

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

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In the Matter of

Index No.: 402459/01

the Ancillary Receivership of

VERIFIED PETITION

ACCELERATION NATIONAL
INSURANCE COMPANY.

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Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York as ancillary receiver (the "Ancillary Receiver") of Acceleration National Insurance Company ("Acceleration National"), has appointed agents to carry out, through the New York Liquidation Bureau (the "NYLB"), the responsibilities of the Ancillary Receiver. The Ancillary Receiver, by Mary Jo Marchisello, Assistant Special Deputy Superintendent and Agent of the Ancillary Receiver, respectfully makes the following petition upon information and belief, including the attached affidavit of Gail Pierce-Siponen, Director of Creditor & Ancillary Operations of the NYLB (the "Affidavit"):

1. On February 28, 2001, Acceleration National, a Ohio property and casualty insurance company licensed to transact insurance business in the State of New York, was placed into liquidation in the State of Ohio ("Liquidation Proceeding") and the Ohio Superintendent of Insurance was appointed domiciliary liquidator of Acceleration National (the "Liquidator"). On November 21, 2012, pursuant to an order of the Ohio Court of Common Pleas, Franklin County, Ohio, the Liquidation Proceeding was closed.

2. On October 15, 2001, this Court entered an order (the "Order") appointing the then-Superintendent of Insurance of the State of New York and his successors in office as Ancillary Receiver of Acceleration National and commencing this ancillary receivership

proceeding (the “Ancillary Receivership”). See Exhibit A of the Ancillary Receiver’s Report on the Status of, and Request to Close, the Ancillary Receivership Proceeding of Acceleration National (the “Closing Report”), attached hereto as Exhibit 2. The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Ancillary Receiver of Acceleration National.

3. The Ancillary Receivership is now complete and the Ancillary Receivership should therefore be terminated and closed. It is respectfully requested that this Court enter an order, substantially in the form attached as Exhibit 3: (i) approving the Closing Report and the financial transactions delineated therein; (ii) authorizing the continued payment of administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership; (iii) terminating and closing the Ancillary Receivership; (iv) releasing and discharging the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Ancillary Receivership; (v) authorizing the NYLB to receive and disburse to the New York Property/Casualty Insurance Security Fund (the “P/C Fund”) and/or the New York Public Motor Vehicle Liability Security Fund (the “PMV Fund” and, together with the P/C Fund, the “Security Funds”, each established pursuant to Article 76 of the New York Insurance Law (the “Insurance Law”)), as applicable, any future distributions from the Liquidator in payment of amounts owed to the Security Funds (a) without further application to this Court and (b) after deducting all administrative expenses in connection with such disbursements; (vi) authorizing and directing the Ancillary Receiver in his discretion to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Acceleration National in his possession, including by transferring them to the Liquidator, without further order of this Court; and (vii) providing for such other and further relief as this Court deems appropriate and just.

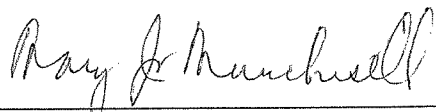
4. The Ancillary Receiver also requests that this Court issue the accompanying Order to Show Cause approving: (i) a return date (“Return Date”) at least 45 days after the date of issuance of the Order to Show Cause for a hearing (“Hearing”) on the Verified Petition to be held before this Court; (ii) the form of notice to be given to Acceleration National’s policyholders, claimants, creditors and all other interested parties (in each case, domiciled in the State of New York) regarding the Verified Petition and the Hearing (“Notice”); and (iii) the method of service of the Notice; i.e., by: (a) posting on the Internet web page maintained by the NYLB at <http://www.nylb.org> at least 15 days prior to the Return Date; and (b) publication of the Notice in *The New York Times – Local Edition*, or a newspaper of similar circulation, once per week for two consecutive weeks commencing within 30 days from the issuance of the Order to Show Cause, such service shall be deemed good and sufficient service.

5. No previous application for the relief sought herein has been made to this or any other court or judge thereof.

WHEREFORE, it is respectfully requested that this Court enter an order: (1) approving the Closing Report and the financial transactions delineated therein; (2) authorizing the continued payment of administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership; (3) terminating and closing the Ancillary Receivership; (4) releasing and discharging the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Ancillary Receivership; (5) authorizing the NYLB to receive and disburse to the Security Funds (each established pursuant to the Insurance Law Article 76) any future distributions from the Liquidator in payment of amounts owed to the Security Funds (a) without further application to this Court and (b) after deducting all administrative expenses in connection with such disbursements; (6) authorizing and directing the Ancillary Receiver in his

and disburse to the Security Funds (each established pursuant to the Insurance Law Article 76) any future distributions from the Liquidator in payment of amounts owed to the Security Funds (a) without further application to this Court and (b) after deducting all administrative expenses in connection with such disbursements; (6) authorizing and directing the Ancillary Receiver in his discretion to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Acceleration National in his possession, including by transferring them to the Liquidator, without further order of this Court; and (7) providing for such other and further relief as this Court deems appropriate and just.

