

At IAS Part of the Supreme
Court of the State of New York,
County of New York, at the
courthouse located at 71 THOMAS ST.
New York City, New York, on the
11th day of NOVEMBER, 2016.

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

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In the Matter of

Index No. 452041/2016E

the Application of

ORDER TO SHOW CAUSE

Maria T. Vullo, Superintendent of Financial Services
of the State of New York, for an order to take
possession and liquidate the business and affairs of

AMERICAN MEDICAL AND LIFE
INSURANCE COMPANY.
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Based on the verified petition ("Verified Petition") of Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on October 14, 2016, the supporting Affidavit of James Regalbuto, dated October 14, 2016, and the exhibits and schedules attached thereto, and it appearing that the relief sought should be granted;

NOW, on motion of Eric T. Schneiderman, Attorney General of the State of New York, attorney for the Superintendent, and after due deliberation having been had thereon;

LET American Medical and Life Insurance Company ("AMLIC") show cause before this Court at IAS Part 8 Room 304, thereof, at the Courthouse located at 71 THOMAS ST, New York City in the County of New York, State of New York, on the 21ST day of December 2016, at 10:30 clock a.m., or as soon thereafter as counsel can be heard ("Return Date"), why an order in the form of Exhibit 1 to the Verified Petition (the "Liquidation Order") should not be

made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*: (1) appointing the Superintendent, and her successors in office, as liquidator of AMLI (the "Liquidator"); (2) directing the Liquidator to take possession of AMLI's property and to liquidate AMLI's business and affairs; (3) vesting title to all of AMLI's property, contracts, and rights of action and all of its books and records, wherever located, in the Liquidator and her successors; (4) permitting the Liquidator to deal with the property and business of AMLI in AMLI's name or in the name of the Liquidator; (5) granting the injunctions provided for in Insurance Law § 7419(a), permanently enjoining and restraining all persons and entities from wasting the assets of AMLI, and permanently enjoining and restraining all persons and entities, except as authorized by the Liquidator, from transacting AMLI's business (including the issuance of insurance policies) or disposing of AMLI's property; (6) granting the injunctions provided for in Insurance Law § 7419(b), permanently enjoining and restraining all persons and entities from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, or making any levy against AMLI, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, AMLI, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto; (7) vesting all rights in AMLI's contracts and agreements, however described, in the Liquidator and permitting the Liquidator to, in her discretion, reject any executory contracts to which AMLI is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection; (8) requiring that any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of AMLI's funds, accounts (including escrow accounts) or

assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding; (9) requiring that all persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to AMLI shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator; (10) authorizing, permitting and allowing the Liquidator to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of AMLI, and further authorizing the Liquidator 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, without the further approval of this Court; (11) cancelling all existing insurance policies of AMLI as of 12:01 a.m. local time on the date that is 180 days after the entry of the Liquidation Order; (12) establishing the date that is nine months after the entry of the order placing AMLI into liquidation as the date by which all claims by any claimant against AMLI or its insureds (other than the Liquidator's claim or the claim of the Life Insurance Guaranty Corporation of New York, including those described in Insurance Law Section 7713(d), for administrative expenses (collectively, "Administrative

Claims")) and all supporting documentation evidencing such claims must actually be received by the Liquidator (the "Bar Date"), and that claims and supporting documentation served upon the Liquidator after the Bar Date are time-barred; (13) authorizing the Liquidator, in her discretion, to refrain from adjudicating claims of any class other than Administrative Claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is certain that the AMLI estate will have sufficient assets to pay claims of such class; (14) extending immunity to the Superintendent in her capacity as Liquidator of AMLI, her successors in office, the New York Liquidation Bureau and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74; (15) declaring AMLI to be insolvent within the meaning of Insurance Law § 1309(a); and (16) granting such other and further relief as the Court may deem proper and just.

AND, sufficient cause having been shown therefor, pursuant to New York Insurance Law § 7418(a)(1), let service of a copy of this order to show cause and the papers upon which it is granted be made: (i) by overnight delivery upon (a) Sydney Tucker Taylor, President, American Medical and Life Insurance Company, 299 Park Avenue, 6th Floor, New York, New York 10171 and (b) each policyholder as shown on AMLI's books and records under AMLI policies that, to the best of the Superintendent's knowledge, remain in force as of the date of this order to show cause;¹ and (ii) by posting on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org>; and let such service be made at least 15 days prior to the Return Date, and such service shall be deemed good and sufficient service; and it is ~~is~~ further

¹ The names and addresses of these policyholders are being withheld from this order to show cause in order to maintain their privacy, but each policyholder will be served with a copy of this order to show cause and its supporting papers at their last-known address as shown on AMLI's books and records.

