T. Schneiderman, Attorney General of the State of New York, attorney for the Superintendent, and after due deliberation having been had thereon;

LET Jimmy Patronis, Chief Financial Officer of the Florida Department of Financial Services, as the duly-appointed Receiver of Guarantee Insurance Company ("Guarantee") and all

creditors, claimants and interested persons located in the State of New York show cause before this Court at IAS Part 47 Room 320 thereof, at the Courthouse located at 80 Centre Street in the County, City and State of New York, on the 25 day of January, 2018, at 9:30 o'clock in the a.m., or as soon thereafter as counsel can be heard ("Return Date"), why an order, substantially in the form attached as Exhibit 1 to the Verified Petition ("Order"), should not be made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*:

(1) finding that on November 27, 2017, the Circuit Court of the Second Judicial Circuit, In and For Leon County, Florida has issued a Consent Order Appointing the Florida Department of Financial Services as Receiver of Guarantee for Purposes of Liquidation, Injunction and Notice of Automatic Stay ("Liquidation Order"); (2) commencing a New York ancillary receivership proceeding for Guarantee and appointing the Superintendent and her successors in office as ancillary receiver of Guarantee ("Ancillary Receiver"); (3) vesting the Ancillary Receiver with all rights and obligations granted to and imposed upon her pursuant to Insurance Law Article 74; (4) finding that the material provisions of the Liquidation Order as it pertains to this ancillary receivership proceeding, including the injunctions, restrictions and directions set forth in paragraphs 41, 42 and 43, apply to this ancillary receivership proceeding; (5) finding that in accordance with Insurance Law § 7412(a) the claims bar date of May 27, 2018, established in paragraph 31 of the Liquidation Order, applies to this ancillary receivership proceeding and all New York claims under Guarantee policies and evidence supporting such claims must be submitted to the Ancillary Receiver by May 27, 2018, and if not submitted by that date shall be barred; (6) permanently enjoining and restraining all persons from commencing or prosecuting any actions, lawsuits or proceedings in the State of New York against Guarantee, the

Superintendent as Ancillary Receiver or as administrator of the New York security funds, the New York Liquidation Bureau, and their employees, attorneys or agents, with respect to this proceeding or in the discharge of their duties; (7) enjoining and restraining all parties to actions, lawsuits, and special or other proceedings against insureds of Guarantee or in which Guarantee is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy from obtaining any judgment or proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of the Order; (8) enjoining and restraining all persons who have first party policyholder loss claims against Guarantee in the State of New York, from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date of entry of the Order; (9) extending judicial immunity to the Superintendent in her capacity as Ancillary Receiver of Guarantee and as administrator of the New York Security Funds, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Articles 74 and 76; and (10) granting such other and further relief as the Court may deem just and proper;

AND sufficient cause having been ^{alleged}~~shown~~ therefor, it is hereby

ORDERED, that service of this Order to Show Cause and its supporting papers shall be deemed good and proper service if served by: (i) ^{Personal Service}~~overnight mail~~ to Mr. Jimmy Patronis, Chief Financial Officer, Florida State Department of Financial Services, Division of Rehabilitation and Liquidation, Alexander Building, 2020 Capital Circle SE, Suite 310, Tallahassee, Florida 32301

by December 22, 2017

at least ~~_____~~ days before the Return Date; and (ii) posting on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least 14 days prior to the Return Date; and it is further

ORDERED, that any answering papers in support of or in opposition to this application ("Answering Papers") be served so as to be received by the Superintendent ~~at least 7 days prior to the Return Date~~ ^{to court by} January 12, 2018 and that such service shall be made at the following addresses:

Eric T. Schneiderman
Attorney General of the State of New York
120 Broadway, 24th Floor
New York, NY 10271
Attention: _____

New York Liquidation Bureau
110 William Street, 15th Floor
New York, New York 10038
Attention: General Counsel

and by filing the Answering Papers with this Court on or before the Return Date; and it is further

ORDERED, that pending the hearing ~~and determination~~ of this motion, all actions or proceedings within the jurisdiction of the courts of the State of New York against Guarantee are stayed.

Handwritten signature and initials
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Handwritten signature
HON. ERIKA M. EDWARDS
J. S. C.