Dated: New York, New York
February 24, 2014



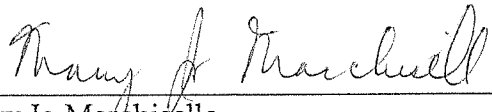
Mary Jo Marchisello
Assistant Special Deputy Superintendent
and Agent of Benjamin M. Lawskey,
Superintendent of Financial Services of the
State of New York as Ancillary Receiver of
Acceleration National Insurance Company

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Mary Jo Marchisello, being duly sworn, deposes and says:

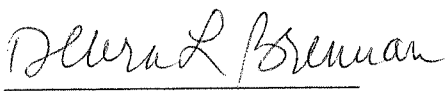
That she has read the foregoing Verified Petition and that the same is true based upon information and belief as to those matters stated therein. Deponent further says that the sources of her information and the grounds of her belief as to the matters alleged therein are from or were derived from the files of Acceleration National Insurance Company in the possession of the Ancillary Receiver and communications made to deponent by employees of the Ancillary Receiver.

That the reason this petition is verified by this deponent rather than by the Superintendent of Financial Services of the State of New York is that deponent is the duly appointed Assistant Special Deputy Superintendent and Agent of the Superintendent of Financial Services of the State of New York as Ancillary Receiver of Acceleration National Insurance Company.



Mary Jo Marchisello
Assistant Special Deputy Superintendent and
Agent of Benjamin M. Lawskey,
Superintendent of Financial Services of the
State of New York as Ancillary Receiver of
Acceleration National Insurance Company

Sworn to before me this
24th day of February, 2014



Notary Public

DEBRA L. BRENNAN
Notary Public, State of New York
No. 01BR6257851
Qualified in Richmond County / 6
Commission Expires March 19, 2016

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

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In the Matter of

Index No.: 402459/01

the Ancillary Receivership of

AFFIDAVIT

ACCELERATION NATIONAL
INSURANCE COMPANY.

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Gail Pierce-Siponen, being duly sworn, deposes and says:

1. I am the Director of Creditor & Ancillary Operations of the New York Liquidation Bureau (the "NYLB"), the organization which carries out the responsibilities of the Superintendent of Financial Services of the State of New York as Ancillary Receiver (the "Ancillary Receiver") of Acceleration National Insurance Company ("Acceleration National"). I submit this affidavit in support of the verified petition of Mary Jo Marchisello, Assistant Special Deputy Superintendent and Agent of the Ancillary Receiver (the "Petition"), for an order to approve the Closing Report (as defined in the Petition) and to terminate and close the ancillary receivership proceeding of Acceleration National. I have read the Petition, and the Petition is true based upon my own personal knowledge and upon information and belief, the sources of which are the files and records maintained by the NYLB.

2. The NYLB acts on the Superintendent's behalf with respect to claims-handling and certain payment functions relating to the New York Property/Casualty Insurance Security Fund (the "P/C Fund") and the New York Public Motor Vehicle Liability Security Fund (the "PMV Fund" and, together with the P/C Fund, the "Security Funds"), each established pursuant to Article 76 of the New York Insurance Law (the "Insurance Law"): The P/C Fund was established to pay policyholders and injured parties with claims against policyholders,

where the policyholders are insured under property/casualty policies (with respect to the P/C Fund) or under insurance policies or corporate surety bonds insuring against personal injuries (including death) and damage to motor vehicles, in each case issued by an authorized insurer whose claims are unpaid due to the insolvency of the insurer. Insurance Law Section 7603(a)(1). The PMV Fund was established to pay policyholders and injured parties with claims against policyholders under insurance policies or surety bonds remaining unpaid due to the insolvency of the insurer, which policies or surety bonds have been accepted by the Commissioner of Motor Vehicles as complying with Section 370 of the New York Vehicle and Traffic Law. Insurance Law Section 7604(a).

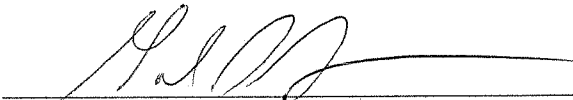
3. As set forth in the Closing Report, all claims payable by Acceleration National and covered by the Security Funds have been adjudicated and those that were allowed have been paid by the Security Funds. Accordingly, the purpose for which the Ancillary Receivership was commenced has been accomplished and the Ancillary Receivership should be terminated. In the Closing Report, the Ancillary Receiver verifies the sources and amounts of receipts and disbursements in the Ancillary Receivership.

4. Having paid claims on behalf of Acceleration National, the P/C Fund and the PMV Fund, pursuant to Insurance Law Section 7609(a), were each entitled to a claim in the domiciliary receivership proceeding of Acceleration National (the "Liquidation Proceeding") for all amounts paid out of the Security Funds on behalf of Acceleration National. Therefore, the Security Funds possessed claims in the Liquidation Proceeding (which was closed on November 21, 2012) for outstanding amounts each has paid regarding the aforementioned claims filed in the Ancillary Receivership. Accordingly, any further distribution received by the NYLB on behalf of the Security Funds from the Liquidator should be disbursed by the NYLB to the Security Funds without the need to reopen the Ancillary Receivership.

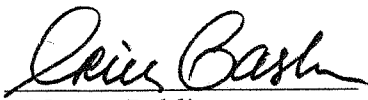
5. As a result of the claims and expenses paid in the Ancillary Receivership proceeding, the P/C Fund filed a claim in the Liquidation Proceeding in the amount of \$1,953,838 and the PMV Fund filed a claim in the Liquidation Proceeding in the amount of

\$5,011,133. To date, distributions paid by the Liquidator have aggregated to \$1,768,663 for reimbursement of the P/C Fund's payments and \$4,380,203 for reimbursement of the PMV Fund's payments. The Ancillary Receiver also made salvage and subrogation recoveries in the amount of \$2,267 in respect of the PMV Fund. The remaining amount unpaid in respect of the P/C Fund's claim is now \$185,175, and the remaining amount unpaid in respect of the PMV Fund's claim is now \$628,663.