~~ORDERED, that all answering papers (including supporting papers) be served on the Superintendent so as to be received at least seven days prior to the Return Date, and that service on the Superintendent shall be made by first class mail or overnight carrier at the following addresses:~~

~~Office of the Attorney General
120 Broadway
New York, NY 10271
Attention: Rosalie Hronsky~~

~~New York Liquidation Bureau
110 William Street
New York, New York 10038
Attention: General Counsel~~

~~and Answering papers shall be submitted to this Court at IAS Part at the Courthouse located at , New York City, New York, on or before the Return Date; and it is~~

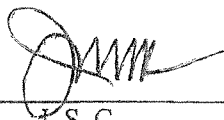
~~ORDERED, that pursuant to New York Insurance Law § 7419(a), pending the determination of this application, AMLI, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments or other liens, or making any levy or commencing or prosecuting any actions or proceedings against AMLI or its assets; and it is further~~

~~ORDERED, that pursuant to New York Insurance Law § 7419(b), pending the determination of this motion, all actions or proceedings against AMLI and all actions or proceedings in which AMLI is obligated to defend a party are stayed; and it is further~~

ORDERED, that pending the determination of this motion, all persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to AMLI shall preserve such property and/or information and immediately, upon the Superintendent's request and direction, assign, transfer, turn over and deliver such property and/or information to the Superintendent; and it is further

ORDERED, that pending the determination of this motion, AMLI, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons are restrained from wasting the assets of AMLI, or, except as authorized by the Superintendent, from transacting AMLI's business (including the issuance of new insurance policies) or disposing of AMLI's property.

ENTER



J. S. C.
JOAN M. KENNEY
J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK-----X
In the Matter of

Index No.

the Application of

VERIFIED PETITION

Maria T. Vullo, Superintendent of Financial Services
of the State of New York, for an order to take
possession and liquidate the business and affairs of

AMERICAN MEDICAL AND LIFE
INSURANCE COMPANY.

-----X

Maria T. Vullo, Superintendent of Financial Services of the State of New York (the “Superintendent”), respectfully petitions the Court for an order, *inter alia*, placing American Medical and Life Insurance Company (“AMLI”) into liquidation under Article 74 of the New York Insurance Law (“Insurance Law”), Insurance Law §§ 7401 et. seq., on the grounds that: (i) AMLI’s board of directors unanimously consented to the entry of an order of liquidation; (ii) AMLI is insolvent; and (iii) AMLI has been found, after examination, to be impaired and the Superintendent has determined, within her judgment as the chief regulator of insurance in the State of New York, that AMLI’s continued operation of its insurance business without the protection of Article 74 of the Insurance Law and the supervision of this Court will be hazardous to its policyholders, creditors or the public. Each of these grounds, by itself, constitutes cause to grant the petition and place AMLI into liquidation. This petition also seeks an order: (1) appointing the Superintendent and her successors in office as liquidator (“Liquidator”) of AMLI; (2) directing the Liquidator to liquidate the business and affairs of AMLI; and (3) granting the relief more specifically set forth below, including, but not limited to, issuing injunctions requiring that all AMLI assets be preserved and turned over to the Liquidator, and precluding any person or entity from interfering with the Liquidator’s ability to conduct the liquidation and

wind down AMLI's business, obtaining judgments or liens against AMLI, or taking any judicial action against the Liquidator, AMLI, or its policyholders.

Background

1. AMLI was incorporated in the State of New York on or about December 17, 1964 and obtained a license to write accident and health insurance on February 14, 1966. See October 14, 2016 affidavit of James Regalbuto, Deputy Superintendent for Life Insurance, New York State Department of Financial Services ("Regalbuto Aff."), annexed as Exhibit 2 hereto, ¶ 2. AMLI obtained a license to write life insurance on January 3, 1989. Regalbuto Aff., ¶ 2. As of December 31, 2013, AMLI was licensed to carry out the business of insurance in 40 states and the District of Columbia. Regalbuto Aff., ¶ 2. AMLI has had licenses expire, be suspended, or be revoked in 23 states and, as a result, AMLI, as of December 31, 2015, is licensed to carry out the business of insurance in 17 states, including New York, as well as in the District of Columbia. Regalbuto Aff., ¶ 2.

