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EX PARTE MOTION OFFICE
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FOR DEPOSIT
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ONLY

At IAS Part 36 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 18
day of April, 2013.

P R E S E N T:

HON. DORIS LING-COHAN, J.S.C.

13M09169

In the Matter of

the Ancillary Receivership of

AMERICAN DRUGGISTS' INSURANCE COMPANY.

Index No.: 42328/86

Order to Show Cause

FILED
APR 15 2013
NEW YORK
COUNTY CLERK'S OFFICE

Based on the verified petition ("Verified Petition") of 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 ("Ancillary Receiver") of American Druggists' Insurance Company ("American Druggists"), duly verified the 12th day of April, 2013, and the exhibits annexed thereto, the affidavit of Gail Pierce-Siponen, Director of the Creditor & Ancillary Operations Division, sworn to on the 12th day of April 2013, and upon all other papers previously submitted and all proceedings heretofore had herein, and it appearing that the relief sought be granted;

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

LET all claimants and parties interested in the affairs of American Druggists show cause before this Court at IAS Part 36, Room 428, thereof, at the Courthouse located at 60 Centre Street in the County, City and State of New York, on the 8 day of May, 2013 ("Return *Adversus and*");

Date”) at 10 o’clock A.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*: (1) approving the Ancillary Receiver’s report on the status of and request to close American Druggists ancillary receivership proceeding (“Ancillary Receivership”) 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 New York Liquidation Bureau (“NYLB”) to receive and disburse to the Property/Casualty Insurance Security Fund (“P/C Fund”) and/or the Workers’ Compensation Security Fund (“WC Fund”), as applicable, any future distributions from the Superintendent of the Ohio Department of Insurance as liquidator of American Druggists (“Liquidator”) in payment of amounts owed to the P/C Fund and/or the WC Fund, as applicable, in each case (a) without further application to this Court and (b) after deducting all administrative expenses in connection with such disbursements; (6) authorizing the Ancillary Receiver, after termination of the Ancillary Receivership, to make an application directly to this Court on an as-needed basis for payment from the WC Fund of any closed workers’ compensation claims subsequently reopened by the Workers’ Compensation Board along with the payment of administrative expenses associated with the payment of such reopened workers’ compensation claims; (7) 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 American Druggists, including transferring them to the Liquidator, without further

order of this Court; and (8) providing for such other and further relief as this Court deems appropriate and just;

AND, sufficient cause having been alleged therefor, let service of a copy of this Order to Show Cause and the papers upon which it is granted be made on respondent, the Liquidator, by serving a copy thereof by overnight mail upon Linda Loomis, Chief Deputy Liquidator of American Druggists at 50 W. Town Street, 3rd Floor, Suite 350, Columbus, Ohio 43215 on or before the 22 day of April, 2013, and such service shall be deemed good and sufficient service;

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 American Druggists' policyholders, claimants, creditors and all other interested parties (in each case, domiciled in the State of New York) by: (i) 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 (ii) publication in the ~~Village Voice~~ ^{Village}, or a publication of similar circulation, once per week for two consecutive weeks commencing within fifteen (15) days from the issuance of this Order to Show Cause; 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 Ancillary Receiver so as to be received at least seven days prior to the Return Date, and that service on the Ancillary Receiver 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 American Druggists' Insurance Company
110 William Street
New York, New York 10038
Attention: John Pearson Kelly
General Counsel

and by submitting copies of the Answering Papers, with affidavit of service on the Ancillary Receiver as above, to this Court at IAS Part 36, Room 428, at the Courthouse located at 60

Centre Street, in the County, City and State of New York, at least seven days before the Return Date, and it is further in an envelope, with copy of the 5 page OSC order to show cause stapled to face of envelope.

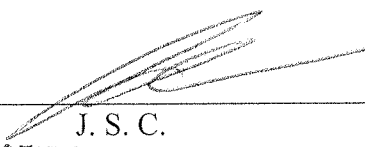
ORDERED, that in the absence of Answering Papers filed pursuant to the previous paragraph on or prior to the date specified, the Court may enter relief without hearing and no party shall be entitled to be heard thereon; and it is further

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

* all correspondence/submissions
This OSC date shall be submitted
in such manner.

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)



J. S. C.
JUDGE DORIS LING-COHAN

4/18/13