6. Because the Liquidation Proceeding has been closed, it is respectfully requested that the NYLB be authorized to receive and disburse to the Security Funds any future distributions from the Liquidator in payment of amounts owed to the Security Funds without further application to this Court and after deducting all administrative expenses in connection with such disbursements. This will allow the NYLB to accurately reflect all disbursements made in the Ancillary Receivership in its books and records without the necessity or burden of reopening the Ancillary Receivership for the sole purpose of this minor administrative function.


Gail Pierce-Siponen
Director of Creditor & Ancillary Operations
New York Liquidation Bureau

Sworn to before me this
14~~th~~ day of February, 2014


Notary Public
IRINA GASTON
Commissioner of Deeds
City of New York No. 2-12204
Certificate Filed in Richmond County
Commission Expires July 1, 2015

**IN THE MATTER OF THE ANCILLARY RECEIVERSHIP OF
ACCELERATION NATIONAL INSURANCE COMPANY**

Supreme Court County of New York

Index No.: 402459/01

NOTICE

Pursuant to an order of the Supreme Court of the State of New York, County of New York ("Court"), entered October 15, 2001 ("Order"), the then-Superintendent of Insurance of the State of New York and his successors in office were appointed as ancillary receiver ("Ancillary Receiver") of Acceleration National Insurance Company ("ANIC") and, as such, was directed to take possession of ANIC's property located in the State of New York pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), deal with ANIC's property and business, take and preserve all other assets and claims comprising ANIC's property and protect the same for the benefit of ANIC's creditors, policyholders and other interested parties located in the State of New York. The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Ancillary Receiver of ANIC. The Ancillary Receiver has, pursuant to Article 74 of the Insurance Law, appointed Michael J. Casey, Acting Special Deputy Superintendent ("Acting Special Deputy"), as his agent for the ancillary receivership of ANIC. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau (the "NYLB"), which is located at 110 William Street, New York, New York 10038. The Ancillary Receiver has submitted to the Court a verified petition ("Verified Petition") seeking an order: (i) approving the Ancillary Receiver's report ("Report") on the status of, and request to close, ANIC's ancillary receivership proceeding ("Proceeding") and the financial transactions delineated therein; (ii) authorizing the continued payment of administrative expenses, including such expenses pertaining to the closing of the Proceeding; (iii) terminating and closing the Proceeding; (iv) releasing and discharging the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Proceeding; (v) authorizing the NYLB to receive and disburse to the New York Property/Casualty Insurance Security Fund (the "P/C Fund"), and/or the New York Public Motor Vehicle Liability Security Fund (the "PMV Fund" and, together with the P/C Fund, the "Security Funds", each established pursuant to Insurance Law Article 76), as applicable, any future distributions from the Superintendent of Insurance of the State of Ohio as domiciliary receiver of ANIC (the "Liquidator") in payment of amounts owed to the Security Funds (a) without further application to this Court and (b) after deducting all administrative expenses in connection with such disbursements; (vi) authorizing and directing the Ancillary Receiver in his discretion to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of ANIC in his possession, including by transferring them to the Liquidator, without further order of this Court; and (vii) providing for such other and further relief as this Court deems appropriate and just.

A hearing is scheduled on the Verified Petition on the ____ day of _____, 2014, at ____ : ____ .m., before the Court at the Courthouse, IAS Part 48, 60 Centre Street, Room 412, in the County, City and State of New York. If you wish to object to the Verified Petition, you must serve a written statement setting forth your objections and all supporting documentation upon the

Liquidator and Clerk of the Court, at least seven days prior to the hearing. 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
Ancillary Receiver of Acceleration National Insurance Company
Attention: General Counsel
110 William Street
New York, New York 10038

The Verified Petition and Report are available for inspection at <http://www.nylb.org> and at the above address. In the event of any discrepancy between this notice and the documents submitted to Court, the documents control.

Requests for further information should be directed to the New York Liquidation Bureau, Creditor and Ancillary Operations at (212) 341-6809.

Dated: , 2014

BENJAMIN M. LAWSKY
Superintendent of Financial Services of the
State of New York as Ancillary Receiver
of Acceleration National Insurance
Company

**REPORT ON THE STATUS OF, AND REQUEST TO CLOSE,
THE ANCILLARY RECEIVERSHIP PROCEEDING
OF ACCELERATION NATIONAL INSURANCE COMPANY**

INTRODUCTION

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York (the "Superintendent") as ancillary receiver (the "Ancillary Receiver") of Acceleration National Insurance Company ("Acceleration National"), has appointed Michael J. Casey as Acting Special Deputy Superintendent and Agent of the Ancillary Receiver, and other Agents, to carry out, through the New York Liquidation Bureau (the "NYLB"), the responsibilities of the Ancillary Receiver. The Ancillary Receiver, by Mary Jo Marchisello, the Assistant Special Deputy Superintendent and Agent ("Assistant Special Deputy"), hereby submits this Ancillary Receiver's report on the status of, and request to close (the "Closing Report"), the ancillary receivership proceeding of Acceleration National (the "Ancillary Receivership").