2. In New York, AMLI is licensed to transact the business of insurance in accordance with paragraphs (1) (Life Insurance), (2) (Annuities), and (3) (Accident and Health Insurance) of Insurance Law § 1113(a). Regalbuto Aff., ¶ 3.

3. AMLI's statutory office is located at 299 Park Avenue, 6th Floor, New York City, New York 10171. Regalbuto Aff., ¶ 4.

4. As of October 11, 2016, AMLI had 30 extant policies. Regalbuto Aff., ¶ 5.

Grounds for Liquidation

5. The Superintendent is charged with regulating the insurance industry in the State of New York (Insurance Law § 301; *Dinallo v. DiNapoli*, 9 N.Y.3d 94, 97 (2007)) and, through

DFS, monitors and examines financial statements of New York-licensed insurance companies, including AMLI.

6. The Superintendent may apply for an order seeking the liquidation of an insurer if sufficient grounds exist pursuant to Insurance Law § 7402.

7. Insurance Law § 7402(*l*) provides that an insurer may be placed into liquidation if the majority of its directors, shareholders, or members consent to liquidation. By a written resolution dated September 2, 2014, AMLI's board of directors unanimously consented to the entry of an order of liquidation pursuant to Insurance Law Article 74. Regalbuto Aff., ¶ 10, Exhibit B. At a meeting on June 21, 2016, AMLI's board of directors unanimously consented to the continued effectiveness of its 2014 consent. Regalbuto Aff., ¶ 11, Exhibit C.

8. The unanimous consent of AMLI's board of directors to the entry of an order of liquidation, by itself, is grounds to place AMLI into liquidation. For this reason alone, this petition and the relief requested therein should be granted. Insurance Law § 7402(*l*).

9. There are additional reasons why the relief sought in this petition should be granted. Insurance Law § 7402(a) provides that sufficient grounds exist to place an insurance carrier into liquidation if the carrier is "insolvent within the meaning of" Insurance Law § 1309. Insurance Law § 1309(a) states in pertinent part:

[w]henver the superintendent finds from a financial statement or report on examination that an authorized insurer is unable to pay its outstanding lawful obligations as they mature in the regular course of business, as shown by an excess of required reserves and other liabilities over admitted assets, or by its not having sufficient assets to reinsure all outstanding risks with other solvent authorized assuming insurers after paying all accrued claims owed, such insurer shall be deemed insolvent and the superintendent may proceed against it pursuant to the provisions of article seventy-four of this chapter.

10. Based upon AMLI's most recent monthly statement for the period ended August 31, 2016 ("Statement"), AMLI's reported reserves and other liabilities of \$3,010,078 exceed its admitted assets of \$2,634,936, resulting in a negative surplus to policyholders in the amount of \$375,142. *Regalbuto Aff.*, ¶ 6, Exhibit A. As a result, AMLI is insolvent within the meaning of Insurance Law § 1309(a). *See Stewart v. Citizens Cas. Co. of New York*, 34 A.D.2d 525 (1st Dept., 1970), *aff'd*, 27 N.Y.2d 685 (1970), *cert. denied*, 401 U.S. 910 (1971) (finding an insurer to be insolvent when liabilities and required reserves exceeded assets, and granting the application of the Superintendent to place the insurer into rehabilitation based upon that insolvency).¹ See also *In re Professional Liability Ins. Co. of America*, 42 Misc.3d 1213(A) (S.Ct., N.Y. Cty 2013) (granting a motion to convert a rehabilitation to a liquidation proceeding,² and rejecting the argument of the insurer's former principals that the rehabilitation should be terminated because the insurer was "clearly solvent," noting that under Insurance Law § 1309(a), an insurer is insolvent when, as here, its liabilities, including required reserves, exceed admitted assets).

11. In addition, Insurance Law § 7402(e) provides that an insurer may be placed into liquidation if the insurer, after examination, is found to be in such a condition that further transaction of its business would be hazardous to its policyholders, creditors, or the public.

12. Under Insurance Law Article 13, Insurance Law §§ 1301 et seq., and Article 42, Insurance Law §§ 4202 et. seq., AMLI is required to maintain minimum capital of \$2,000,000.

