MS#13
OTHER TROTTON OFFICE

At IAS Part 15 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 80 Centre Street, New York, New York, on the 24 day of 2013.

PRESENT:

HON. EILEEN A RAKOWER, J.S.C.

In the Matter of

the Liquidation of

ATLANTIC MUTUAL INSURANCE COMPANY

13M25753

Andex No. 402424/10

ORDER TO SHOW CAUSE

RECEIVED

Based upon the verified petition ("Verified Petition") of Mary Jo Marchisello, Assistant ICE Special Deputy Superintendent and Agent of Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, as liquidator ("Liquidator") of Atlantic Mutual Insurance Company ("Atlantic Mutual"), duly verified the 22nd day of October, 2013, and exhibit attached thereto, upon all other papers previously submitted and all proceedings heretofore had herein, and it appearing that the relief sought should be granted;

NOW, on motion of John Pearson Kelly, attorney for the Liquidator, and after due deliberation having been had thereon,

LET all claimants and all other parties interested in the affairs of Atlantic Mutual show cause before this Court at IAS Part 15 thereof, at the Courthouse located at 80 Centre Street, in the County, City and State of New York, on the 17 day of \_\_\_\_\_\_, 2013 ("Return Date") at \_\_\_\_\_\_ o'clock \_\_\_\_\_\_, .m., or as soon thereafter as counsel can be heard, why an order should not be made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"),

inter alia: (i) approving the Liquidator's Report on the Status of the Liquidation of Atlantic Mutual and Request for Authority to Distribute Assets, and the financial transactions delineated therein; (ii) authorizing the continued payment of administrative expenses; (iii) authorizing the Liquidator to distribute Atlantic Mutual's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Atlantic Mutual with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; (iv) providing for such other and further relief as this Court may deem just and proper;

AND, sufficient cause having been alleged therefor, and this Court having found the form and method of notice specified herein to be the best notice practicable, it is hereby

ORDERED, that notice of the Verified Petition and this Order to Show Cause shall be substantially in the form attached hereto and service shall be made to Atlantic Mutual's claimants and all other interested parties by: (i) posting on the Internet web page maintained by the New York Liquidation Bureau at <a href="http://www.nylb.org">http://www.nylb.org</a> at least 15 days prior to the Return Date; and (ii) publishing such notice in *Business Insurance* or another publication of national circulation, such publication to occur in two consecutive publications, commencing as soon as practical in light of the bi-weekly publication schedule of *Business Insurance* or such other publication; and it is further

ORDERED, that the form and methods of service of notice specified herein are hereby approved as in accordance with the law and as the best notice practicable and shall therefore constitute due and sufficient notice of this Order to Show Cause and scheduled Return Date herein and the Verified Petition and the relief sought therein to all persons and entities entitled to receive such notice; and it is further

ORDERED, that the approved form of notice shall direct that all answering papers and supporting documentation ("Answering Papers") be served on the Liquidator so as to be received at least seven days prior to the Return Date, and that service on the Liquidator shall be made by first class mail at the following address:

Superintendent of Financial Services of the State of New York as Liquidator of Atlantic Mutual Insurance Company 110 William Street New York, New York 10038 Attention: General Counsel

and by submitting copies of Answering Papers, with affidavit of service on the Liquidator as above, to this Court at IAS Part 15 at the Courthouse located at 80 Centre Street, in the County, City and State of New York, seven days before the Return Date; and it is further

ORDERED, that in the absence of Answering Papers filed pursuant to the previous paragraph on or prior to the date specified, the Court may enter relief without hearing and no party shall be entitled to be heard thereon; and it is further

ORDERED, that any person or entity that fails to serve Answering Papers as provided herein shall be deemed to have waived any objections to the relief sought in the Verified Petition and shall be barred from raising objections in this or any other proceeding concerning the matters set forth herein; and it is further

ORDERED, that any person or entity that has served Answering Papers as provided herein shall be deemed to have waived any objections that are not set forth in the Answering Papers.

ENTER:

HON. EILEEN A. RAKOWER