This Closing Report sets forth a brief history of Acceleration National, a summary of the claims the New York Property/Casualty Insurance Security Fund (the "P/C Fund") and the New York Public Motor Vehicle Liability Security Fund ("PMV Fund" and, together with the P/C Fund, the "Security Funds") made in the Acceleration National domiciliary receivership proceeding ("Liquidation Proceeding"), which has been closed, and the basis for the Ancillary Receiver's recommendations to: (i) approve this Closing Report and the financial transactions delineated herein; (ii) authorize the continued payment of administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership; (iii) terminate and close the Ancillary Receivership; (iv) release and discharge the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Ancillary Receivership; (v) authorize the NYLB to receive and disburse to the Security Funds any future distributions from the

domiciliary receiver of Acceleration National (the “Liquidator”) in payment of amounts owed to the Security Funds (a) without further application to this Court and (b) after deducting all administrative expenses in connection with such disbursements; (vi) authorize and direct the Ancillary Receiver in his discretion to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Acceleration National in his possession, including by transferring them to the Liquidator, without further order of this Court; and (vii) provide for such other and further relief as this Court deems appropriate and just.

BACKGROUND

Acceleration National, an Ohio-domiciled insurer, was authorized and licensed to do business in the State of New York. On February 28, 2001, pursuant to an order of the Ohio Court of Common Pleas, Franklin County, Ohio (the “Ohio Court”), Acceleration National was declared insolvent and the Ohio Superintendent of Insurance was appointed the Liquidator. On November 21, 2012, pursuant to an order of the Ohio Court, the Liquidation Proceeding was closed.

By order of the Supreme Court of the State of New York, County of New York, entered on October 15, 2001 (the “Order”), the Superintendent of Insurance of the State of New York was appointed Ancillary Receiver and directed to take possession of the property of Acceleration National located in the State of New York and to deal with said property. A copy of the Order is attached as Exhibit A. The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Ancillary Receiver of Acceleration National.

The Security Funds were established pursuant to Article 76 of the New York Insurance Law (“Insurance Law”). The primary purpose of the Ancillary Receivership was to provide for the payment of those claims that were covered by the Security Funds as applicable – *i.e.*, claims that remained unpaid by reason of the inability, due to insolvency, of an authorized insurer to

meet its insurance obligations under policies that meet the criteria of Insurance Law Section 7603 (with respect to the P/C Fund) or Section 7604 (with respect to the PMV Fund), as applicable.

In an ancillary receivership proceeding such as the instant one, all claims by policyholders and claimants are processed through the domiciliary receivership proceeding. This is true regardless of whether the claim is initially filed in the domiciliary receivership proceeding or in the ancillary receivership proceeding. The domiciliary receiver then assigns a claim number and refers the claims filed by New York claimants that are covered by the applicable Security Fund to the ancillary receiver for adjudication in the ancillary receivership.

Upon the allowance of claims covered by the P/C Fund or PMV Fund, the ancillary receiver certifies to the Commissioner of Taxation and Finance of the State of New York, who is the custodian of those funds, that the claims are payable out of the P/C Fund or the PMV Fund, as applicable. Insurance Law Section 7607(a). The P/C Fund or the PMV Fund remits payments to the ancillary receiver who, in turn, disburses the payments to the claimants. In addition, the Security Funds, in each case upon certification by the ancillary receiver, remit payment to the ancillary receiver for the expenses incurred by him in processing and adjudicating claims presented in the ancillary receivership.

THE ANCILLARY RECEIVERSHIP MAY BE TERMINATED

All claims that have been filed in the Ancillary Receivership have been resolved and there no longer exist any open claims that have not been paid. Because there are no more open claims, the Ancillary Receivership is complete and may now be terminated.

FUTURE DISTRIBUTIONS TO THE SECURITY FUNDS

The Security Funds make payments, in each case, up to a statutory maximum (pursuant to Insurance Law Article 76), to covered New York policyholders (who have suffered covered losses) and third-party claimants (who have claims against covered policyholders), as well as payments of the loss adjustment expenses and administrative costs of processing and adjudicating those claims. Having made payments on behalf of Acceleration National, the Security Funds were entitled to claims against Acceleration National for all amounts paid. Therefore, the Security Funds possessed claims in the Liquidation Proceeding for outstanding amounts each has paid in connection with the claims in the Ancillary Receivership.

While the Ancillary Receivership has remained open, all distributions from the Liquidator to the Security Funds have been made through the NYLB. This practice should continue upon termination of the Ancillary Receivership, because it will provide the NYLB the opportunity to record and accurately reflect all distributions from the Liquidator to the Security Funds in its books and records without the necessity and burden of reopening the Ancillary Receivership for the sole purpose of this minor administrative function. Therefore, the Ancillary Receiver has requested that this Court authorize the NYLB to receive and disburse to the P/C Fund and/or the PMV Fund, as applicable, any future distributions from the Liquidator in payment of amounts owed to the P/C Fund and/or the PMV Fund, as applicable, in each case (i) without further application to this Court and (ii) after deducting all administrative expenses in connection with such disbursements.

Set forth below are the sources and amounts of receipts and disbursements in the Ancillary Receivership.