¹ Shortly after Citizens Casualty was placed into rehabilitation, the Supreme Court, New York County granted a motion to convert the rehabilitation to a liquidation proceeding finding that: (1) the First Department decision holding that required reserves and liabilities exceeded admitted assets established that Citizens Casualty was insolvent as a matter of law; and further, (2) permitting Citizens Casualty to continue to conduct business was hazardous to policyholders, creditors, and the public at large. *Schenck v. Citizens Cas. Co. of N.Y.*, 66 Misc.2d 811 (S.Ct. N.Y. Cty. 1971).

² Professional Liability Insurance Company of America ("PLICA") was an insurer that underwrote medical malpractice insurance. Insurance Law § 2343(c) prohibits the liquidation of a medical malpractice insurer on account of insolvency. PLICA was placed into liquidation because the court found that it would be hazardous to policyholders, creditors or to the public to permit PLICA to continue in business.

As set forth in the Statement, AMLI has negative capital and surplus of \$375,142, meaning that it has failed to maintain the statutory minimum capital requirement by \$2,375,142. Regalbuto Aff., ¶ 7, Exhibit A.

13. In addition, AMLI has insufficient cash to pay its current liabilities. AMLI has monies on special deposit with DFS. AMLI has been unable to pay bills and obligations as they become due and has requested that DFS release monies from the special deposit (the “DFS Account”) in order for AMLI to pay financial obligations including, but not limited to, salaries, daily operating expenses, and claims. Regalbuto Aff., ¶ 9. While DFS has done so, and obligations have thus been paid from the DFS Account, it is respectfully submitted that the regulator’s use of its special deposit funds for payment of an insurer’s ordinary course payments, by itself, demonstrates that AMLI cannot, on its own, meet its ongoing obligations. Regalbuto Aff., ¶ 9. It was presently anticipated that the amount of cash currently available to AMLI would enable it to pay current liabilities and payroll only through the end of October 2016. Regalbuto Aff., ¶ 9. This, too, indicates that AMLI is unable to pay ordinary course expenses, which demonstrates that continuation of its business would be hazardous to its policyholders, creditors and the public.

14. In addition, AMLI’s Risk-Based Capital (“RBC”) ratio³ is estimated after an examination by DFS, as of June 30, 2016, to be 81.6%, which constitutes a “regulatory action level event” under Insurance Law § 1322(a)(8)(B) and § 1322(e). Regalbuto Aff., ¶ 8. The Superintendent has determined, within her broad discretionary powers and in the exercise of her

³ RBC is a method of measuring the minimum amount of capital appropriate for a bank or insurance company to support its overall business operations in consideration of its size and risk profile. It is one of the factors regulators of insurance look at in determining whether an insurance company is impaired or financially sound. It should be noted that RBC is the minimum regulatory capital standard and not necessarily the full amount of capital that an insurer would want to hold to meet its safety and competitive objectives.

judgment as the chief regulator of insurance in the State of New York, that the appropriate regulatory action to take is to place AMLI into liquidation.

15. AMLI: (i) has failed to maintain its statutorily required minimum capitalization; (ii) is unable to maintain its current financial obligations; (iii) has reserves and other liabilities which exceed its admitted assets; and (iv) has an insufficient RBC ratio. ¶¶ 10, 12–14, *supra*. Whether individually, or taken together, these facts demonstrate that permitting AMLI to continue its business without the protections of an orderly Article 74 liquidation under the supervision of this Court would be hazardous to policyholders, creditors, and the public.

Process for Commencing an Article 74 Liquidation Proceeding in this Court

16. An application for liquidation pursuant to Insurance Law § 7417 must be made by order to show cause filed by the Attorney General of the State of New York in the judicial district in which the insurer's principal office is located. An order of liquidation must be entered in the judicial district in which the insured's principal office is located. Insurance Law § 7405(b). This petition is submitted to the Supreme Court, New York County, the location of AMLI's principal office, in support of the application filed by the Office of the Attorney General of the State of New York, by order to show cause, to place AMLI into liquidation.

17. A decision on the relief sought, namely the decision to place an insurer into liquidation and the granting of ancillary relief is to be made promptly:

[o]n the return of such order [to show cause], and after a full hearing, which shall be held without delay, such court shall either deny the application or grant it together with such other relief as the nature of the case and the interests of policyholders, creditors, shareholders, members or the public may require.

Insurance Law § 7417.

