

At the Trial Part 31 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 *27th* day of September, 1988.

P R E S E N T :

HON. ALFRED M. ASCIONE

JUSTICE.

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In the Matter of
the Application of

Index No: 41406/1988
ORDER OF CONSERVATION

JAMES P. CORCORAN, as Superintendent of Insurance of the State of New York, for an order to take possession of the property and to conserve the assets of

PACIFIC AND GENERAL INSURANCE COMPANY LIMITED

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The petitioner, JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, having moved this Court for an order to take possession of and conserve the Trust Fund of PACIFIC AND GENERAL INSURANCE COMPANY LIMITED ("PACIFIC"), in the State of New York and such motion having come on before this Court on the 19th day of September, 1988;

NOW, upon reading and filing the Order to Show Cause made on the 21st day of April, 1988 by Mr. Justice ALFRED M. ASCIONE, one of the Justices of the Supreme Court of the State of New York in the First Judicial District, and the petition of

JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, verified the 18th day of April, 1988 with exhibits thereto, and proof of service thereof by Registered Mail Return Receipt Requested on PACIFIC AND GENERAL INSURANCE COMPANY LTD., Maurice Charles Whitall, Esq., Liquidator of PACIFIC, by affidavit of BURTON GARRICK sworn to the 25th day of April, 1988, and due proof of service upon Miller, Singer, Raives & Brandes, P.C. Attorneys for the Liquidator by affidavit of BURTON GARRICK sworn to the 25th day of April, 1988, and due proof of service upon BANKERS TRUST COMPANY by affidavit of ~~BARRY LESSEE~~ *BURTON GARRICK* sworn to the 25th day of April, 1988, in support thereof and it appearing to my satisfaction that PACIFIC, is a corporation organized and existing under the Laws of the United Kingdom and licensed in the United Kingdom to conduct the business of insurance; that it was not licensed to conduct such business in the State of New York; that PACIFIC issued insurance policies on an excess and surplus lines basis to citizens of New York State and has funds on deposit in New York State in a Trust Fund with BANKERS TRUST COMPANY as Trustee, for the benefit of policyholders and others in the United States; that said Trust Fund in the State of New York is subject to the jurisdiction of this Court pursuant to article 74 of the Insurance Law of the State of New York; that said corporation is unable to meet its insurance obligations in the State of New York and that it is to the best interests of all persons concerned that the Superintendent of Insurance of the

State of New York be directed to take possession of the Trust Fund of said corporation deposited with BANKERS TRUST COMPANY within the State of New York and to conserve said trust to protect United States policyholders, beneficiaries thereof and claimants against policyholders involving policies written in States where PACIFIC did business as unauthorized insurer subject to the further direction of this Court under and pursuant to the provisions of the Insurance Law of the State of New York and after hearing the Hon. ROBERT ABRAMS, Attorney General of the State of New York in support of said motion and the Liquidator of PACIFIC AND GENERAL INSURANCE COMPANY LIMITED, United Kingdom having appeared by the law firm of Miller, Singer, Raives & Brandes, but not in opposition thereto and due deliberation having been had thereon and upon the decision of this Court;

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

ORDERED, that the petition of JAMES P. CORCCORAN, as Superintendent of Insurance of the State of New York and his successors in office, as Superintendent of Insurance of the State of New York, is hereby granted and he is and they are hereby authorized forthwith to take possession of and to conserve the Trust Fund deposited by PACIFIC, held by BANKERS TRUST COMPANY, and to retain such possession and to conserve said Trust Fund until the further order of this Court; and it is further

ORDERED, that PACIFIC, hereby transfers to the Superintendent of Insurance of the State of New York the Trust Fund now in possession of BANKERS TRUST COMPANY, to be held in trust by the Superintendent of Insurance of the State of New York, until such time that the Liquidator adjudicate all claims in the States where PACIFIC did business as an unauthorized insurer and forward a certified list of said claimants whose claims have been allowed in the liquidation proceeding at which time the Superintendent of Insurance will make a distribution of the corpus to said claimants pursuant to Article 74 of the Insurance Law of the State of New York subject to the further order of this Court; and it is further

ORDERED, that the administration of the Trust Fund on deposit with BANKERS TRUST COMPANY shall be governed by the Agreement dated September 9, 1988 duly filed, between the Liquidator and the Superintendent of Insurance of the State of New York; and it is further

ORDERED, that formal notice of the making and entry of this Order be given by the Superintendent of Insurance, as Conservator, by mail to the Commissioners, Superintendents, or Directors of Insurance of each State, District of Columbia and Puerto Rico, and BANKERS TRUST COMPANY, as Trustee; and it is further

ORDERED, that since the Liquidator is to notify all policyholders and claimants of PACIFIC of the order of insolvency and direct all persons having claims against

respondent to file proof of claims with the Liquidator, the Conservator is relieved of notifying all claimants and policyholders of this Order; and it is further