CASH RECEIPTS AND DISBURSEMENTS

1. Receipts

Annexed hereto as Exhibit B is the Cash Receipt and Disbursements Statement for the period from October 15, 2001 (the date of the entry of the Order) through January 31, 2014, which provides a detailed breakdown as to the specific sources and amounts of receipts and disbursements in the Ancillary Receivership. The following is a summary of that information.

a) P/C Fund Claim Receipts

The claims for losses that have been filed in the Ancillary Receivership that are covered by the P/C Fund, and that have been allowed, total \$1,026,188. The Ancillary Receiver received \$1,026,188 from the P/C Fund to pay the allowed claims pursuant to court orders. Thus, all allowed claims covered by the P/C Fund have been resolved and paid.

b) PMV Fund Claim Receipts

The claims for losses that have been filed in the Ancillary Receivership that are covered by the PMV Fund, and that have been allowed, total \$3,911,430. The Ancillary Receiver received \$3,911,430 from the PMV Fund to pay the allowed claims pursuant to court orders. Thus, all allowed claims covered by the PMV Fund have been resolved and paid.

c) Expense Reimbursement from the P/C Fund

The Ancillary Receiver received \$927,650 from the P/C Fund for the payment of administrative and loss adjustment expenses incurred in connection with the handling of claims.

d) Expense Reimbursement from the PMV Fund

The Ancillary Receiver received \$1,099,703 from the PMV Fund for the payment of administrative and loss adjustment expenses incurred in connection with the handling of claims.

e) **Total Amount Disbursed to the P/C Fund**

The total amount disbursed to the P/C Fund by the Liquidator in respect of its claim for allowed losses and claims expenses total \$1,768,663.

f) **Total Amount Disbursed to the PMV Fund**

The total amount disbursed to the PMV Fund by the Liquidator in respect of its claim for allowed losses and claims expenses total \$4,380,203.

g) **Early Access Distributions**

The Ancillary Receiver, the Liquidator and the guaranty funds of other states with payment obligations in connection with the Liquidation Proceeding (the "Other Guaranty Funds") entered into an "early access agreement", which was approved by the Ohio Court on or about January 19, 2002, pursuant to which the Liquidator provided payments in respect of the Security Funds' claims (as well as the claims of the Other Guaranty Funds) during the course of the Liquidation Proceeding. The Ancillary Receiver received a distribution in the amount of \$6,148,866 from the Liquidator for partial reimbursement of claim and expense payments made by the P/C Fund and the PMV Fund. These funds were remitted to the P/C Fund and the PMV Fund pursuant to Insurance Law Section 7609(a).

2. **Disbursements**

a) **Expenses**

Administrative expenses of the Ancillary Receiver totaled \$1,902,863. These expenses include the actual and necessary costs of administration incurred by the Ancillary Receiver in the Ancillary Receivership. These expenses are also set forth in Exhibit B and include salaries, rent, professional fees and office expenses.

b) Claim Payments

Claim payments made by the Ancillary Receiver totaled \$4,937,618 for losses and \$124,490 for loss adjustment expenses (*i.e.*, expenses that are directly related to the defense of a claim and/or lawsuit).

REIMBURSEMENT OF THE P/C FUND

The P/C Fund made a claim in the Liquidation Proceeding in the amount of \$1,953,838, which equals the sum of losses and loss adjustment expenses that it paid. Pursuant to Insurance Law Section 7609(a), the P/C Fund maintains a claim in any liquidation proceeding “in an amount equal to the liabilities, including loss adjustment expenses relating to such liabilities . . .” Distributions in the amount of \$1,768,663 paid by the Liquidator on the P/C Fund’s claim were received by the Ancillary Receiver and then remitted to the P/C Fund through the NYLB. The remaining amount unpaid after payment of the aforementioned distributions is now \$185,175. As noted above, in order to avoid the necessity and burden of reopening the Ancillary Receivership upon a distribution from the Liquidator to the P/C Fund, it is respectfully requested that the NYLB be authorized to receive and disburse to the P/C Fund any future distributions from the Liquidator (whether by a reopening of the Liquidation Proceeding or otherwise) that are owing to the P/C Fund without further application to this Court after deducting all administrative costs and expenses in connection with such disbursements.

REIMBURSEMENT OF THE PMV FUND

The PMV Fund made a claim in the Liquidation Proceeding in the amount of \$5,011,133, which equals the sum of losses and loss adjustment expenses that it paid. Pursuant to Insurance Law Section 7609(a), the PMV Fund maintains a claim in any liquidation proceeding “in an amount equal to the liabilities, including loss adjustment expenses relating to such liabilities . . .”

Distributions in the amount of \$4,380,203 paid by the Liquidator on the PMV Fund's claim were received by the Ancillary Receiver and then remitted to the PMV Fund through the NYLB. Additionally, the Ancillary Receiver made salvage and subrogation recoveries in the amount of \$2,267. The remaining amount unpaid after payment of the aforementioned distributions is now \$628,663. As noted above, in order to avoid the necessity and burden of reopening the Ancillary Receivership upon a distribution from the Liquidator to the PMV Fund, it is respectfully requested that the NYLB be authorized to receive and disburse to the PMV Fund any future distributions from the Liquidator (whether by a reopening of the Liquidation Proceeding or otherwise) that are owing to the PMV Fund without further application to this Court after deducting all administrative costs and expenses in connection with such disbursements.

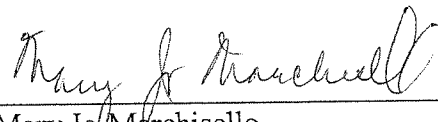
RELIEF SOUGHT

The Ancillary Receiver submits this Closing Report in order to describe to this Court the status of the Ancillary Receivership. In support of the Ancillary Receiver's recommendations stated herein, the Ancillary Receiver has submitted to this Court the Verified Petition of the Assistant Special Deputy. Based on the facts set forth in the Verified Petition and herein, the Ancillary Receiver requests in the Verified Petition that this Court issue an order, which:

1. Approves the Closing Report and the financial transactions delineated herein;
2. Authorizes the continued payment of administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership;
3. Terminates and closes the Ancillary Receivership;
4. Releases and discharges the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Ancillary Receivership;

5. Authorizes the NYLB to receive and disburse to the Security Funds (each established pursuant to Insurance Law Article 76) any future distributions from the Liquidator in payment of amounts owed to the Security Funds (i) without further application to this Court and (ii) after deducting all administrative expenses in connection with such disbursements;
6. Authorizes and directs the Ancillary Receiver in his discretion to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Acceleration National in his possession, including by transferring them to the Liquidator, without further order of this Court; and
7. Provides for such other and further relief as this Court deems appropriate and just.