Proposed Plan For Liquidation

18. In order to conduct this liquidation proceeding in an orderly manner, it is necessary to, among other things: (a) cancel all extant policies; (b) establish a bar date that is nine months after the entry of the order placing AMLI into liquidation, for the submission of claims against the AMLI estate; and (c) refrain from adjudicating non-policyholder creditor claims unless it is in the interest of the estate to do so.

a. Canceling Policies

19. Because AMLI has limited assets, and is insolvent, it is not in the interest of policyholders and other creditors to allow extant policies to continue in effect or to allow claims to be presented for an indefinite period. Given AMLI's financial condition, it is more efficient and beneficial to policyholders and creditors to terminate existing policies as soon as possible to permit policyholders to arrange for new insurance and limit the ability of policyholders to present future claims against an insolvent insurer. For these reasons, the proposed order of liquidation annexed as Exhibit 1 hereto (the "Liquidation Order") cancels all existing insurance policies of AMLI as of 12:01 a.m. local time on the date that is 180 days after the entry of the Liquidation Order.

20. Insurance Law § 7405(b) fixes the rights of insurers and policyholders as of the liquidation date, and permits the cancellation of insurance policies upon the insurer's liquidation. *See In the Matter of Transit Casualty Co.*, 79 N.Y.2d 13, 580 N.Y.S.2d 140 (1992). The cancellation of all existing AMLI policies is necessary for an orderly liquidation of the insurance carrier and, in addition, will help to ensure that policyholders promptly obtain insurance from another carrier with resources to pay claims as they become due. The cancellation of policies 180 days from the entry of the order of liquidation corresponds with the 180-day period for

payment to be made by the Life Insurance Guaranty Corporation of New York (the “Life Fund”) under Insurance Law § 7708(c)(2)⁴, and will greatly assist the Liquidator in establishing the universe of claims asserted against AMLI, which is a necessary step in winding up its affairs. Though service on policyholders is not required, Insurance Law § 7418, the Superintendent nonetheless proposes to serve all policyholders with a copy of the Order to Show Cause and its supporting papers as the relief sought, as is necessary in a liquidation, includes the cancellation of all existing insurance policies.

b. Setting a Bar Date

21. In addition to cancelling existing policies, the Liquidator requests the establishment of a bar date for the filing of claims with the Liquidator and respectfully submits that the Court establish a bar date for presentation of a claim and all supporting documents evidencing such claim that is nine months from the date of entry of the Liquidation Order.

22. The Insurance Law imposes an automatic four month bar date for the filing of claims against the liquidating insurer unless the Superintendent certifies that a longer period of time is necessary:

Where a liquidation . . . order has been entered in a proceeding against an insurer under this article, all persons who may have claims against such insurer shall present the same to the liquidator . . . at a place specified by him within four months from the date of entry of such order, or, if the superintendent shall certify that it is necessary, within such longer time as the court shall prescribe.

Insurance Law §7432(b).⁵

⁴ The Life Fund was established pursuant to Insurance Law Article 77 to ameliorate the impact of the insolvency of life and/or health insurers licensed to conduct business in the State of New York. Assuming that AMLI is placed into liquidation, the Life Fund may pay certain claims covered by AMLI policies or certain other specified obligations owed by AMLI in accordance with Insurance Law Article 77. Pursuant to Insurance Law § 7708(c)(2), the Life Fund’s obligations in respect of claims under AMLI policies or other specified AMLI obligations shall only apply for the first 180 days after AMLI is placed into liquidation, although this period may be extended up to 366 days at the Superintendent’s discretion, or longer by mutual agreement of the Superintendent and the Life Fund.

⁵ New York also recognizes “books and records” claims, meaning that if a policyholder or claimant appears on the books and records of AMLI, such policyholder or claimant shall be deemed to have timely filed its claim.

23. The Superintendent hereby certifies that, based upon the information available at this time, it is in the best interest of AMLI's policyholders and claimants to set a bar date of nine months from the entry of the Liquidation Order for the submission of all claims together with all documents supporting any claims that can be asserted against the estate under any policy or otherwise.