ORDERED, that the notice hereinabove prescribed is sufficient notice to all person interested in the Trust Fund deposited with BANKERS TRUST COMPANY by PACIFIC; and it is further

ORDERED, that all persons who are United States policyholders, beneficiaries and claimants against policyholders involving policies written in States where PACIFIC did business as an unauthorized insurer who have claims against PACIFIC to present proof of claims with the liquidator in charge of the liquidation proceeding at a place specified in liquidator's notice, and such filing shall be deemed a timely proof of claim in the conservation proceeding; and it is further

ORDERED, that PACIFIC, its officers, directors, stockholders, depositories, trustees, attorneys, managers, agents, servants, employees, policyholders and creditors, and all other persons having in the State of New York any property or records belonging to said PACIFIC pertaining to the Trust Fund on deposit with BANKERS TRUST COMPANY, as Trustee, are hereby directed to assign, transfer and deliver to the Superintendent of Insurance, as Conservator, and his successors in office, all of such property in whosoever name the same may be, and that any persons, firms or corporations having any books, papers or

records relating to the said Trust Fund shall preserve the same and submit them to the Superintendent of Insurance as Conservator, or his agents, for examination at all reasonable times; and it is further

ORDERED, that PACIFIC, its officers, directors, stockholders, depositories, trustees, attorneys, managers, agents, servants, employees, policyholders and creditors, and all other persons, be and they are hereby restrained from the further transaction of business on behalf of said corporation within the State of New York or from dealing with or disposing of the Trust Fund on deposit with BANKERS TRUST COMPANY within the State of New York, or from doing or permitting to be done any act or thing which might waste the trust or allow or suffer the obtaining of preferences, judgments, attachments, garnishments or other liens, or the making of any levy against said trust while in the possession or control of the Superintendent of Insurance, as Conservator; and it is further

ORDERED, that the officers, directors, stockholders, depositories, trustees, attorneys, managers, agents, servants, employees, policyholders and creditors of said PACIFIC, and all other persons be and they hereby are enjoined and restrained from bringing or further prosecuting in the State of New York any action at law, suit in equity, special or other proceedings, against its depositories, trustees or the Trust Fund on deposit with BANKERS TRUST COMPANY in the State of New York or the Superintendent of Insurance of the State of New York,

individually or as Conservator, or from making or executing any levy or legal process within the State of New York upon said trust or from in any way interfering with the Superintendent of Insurance of the State of New York or his successors in office in his or their possession, control, conservation and management of the Trust Fund held by BANKERS TRUST COMPANY, or in the discharge of the Insurance Law of the State of New York and any other provision of the Insurance Law of the State of New York; and it is further

ORDERED, that JAMES P. CORCORAN, Superintendent of Insurance of the State of New York, as Conservator, and his successors in office as Superintendents of Insurance of the State of New York, he and he is and they are hereby authorized, permitted and allowed to sell, assign and transfer any and all of the stocks, bonds and securities in his possession or which may hereafter come into his possession belonging to PACIFIC, in conservation, 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 interest of the policyholders, and creditors of PACIFIC, in conservation, and in furtherance of the conservation of the Trust Fund on deposit with BANKERS TRUST COMPANY 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 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 Conservation of
the Assets in the State of New York of

PACIFIC AND GENERAL INSURANCE COMPANY LIMITED"

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

ORDERED, that the Superintendent of Insurance, as conservator, may at any time make further application at the foot of this order for such further and different relief as he sees fit.

E N D

s/A.M.A.

J. S. C.
ALFRED M. ASCIONE

The undersigned hereby waives notice of settlement and consents to the entry of the foregoing order.

*Filed
10/3/88
N.Y. Co.*

MILLER, SINGER, BAIVES & BRANDES, P.C.
Attorneys for the Liquidator of PACIFIC
AND GENERAL INSURANCE COMPANY LIMITED
(United Kingdom)

By: 
STEVEN S. HONIGMAN, ESQ.

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.,
ROBERT ABRAMS,
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. Dated, N.Y.,

Yours, etc.
ROBERT ABRAMS,
Attorney General,
Attorney For
Office and Post Office Address
120 Broadway, New York, N.Y. 10271
To , Esq.

SUPREME COURT : NEW YORK COUNTY

In the Matter of
the Application of
JAMES P. CORCORAN, as Superintendent of Insurance of the State of New York, for an order to take possession of the property and to conserve the assets of
PACIFIC AND GENERAL INSURANCE COMPANY LIMITED

ORDER OF CONSERVATION

ROBERT ABRAMS,
Attorney General
Attorney for.....**Superintendent of Insurance**.....
Office and Post Office Address
120 Broadway, New York, N.Y. 10271
Tel. (212) 341-6400
Personal service of a copy of
within.....
is admitted this.....day of
.....19