Dated: New York, New York
February 24, 2014



Mary Jo Marchisello
Assistant Special Deputy Superintendent
and Agent of Benjamin M. Lawskey,
Superintendent of Financial Services of the
State of New York as Ancillary Receiver of
Acceleration National Insurance Company

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

MARYLIN G. DIAMOND

PRESENT: Hon. _____

PART 48

Justice

INDEX NO.

402459/01

MOTION DATE

MOTION SEQ. NO.

001

MOTION CAL. NO.

NEIL D. LOWIN

REGISTRATION NATIONAL INSURANCE COMPANY

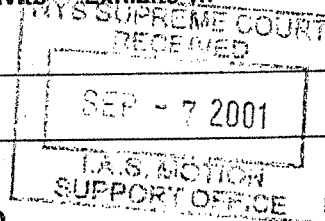
The following papers, numbered 1 to _____ were read on this motion to/for _____

Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...

Answering Affidavits — Exhibits _____

Replying Affidavits _____

Cross-Motion: ☐ Yes ☒ No



PAPERS NUMBERED

FILED
OCT 15 2001

NEW YORK COUNTY CLERK'S OFFICE

Upon the foregoing papers, it is ordered that this motion application for an order

appointing the Superintendent of the State of New York as Ancillary Receiver of the property of ANIC and to take possession of its property and assets, with an injunction issued pursuant to Ins. Law § 741 is granted without opposition,

Submit order.

Dated: 8/31/01

MCD

MARYLIN G. DIAMOND, J.S.C.

Check one: ☒ FINAL DISPOSITION ☐ NON-FINAL DISPOSITION

IN APPLICABLE

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE

4/8
At IAS Part 48, of the Supreme Court of the State of New York, at the Courthouse thereof, 60 Centre Street in the Borough of Manhattan, City and State of New York, on the 11th day of October, 2001.

PRESENT: **MARYLIN G. DIAMOND**

OCT 11 2001

HON. MARYLIN G. DIAMOND

JUSTICE.

-----X
In the Matter of

Index No. 402459/01

the Application of

ORDER

NEIL D. LEVIN, as Superintendent of Insurance of the State of New York, for an Order of Appointment as Ancillary Receiver of

ACCELERATION NATIONAL INSURANCE COMPANY

FILED

OCT 15 2001

NEW YORK
COUNTY CLERK'S OFFICE

-----X
Upon reading and filing the Order to Show Cause of NEIL D. LEVIN, Superintendent of Insurance of the State of New York (the "Superintendent"), verified the 3RD day of MAY, 2001, for an Order appointing him Ancillary Receiver for ACCELERATION NATIONAL INSURANCE COMPANY (hereinafter referred to as "ANIC"), and directing him to take possession of the property and assets of ANIC located in the State of New York, pursuant to Article 74 of the Insurance Law of the State of New York; and it appearing to my satisfaction that:

1. ANIC is domiciled in the State of Ohio and licensed in the State of New York as a property and casualty insurer;
 2. ANIC conducted an insurance business in the State of New York;
- E

3. ANIC was declared insolvent by a Court of competent jurisdiction of the State of Ohio on February 28, 2001 and is unable to meet its insurance obligations;
4. the Superintendent of Insurance of the State of Ohio was appointed Liquidator of ANIC;
5. ANIC is amenable to the Insurance Laws of the State of New York and particularly to Article 74 thereof;
6. ANIC's license to conduct an insurance business in the State of New York should be revoked by the Superintendent;
7. It is in the best interests of all policyholders, claimants, creditors, and other interested persons located in the State of New York that the Superintendent be appointed Ancillary Receiver of the property of said Company, subject to the order of this Court.

NOW, on motion of Hon. ELLIOT L. SPITZER, Attorney General of the State of New York, it is ORDERED that:

1. The petition of NEIL D. LEVIN, Superintendent of Insurance of the State of New York, is granted.
2. GREGORY V. SERIO, successor to NEIL D. LEVIN, as Superintendent of Insurance of the State of New York, and his successors in office as Superintendent, be and he is and they are hereby appointed Ancillary Receiver of ANIC, and are hereby authorized and directed forthwith to take possession of the property of ANIC located in the State of New York, under and pursuant to the provisions of Article 74 of the Insurance Law of the State of New York and to deal with the property and business of ANIC, and they are further directed to take and preserve all the other assets and claims which are the property of ANIC and to protect same for the benefit of creditors, policyholders and other interested parties within the State of New York, and upon the authorization of this Court to pay such claims against ANIC and/or its policyholders that are covered by the insurance security funds maintained in accordance with Article 76 of the Insurance Law or Article 6A of the Workers' Compensation Law.
3. ANIC, its officers, directors, depositories, trustees, policyholders, attorneys, agents and employees and all other persons having any property or records relating to ANIC located in the State of New York, including but not limited to claim files, legal files and insurance policy files, are hereby directed to assign, transfer and deliver to the Superintendent, as Ancillary Receiver, all of such property in the State of New York 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 company shall preserve the same and submit them to the Superintendent, as Ancillary Receiver, for examination at such place as he shall reasonably designate or, at his request, make them available for examination at all reasonable times.