24. Establishing a bar date for presentation of all claims and supporting documentation evidencing those claims that is nine months from the date of entry of the Liquidation Order will enable the Liquidator to expeditiously fix the actual number and total amount of claims eligible to receive distributions from the insolvent estate while also providing adequate time for policyholders (all of whose policies will be canceled 180 days from the entry of the Liquidation Order, ¶ 18, *supra*) and creditors to timely file claims with the Liquidator. For these reasons, the Liquidation Order seeks a bar date for submission of claims and all supporting documentation of nine months from the date of entry of an order of liquidation, such that any claims and supporting documents served upon the Liquidator after the bar date are time-barred.

c. Refraining from Adjudication

25. Among the duties of the liquidator are the conservation of the property and the administration of the assets of an insolvent estate in an orderly and fair manner for the benefit of policyholders and creditors. *Dinallo v. DiNapoli*, 9 N.Y.3d 94, 97 (2007). An important element of this process is the adjudication of claims to determine whether payment should be made, in whole or in part, in accordance with the priority of distribution scheme set forth in Insurance Law Article 74.

26. In order to conserve AMLI's assets, the Superintendent proposes that any claim of other than administrative or policyholder claims not be adjudicated unless and until (a) the

Superintendent determines that it is in the interest of the estate to do so or (b) it is certain that the AMLI estate will have sufficient assets to pay claims of such class. Permitting the Liquidator to adjudicate claims only for those classes that are likely to receive a distribution will reduce administrative expenses, promote judicial economy, and help the Liquidator to maximize assets available for distribution to claimants.

Process of Liquidation and Relief Requested

27. Article 74 of the Insurance Law requires that the Superintendent be appointed Liquidator and that the Liquidator take control of and manage AMLI's property in order to liquidate AMLI's business (Insurance Law §7405(a)). Therefore, it is respectfully requested that the Court issue the Liquidation Order, *inter alia*: (a) appointing the Superintendent, and her successors in office, as Liquidator of AMLI; (b) directing the Liquidator to take possession of AMLI's property, and to liquidate AMLI's business and affairs; (c) vesting title to all of AMLI's property, contracts, rights of action and all of its books and records, wherever located, in the Liquidator and her successors; and (d) permitting the Liquidator to deal with the property and business of AMLI in AMLI's name or in the name of the Liquidator.

28. In order to take possession of AMLI's assets and manage AMLI's business affairs in an orderly and fair manner for the benefit of policyholders and creditors, the Liquidator requires certain injunctive relief.

29. Under Insurance Law § 7419(a), the Court may issue an injunction permanently enjoining and restraining the insurer, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons from wasting the assets of AMLI, and, except as authorized by the Liquidator, from transacting

AMLI's business (including the issuance of insurance policies) or disposing of AMLI's property (the "Interference with Business Injunctions").

30. Under Insurance Law § 7419(b), the Court may issue such other permanent injunctions or orders as it deems necessary to prevent interference with the Liquidator or this proceeding, or the commencement or prosecution of any actions or proceedings (a) against the Liquidator, AMLI, the New York Liquidation Bureau, the organization that carries out the duties of the Liquidator, or their present or former employees, attorneys or agents, with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto or (b) to assert preferences, judgments, attachments, liens, or any levy against AMLI, its assets or any part thereof (the "Interference with Liquidator's Duties Injunctions", collectively with the Interference with Business Injunctions, the "Permanent Injunctions").

31. The Permanent Injunctions are crucial for the performance of the Liquidator's duties. Indeed, if the Interference with Business Injunctions are not granted, then there will be no legal protections against the wasting of the assets of AMLI, and, except as authorized by the Liquidator, from the transaction of AMLI's business. Allowing anyone other than the Liquidator to have the power to manage the business affairs of AMLI would defeat the legislative scheme of receivership of insurance companies set out in Article 74. *See, e.g., Knickerbocker Agency, Inc. v. Holz*, 4 A.D.2d 71, 73 (1st Dept. 1957), *aff'd*, 4 N.Y.2d 245 (1958). For the same reasons, it is urgent that the Interference with Liquidator's Duties Injunctions be granted. Failure to grant this relief could result in one or more persons or entities obtaining attachments, liens or levies against AMLI or its assets, or pursuing legal action (including collections on judgments) against AMLI, any and all of which would enable them to obtain preferences over others in a manner incompatible with Insurance Law Article 74.

