

At a Trial Term, Part 62 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse, 60 Centre Street, in the Borough of Manhattan, City and State of New York, on the 7th day of February, 1985.

P R E S E N T : STANLEY PARNESS

HON.

JUSTICE.

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In the Matter of
the Application of

Index No. 40275/85
ORDER OF LIQUIDATION

JAMES P. CORCORAN, as Superintendent of Insurance of the State of New York, for an order to take possession of and liquidate the business and affairs of

IDEAL MUTUAL INSURANCE COMPANY

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Petitioner, JAMES P. CORCORAN, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court by Order to Show Cause for an Order pursuant to Section 7417 of the Insurance Law to take possession of and liquidate the business and affairs of IDEAL MUTUAL INSURANCE COMPANY ("IDEAL"),

NOW, upon reading and filing the Order to Show Cause signed January 31, 1985 (per STANLEY PARNESS, J.) the Petition

of JAMES P. CORCORAN, the Superintendent, sworn to the 31st day of January, 1985 (the "Petition"), and the exhibits annexed thereto, with proof of due service thereof, in support of the motion; and the Order of Rehabilitation entered in the New York County Clerk's office on December 26, 1984, annexed as Exhibit "A" to the Petition; and it appearing to my satisfaction

(i) that IDEAL was incorporated under the laws of the State of New York on November 17, 1944 and licensed as a mutual casualty insurer in the State of New York on December 28, 1944; (ii) that it is amenable to the Insurance Law of the State of New York and particularly to Article 74 thereof; (iii) that further efforts to rehabilitate IDEAL would be futile and that the rehabilitation proceeding of IDEAL should be terminated; (iv) that it is impossible to reinsure in whole or in part the existing policy obligations of IDEAL pursuant to Section 7405 (a) of the Insurance Law; (v) that the corporate charter as well as any rights and interest in licenses or certificates of authority to write insurance be vested in the Superintendent of Insurance; (vi) that IDEAL is insolvent, that it is in such condition that its further transaction of business would be hazardous to its policyholders, creditors or to the public, that it is to their best interests that this application should be granted and IDEAL liquidated under and pursuant to Article 74 of the Insurance Law; and petitioner having appeared by Hon. ROBERT ABRAMS,

Attorney General of the State of New York and no one appeared in opposition thereto;

NOW, on motion of Hon. ROBERT ABRAMS, Attorney General of the State of New York, it is

ORDERED AND ADJUDGED, that the petition of the Superintendent is granted; and it is further

ORDERED AND ADJUDGED, that IDEAL is insolvent; and it is further

ORDERED AND ADJUDGED, that the rehabilitation proceeding of IDEAL instituted in the Supreme Court, New York County, Index No. 44538/84 is terminated; and it is further

ORDERED AND ADJUDGED, that JAMES P. CORCORAN, the Superintendent, or any successor in office as Superintendent, is hereby appointed Liquidator of IDEAL, and is hereby authorized and directed forthwith to take possession of the property and liquidate the business and affairs of IDEAL pursuant to Article 74 of the Insurance Law and to deal with the property and business of IDEAL in his name as Superintendent, and is vested with title to all of the property, licenses, corporate charter, contracts and rights of action of IDEAL pursuant to Section 7405 of the Insurance Law; and it is further

ORDERED AND ADJUDGED, that the notice aforesaid be

given by publication in the national editions of The New York Times and The Journal of Commerce, commencing on or about the 14th day of February, 1985, and thereafter once a week for two successive weeks; and it is further

ORDERED AND ADJUDGED, that notice of liquidation be given by publication of such notice in one newspaper in the Capital Cities of all States in the United States, Washington, D.C., as well as the Capitals of the Provinces of Canada, and in the newspapers in other cities to be selected by the Liquidator in his discretion, by publication of such notice 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 AND ADJUDGED, that the notice prescribed is sufficient notice to all persons interested in the assets of IDEAL; and it is further