4. The officers, directors, trustees, depositories, policyholders, agents and employees of ANIC, and all other persons, be and they are hereby enjoined and restrained from the further transaction of business or from dealing with or disposing of the property or assets of the company located in the State of New York, 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, judgments, attachments or other liens, or the making of any levy against said company, or its estate while in the possession and control of the Superintendent of Insurance, as Ancillary Receiver.
5. THE OFFICERS, DIRECTORS, TRUSTEES, DEPOSITORIES, POLICYHOLDERS, AGENTS AND EMPLOYEES OF ANIC AND ALL OTHER PERSONS, INCLUDING BUT NOT LIMITED TO CLAIMANTS, PLAINTIFFS AND PETITIONERS WHO HAVE CLAIMS AGAINST ANIC, BE AND THEY ARE HEREBY ENJOINED AND RESTRAINED FROM BRINGING OR FURTHER PROSECUTING ANY ACTION AT LAW, SUIT IN EQUITY, SPECIAL OR OTHER PROCEEDING AGAINST THE SAID COMPANY OR ESTATE, THE SUPERINTENDENT AND HIS SUCCESSORS IN OFFICE, AS ANCILLARY RECEIVER THEREOF, OR THE NEW YORK STATE INSURANCE DEPARTMENT LIQUIDATION BUREAU WITH RESPECT TO CLAIMS AGAINST ANIC, OR FROM MAKING OR EXECUTING ANY LEVY UPON THE PROPERTY OR ESTATE OF SAID COMPANY, OR FROM IN ANY WAY INTERFERING WITH THE SUPERINTENDENT OR HIS SUCCESSORS IN OFFICE, IN HIS OR THEIR POSSESSION, CONTROL OR MANAGEMENT OF THE PROPERTY OF SAID COMPANY, OR IN THE DISCHARGE OF HIS OR THEIR DUTIES AS ANCILLARY RECEIVER THEREOF, OR IN THE LIQUIDATION OF THE BUSINESS OF SAID COMPANY.
6. ALL PARTIES TO LAW SUITS IN THIS STATE ARE HEREBY ENJOINED AND RESTRAINED FROM PROCEEDING WITH ANY DISCOVERY, PRE-TRIAL CONFERENCES, TRIAL, APPLICATION FOR JUDGMENT OR PROCEEDING ON JUDGMENTS OR SETTLEMENTS IN SUCH ACTIONS AT LAW, SUITS IN EQUITY, SPECIAL OR OTHER PROCEEDINGS IN WHICH ANIC IS OBLIGATED TO DEFEND A PARTY, INSURED OR ANY OTHER PERSONS AND ANY AND ALL ACTIONS BEING DEFENDED BY A PRIMARY OR OTHER UNDERLYING INSURER WHERE SUCH PRIMARY OR UNDERLYING INSURER HAS TENDERED OR OFFERED ITS FULL POLICY LIMITS OR WHERE SAID POLICY LIMITS HAVE BEEN EXHAUSTED BY PAYMENT OF THE UNDERLYING INSURER'S AGGREGATE AND ANIC IS THE NEXT EXCESS OR UMBRELLA LAYER

OF INSURANCE FOR A PERIOD OF 180 DAYS FROM THE DATE OF ENTRY OF THIS ORDER.

7. THOSE PERSONS WHO MAY HAVE FIRST-PARTY OR NEW YORK COMPREHENSIVE AUTOMOBILE INSURANCE REPARATIONS ACT (NO-FAULT) POLICYHOLDER LOSS CLAIMS AGAINST ANIC COMING WITHIN THE PURVIEW OF ARTICLE 76 OF THE INSURANCE LAW, ARE ENJOINED FROM PRESENTING AND FILING SUCH CLAIMS IN THIS PROCEEDING FOR 90 DAYS FROM THE DATE OF ENTRY OF THIS ORDER.
8. Notice of making and entry of this Order be given by publication in the N.Y. Times, commencing two weeks from the date of entry of this order once a week for two successive weeks, and that said notice is sufficient notice to all persons interested in the assets of ANIC.
9. The license of ANIC to do business in the State of New York, be and the same is hereby revoked.
10. 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 Ancillary Receivership of

ACCELERATION NATIONAL INSURANCE COMPANY"

in place and stead of the caption heretofore used.

ENTER



J. S. C.
MARYLIN G. DIAMOND

FILED
OCT 15 2001
NEW YORK
COUNTY CLERK'S OFFICE

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.,
ELIOT L. SPITZER
Attorney General,

Attorney For

Office and Post Office Address
120 Broadway, New York, N.Y. 10271
To
1002 51 100,
Esq.

Attorney for

1002 51 100,
Esq.

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 19 day of at M.

Date, N.Y.,
Yours, etc.,
ELIOT L. SPITZER
Attorney General,

Attorney For

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

To
Esq.

