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

PRESENT: LING-COHAN  
BORIS LING-COHAN  
Justice J.S.C.

PART 36

AMERICAN DRUGGISTS' INSURANCE Co.

INDEX NO.

042328/86

MOTION DATE

MOTION SEQ. NO.

03

MOTION CAL. NO.

- v -

RE:

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 \_\_\_\_\_

PAPERS NUMBERED

Cross-Motion:  Yes  No

Upon the foregoing papers, it is ordered that this motion

**FILED**

*as per signed order. In case is resolved*

MAY 09 2013

COUNTY CLERK'S OFFICE  
NEW YORK

RECEIVED  
MAY 08 2013  
IAS MOTION SUPPORT OFFICE  
NYS SUPREME COURT-CIVIL

Dated: \_\_\_\_\_

*5/8/13*

BORIS LING-COHAN  
J.S.C./s.c.

Check one:  FINAL DISPOSITION  NON-FINAL DISPOSITION

Check if appropriate:  DO NOT POST  REFERENCE

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

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 8 day of May, 2013.

P R E S E N T:

HON. DORIS LING COHAN  
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**JUSTICE DORIS LING COHAN**  
**FILED**

In the Matter of  
the Ancillary Receivership of

Index No.: 42328/86

MAY 09 2013

ORDER

AMERICAN DRUGGISTS' INSURANCE COMPANY  
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COUNTY CLERK'S OFFICE  
NEW YORK  
X

Mary Jo Marchisello, 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 American Druggists' Insurance Company ("American Druggists"), having moved this Court, pursuant to Article 74 of the New York Insurance Law, for an order: (i) approving the Ancillary Receiver's report ("Report") on the status of and request to close American Druggists ancillary receivership proceeding ("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 ("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; (vi) 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; (vii) 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 (viii) providing for such other and further relief as this Court deems appropriate and just.

NOW, upon reading the Verified Petition, dated April 12, 2013, due proof of service thereof upon all parties interested in American Druggists, 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 Report and the financial transactions delineated therein are 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; and it is further

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 P/C Fund and/or the WC Fund, as applicable, any future distributions from the 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; and it is further

ORDERED, that the Ancillary Receiver is authorized, after termination of the Ancillary Receivership, to make an application directly to this Court on <sup>motion, on</sup> 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; 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 American Druggists, including transferring them to the Liquidator, without further order of this Court.

ENTER

**FILED**

MAY 09 2013

**JUSTICE DORIS LING COHAN**  
J.S.C.

5/8/13

COUNTY CLERK'S OFFICE  
NEW YORK