ORDERED AND ADJUDGED, that notice of the making and entry of this order be given by the Superintendent, as Liquidator, to the extent it can be reasonably ascertained, by mail to all policyholders, creditors and all other persons having any unsatisfied claim or demand of any character against the corporation in the possession of the Superintendent, as Liquidator, at the last known address of such persons as disclosed by said

records and in such other manner and form as he in his discretion may find desirable, demanding that all persons indebted to IDEAL render accounts of their indebtedness and pay any sums due to the Superintendent, as Liquidator; and giving notice to present proofs of claim with the Superintendent, as Liquidator, at a place specified in such notice within twelve months from the date of the entry of this Order and no later than the 7th day of February, 1986; and that such notice may contain such other rules, regulations and information as the Superintendent, as Liquidator, may deem necessary for the purpose of this proceeding in fixing and determining all lawful and valid claims and demands against the corporation; and it is further

ORDERED AND ADJUDGED, 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 respondent was licensed to do business, desire to give formal notice to policyholders and creditors in their respective states to present proofs of claim to the 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 AND ADJUDGED, that all outstanding policy and

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other insurance obligations of IDEAL terminate and all liability thereunder cease and be fixed as of 12:01 A.M. ~~Eastern Daylight~~ ^{Standard} Savings Time on March 9th, 1985, or prior thereto upon the procurement by policyholders of new insurance covering their risks insured thereby, and notice thereof shall be given as hereinabove set forth; and it is further

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

ORDERED AND ADJUDGED, 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 IDEAL; and it is further

ORDERED AND ADJUDGED, that JAMES P. CORCORAN, the Superintendent or any successor in office as Superintendent, is hereby authorized, permitted and allowed to sell, assign and transfer any and all stocks, bonds and securities in his possession or which may hereafter come into his possession belonging to IDEAL, 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 IDEAL, 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 AND ADJUDGED, that JAMES P. CORCORAN, the Superintendent or any successor in office as Superintendent, is hereby authorized, permitted and allowed to sell, assign and transfer the Corporate Charter of IDEAL and any and all insurance licenses or certificates of authority to write insurance in such a method and manner as is to be approved by this Court; and it is further

ORDERED AND ADJUDGED, that IDEAL, its officers, directors, trustees, policyholders, agents and employees and all other persons having any property or records belonging to IDEAL, are hereby directed to assign, transfer and deliver to the Superintendent, as Liquidator, all of such property 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 corporation shall preserve the same and submit them to the Superintendent, as Liquidator, for examination at all reasonable times; and it is further

ORDERED AND ADJUDGED, that the officers, directors, trustees, policyholders, agents and employees of IDEAL, and all other persons are enjoined and restrained from the further trans- action 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, judg- ments, 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 AND ADJUDGED, that the officers, directors, trustees, policyholders, agents and employees of IDEAL, and all other persons, including but not limited to claimants, plain- tiffs and petitioners who have claims against IDEAL, are perman- ently enjoined and restrained from bringing or further prosecut- ing any action at law, suit in equity, special or other proceed- ing against the said corporation or its estate, or the Superin- tendent 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 Super- intendant, 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; and it is further

ORDERED AND ADJUDGED, 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 pre-trial conference, trial, application for judgment, or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which IDEAL is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date hereof; and it is further

ORDERED AND ADJUDGED, that those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against IDEAL 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 AND ADJUDGED, 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
IDEAL MUTUAL INSURANCE COMPANY"

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

ORDERED AND ADJUDGED, that the Superintendent, as Liquidator, may at any time make further application for such further and different relief as he sees fit.

E N T E R

S. P.
J. S. C.

FEB - 7 1985

DATE

I hereby certify that the foregoing
is a true copy of the original
decreed, filed in my office on the
day of

Thomas J. Sullivan FEB - 7 1985

County Clerk and Clerk of the
Supreme Court New York County
NO FEE IN OFFICIAL USE

Filed
2/7/85