Attorney for

INDEX NO. 402459101
SUPREME COURT : NEW YORK COUNTY

In the Matter of
the Application of
NEIL D. LEVIN, as Superintendent of
of Insurance of the State of New York,
for an Order of Appointment as
Ancillary Receiver of
ACCELERATION NATIONAL INSURANCE
COMPANY

ORDER

ELIOT L. SPITZER
Attorney General
Attorney for the Superintendent of
Insurance

Office and Post Office Address
120 Broadway, New York, N.Y. 10271
Tel. (212) 416-8657

Personal service of a copy of

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

NYS Ins. Dept.
Liquidation Bureau
123 William Street
New York, NY 10038
L. Dinerstein
(212) 341-6638

NEW YORK LIQUIDATION BUREAU
ACCELERATION NATIONAL INSURANCE COMPANY
Summary of Losses, Loss Adjustment Expenses,
Administrative Expenses and Early Access Receipts
From Inception to January 31, 2014

Description	Inception to January 31, 2014		
	PC SF	PMV SF	Total
Claims Paid	1,026,188	3,911,430	4,937,618
Claims Adjustment Expenses	107,741	16,749	124,490
Administrative Expenses	819,909	1,082,954	1,902,863
Total Disbursements	1,953,838	5,011,133	6,964,971
Less: Early Access Distribution	1,768,663	4,380,203	6,148,866
Salvage and Subrogation	-	2,267	2,267
NET AFTER RECEIPTS AND RECOVERIES	185,175	628,663	813,838

NEW YORK LIQUIDATION BUREAU
ACCELERATION NATIONAL INSURANCE COMPANY
Losses, Loss Adjustment Expenses
and Administrative Expenses
From Inception to January 31, 2014

DISBURSEMENTS	Inception to January 31, 2014		
	PC SF	PMV SF	Total
Policyholder Benefit Claim Payments	1,026,188	3,911,430	4,937,618
Loss Adjustment Expense	107,741	16,749	124,490
TOTAL Loss and LAE	1,133,929	3,928,179	5,062,108
Employee Salaries	451,461	575,007	1,026,468
Employee Relations and Welfare	161,028	208,493	369,521
Rent and Related Expenses	107,487	138,166	245,653
Professional Services	39,878	88,323	128,201
General and Administrative Expenses	41,045	50,609	91,654
Other Miscellaneous Expenses	19,010	22,356	41,366
Total Administrative Expenses	819,909	1,082,954	1,902,863
TOTAL DISBURSEMENTS	1,953,838	5,011,133	6,964,971
EARLY ACCESS AND OTHER RECEIPTS - SPECIFIED SOURCES			
Statutory Deposits	-	-	-
Salvage, Subrogation and Other Recoveries (including Deductibles and SIR's)	-	-	-
Early Access Distributions	1,768,663	2,267	2,267
Other Receipts	-	4,380,203	6,148,866
TOTAL RECEIPTS AND RECOVERIES	1,768,663	4,382,470	6,151,133
NET AFTER RECEIPTS AND RECOVERIES	185,175	628,663	813,838

At IAS Part 48 of the Supreme Court of the State of New York, County of New York, at the courthouse at 60 Centre Street, in the County, City and State of New York, on the ____ day of _____, 2014.

P R E S E N T:

HON. JEFFREY K. OING, J.S.C.

-----X

In the Matter of

Index No.: 402459/01

the Ancillary Receivership of

ORDER

ACCELERATION NATIONAL
INSURANCE COMPANY.

-----X

John Pearson Kelly, Assistant Special Deputy Superintendent and agent of the Superintendent of Financial Services of the State of New York ("Superintendent") as ancillary receiver ("Ancillary Receiver") of Acceleration National Insurance Company ("Acceleration National"), having moved this Court, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), for an order: (i) approving the Ancillary Receiver's report ("Closing Report") on the status of, and request to close, the ancillary receivership proceeding of Acceleration National ("Ancillary Receivership") and the financial transactions delineated therein; (ii) authorizing the continued payment of administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership; (iii) terminating and closing the Ancillary Receivership; (iv) releasing and discharging the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Ancillary Receivership; (v)

authorizing the New York Liquidation Bureau (the "NYLB", the organization which carries out the responsibilities of the Ancillary Receiver) to receive and disburse to the New York Property/Casualty Insurance Security Fund (the "P/C Fund") and/or the New York Public Motor Vehicle Liability Security Fund (the "PMV Fund" and, together with the P/C Fund, the "Security Funds", each established pursuant to Article 76 of the New York Insurance Law (the "Insurance Law")), as applicable, any future distributions from the Ohio Superintendent of Insurance was appointed domiciliary liquidator of Acceleration National (the "Liquidator") in payment of amounts owed to the Security Funds (a) without further application to this Court and (b) after deducting all administrative expenses in connection with such disbursements; (vi) authorizing and directing the Ancillary Receiver, in his discretion, to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Acceleration National in his possession, including by transferring them to the Liquidator, without further order of this Court; and (vii) providing for such other and further relief as this Court deems appropriate and just;

NOW, upon reading the Verified Petition, dated February __, 2014, due proof of service thereof upon all parties interested in Acceleration National, and due deliberation having been had thereon, and upon the decision of this Court;

NOW, on application of John Pearson Kelly, attorney for the Ancillary Receiver, it is

ORDERED, that the application is granted; and it is further

ORDERED, that the Closing Report is approved; and it is further

ORDERED, that the Ancillary Receiver is authorized to continue paying administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership;

ORDERED, that the Ancillary Receivership is terminated and closed; and it is further

ORDERED, that the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, are released and discharged from any and all liability arising from their acts or omissions in connection with the Ancillary Receivership; and it is further

ORDERED, that the NYLB is authorized to receive and disburse to the Security Funds (each established pursuant to Insurance Law Article 76) any future distributions from the Liquidator in payment of amounts owed to the Security Funds (i) without further application to this Court and (ii) after deducting all administrative expenses in connection with such disbursements; and it is further

ORDERED, that the Ancillary Receiver is authorized and directed, in his discretion, to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Acceleration National in his possession, including by transferring them to the Liquidator, without further order of this Court.

ENTER

J.S.C.