

At 1AS Part 61 of the Supreme Court of the State of New York, at the Courthouse, 80 Centre Street, New York, New York on the 14 day of Jan, 1998.

PRESENT:

HON. LOUISE GRUNER GANS

JUSTICE

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In the Matter of

Index No. 403106/97

The Rehabilitation of

LIQUIDATION ORDER

NEW YORK MERCHANT BAKERS INSURANCE COMPANY

FILED
JAN 26 1998
COUNTY CLERK'S OFFICE
NEW YORK

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Petitioner, Neil D. Levin, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order converting this proceeding into a liquidation proceeding, appointing the Superintendent liquidator, vesting the Superintendent, as liquidator, with title to the property, contracts and rights of action of NEW YORK MERCHANT BAKERS INSURANCE COMPANY ("NYMB"), fixing the rights and liabilities of NYMB, its creditors, policyholders, shareholders, and all interested parties and continuing the injunctions that have been issued in accordance with Insurance Law § 7419,

NOW, upon reading and filing the petition of Superintendent Neil D. Levin, duly verified November 25, 1997, the exhibits annexed thereto and it appearing to my satisfaction that:

- 1. NYMB is insolvent;

2. the further transaction of business by NYMB would be hazardous to its policyholders, creditors and the public;
3. further efforts to rehabilitate NYMB would be futile;
4. NYMB has consented to the entry of a liquidation order; and
5. It is in the best interest of NYMB's policyholders, creditors and the public that the Superintendent be vested with title to NYMB's property, contracts and rights of action and directed to liquidate its business;

And, the petitioner, having appeared by the Hon. Dennis C. Vacco, Attorney General of the State of New York, and NYMB having consented to the relief sought herein and due deliberation having been had;

NOW, on motion of the Hon. Dennis C. Vacco, Attorney General of the State of New York, it is ordered as follows:

1. The petition is granted;
2. NYMB is insolvent;
3. Neil D. Levin, Superintendent, and his successors in office as superintendent, are appointed liquidator of NYMB, vested with title to its property, contracts and rights of action and are directed to liquidate its business and affairs in accordance with Article 74 of the Insurance Law;
4. In accordance with Insurance Law § 7432(b), all claims against NYMB must be presented to the Superintendent, as Liquidator, within four months from the date of entry of this order;
5. In accordance with Insurance Law § 7433(b)(2), all persons who appear on NYMB's books and records as policyholders or claimants thirty days after the last day set for filing claims set forth in paragraph 4 herein shall be deemed to have duly filed proofs of claims prior to the last day set for filing claims;
6. All former policyholders of NYMB policies which were in effect within three years of the date of entry of this order shall be deemed to have duly filed a proof of claim prior to the last day set for filing claims;

7. Superintendent shall provide notice to all other creditors, claimants, former policyholders and interested persons to present claims within four months of the date of entry of this order by publication in
 - a) the New York Times; and
 - b) the Journal of Commerce;

Publication in the New York Times and Journal of Commerce shall be made once a week for two successive weeks commencing within three weeks of the entry of this order.

8. The notice provided for herein is sufficient notice to all persons interested in NYMB;
9. In accordance with Insurance Law § 7405, insurance policies, bonds, and other insurance obligations, if any, issued or undertaken by NYMB shall terminate and all liability thereunder shall cease and be fixed as of 12:01 a.m. on the thirtieth day after entry of this order or upon the procurement of replacement policies, bonds or insurance coverage by the policyholders or principals, whichever is earlier;
10. In accordance with Insurance Law § 7405, all other contracts, leases, tax sharing agreements, employment contracts and obligations, however described, of NYMB shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this order;
11. The Superintendent, as Liquidator, is authorized to sell, assign or transfer any and all real or personal property, stocks, bonds or securities of NYMB at market price or better, or if 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 is in the best interests of NYMB's creditors 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 or assignments;
12. NYMB, its officers, directors, depositories, trustees, agents, servants, employees, and all other persons, having any property or records belonging to NYMB, including, but not limited to insurance policy, claim and legal files, are directed to assign, transfer, set over and deliver such property or records to the Superintendent, as liquidator;
13. All persons, firms, corporations or associations having books, papers or records relating to the business of NYMB shall preserve them and submit

them to the Superintendent, as liquidator, for examination and copying at all reasonable times;

14. The officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of NYMB and all other persons are permanently enjoined and restrained from the transaction of NYMB's business, the waste or disposition of its property, interfering with the Superintendent, as liquidator, in the possession, control and management of NYMB's property or in the discharge of his duties, commencing or prosecuting any actions or proceedings, obtaining preferences, judgments, attachments or other liens, or making any levy against NYMB, its assets or any part thereof;
15. All parties to lawsuits in which NYMB is obligated to defend a party pursuant to an insurance policy, contract or otherwise shall continue to be enjoined and restrained from proceeding with any pre-trial conference, trial, application for judgment or proceeding or judgments or settlements in all actions and proceedings until February 5, 1998;
16. All further papers in this proceeding shall bear the caption:

"In the Matter of

the Liquidation of

NEW YORK MERCHANT BAKERS INSURANCE COMPANY"

17. The Superintendent, as Liquidator, shall serve a conformed copy of this Order upon the county clerk and trial support office for the amendment of the caption and computer records.

ENTER,

FILED
CLERK
COUNTY CLERK'S OFFICE
NEW YORK



J.S.C.

SU/md
NYMB/liqorder16

Sir: Please take notice that the within is a true copy of duly filed and entered in the office of the clerk of the County, on the day of , 19
Yours, etc.,
DENNIS C. VACCO Attorney General,
Attorney For
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 day of 19 , at M.
Date, N.Y., Yours, etc.,
DENNIS C. VACCO Attorney General,
Attorney For
Office and Post Office Address
120 Broadway, New York, N.Y. 10271
To , Esq.

Attorney for

SUPREME COURT: NEW YORK COUNTY

In The Matter Of
The Rehabilitation Of
NEW YORK MERCHANT BAKERS
INSURANCE COMPANY

COUNTY CLERK'S OFFICE
NEW YORK

ORDER OF LIQUIDATION

DENNIS C. VACCO Attorney General
Attorney for the Superintendent of
Insurance

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

Tel.

Personal service of a copy of

within.....day
is admitted this.....day
.....19

NYS Ins. Dept
Liquidation B
123 William S
New York, NY
Stephen Ungar
(212) 341-6776