32. In short, the Permanent Injunctions go to the heart of the liquidation process and serve as the legal protection ensuring that the Liquidator may fulfill her statutory duties of conserving the property and administering the assets of AMLI in an orderly and fair manner. *Dinallo, supra* at 97. The Permanent Injunctions are so central to the process that the Interference with Business Injunctions may be granted “without notice,” Insurance Law §7419(a), and the Interference with Liquidator’s Duties Injunctions may be granted as the Court “deems necessary”. Insurance Law § 7419(b). Thus, the Permanent Injunctions should be granted because they are necessary to permit the orderly liquidation of AMLI in accordance with Article 74 of the Insurance Law.

33. The Permanent Injunctions are injunctions that have been included in virtually all liquidation orders for at least the past 30 years. *See, e.g., In the Matter of the Liquidation of Eveready Insurance Company*, S.Ct., N.Y. County, Index #160307/2014, Order of December 3, 2014; *In the Matter of the Liquidation of ICM Insurance Company*, S.Ct., N.Y. County, Index #452122/13, Order of December 23, 2013; *In the Matter of the Liquidation of Colonial Cooperative Insurance Company*, S.Ct., N.Y. County, Index #400235/10, Order of September 30, 2010; *In the Matter of the Liquidation of Realm National Insurance Company*, S.Ct., N.Y. County, Index #401876/05, Order of June 15, 2005; *In the Matter of the Liquidation of Midland Insurance Company*. S.Ct., N.Y. County, Index #41294/1986, Order of April 3, 1986. Copies of the liquidation orders in each of these liquidation proceedings are annexed hereto as Exhibit 3. These injunctions, in short, are standard and crucial for an orderly liquidation.

34. In addition to granting the Permanent Injunctions, it is important that this Court grant the temporary restraining orders sought in the Order to Show Cause (the “TROs”), which preserve the status quo pending the hearing and determination of this petition. The TROs will

prevent waste, dissipation and transfer of assets and proprietary information, will ensure that no one policyholder or creditor rushes and obtains a judgment or a litigation advantage before the petition is heard and determined and, in so doing, ensures that no policyholder or creditor receives a preference by being paid ahead of other policyholders or creditors solely because it obtained a judgment or took other adverse action against the estate in the time frame between the signing of the Order to Show Cause and the hearing on this petition.

35. It is further respectfully requested that, in accordance with Insurance Law § 7405, the Court vest all rights in AMLI's contracts and agreements, however described, in the Liquidator and permit the Liquidator the discretion to reject any executory contracts to which AMLI is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection.

36. It is further respectfully requested that the Court order that any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of AMLI's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding.

37. It is further respectfully requested that the Court order that all persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data,

reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to AMLI shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such information to the Liquidator.

38. It is further respectfully requested that in accordance with Insurance Law § 7405, the Court authorize, permit and allow the Liquidator to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of AMLI, and further authorize the Liquidator 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, without the further approval of the Court.

39. It is further respectfully requested that the Court, for the reasons described in ¶¶ 19–20, *supra*, order that all existing insurance policies of AMLI terminate as of 12:01 a.m. local time on the date that is 180 days after the entry of the Liquidation Order.

40. It is further respectfully requested that the Court, for the reasons described in ¶¶ 21–24, *supra*, enter an order establishing the date that is nine months after the entry of the order placing AMLI into liquidation as the bar date by which all claims by any claimant against AMLI or its insureds (other than the Liquidator's claims or the claims of the Life Insurance Guaranty Corporation of New York, including those described in Insurance Law Section 7713(d), for administrative expenses (collectively, "Administrative Claims")) and all supporting documentation evidencing such claims must be actually received by the Liquidator, and that any claims and supporting documentation filed after the bar date be time-barred.

41. It is further respectfully requested that the Court, for the reasons described in ¶¶ 25–26, *supra*, enter an order authorizing, and granting discretion to, the Liquidator to refrain from adjudicating claims other than Administrative Claims or policyholder claims unless and until (a) it may be reasonably expected that adjudication of such claims would be in the best interests of the estate or (b) it is certain that the AMLI estate will have sufficient assets to pay claims of such class.

42. It is further respectfully requested that the Court order that the Liquidator of AMLI, her successors in office, the New York Liquidation Bureau, and their agents and employees, be granted immunity from any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74. The Liquidator would be acting in a “judicial and private” capacity under the supervision of the Court pursuant to Article 74 of the Insurance Law. *See Dinallo, supra* at 103. In addition, the Supreme Court, New York County has held that “a court-appointed receiver [in this case, the Liquidator] acts as an arm of the court and is immune from liability for actions grounded in his or her conduct as receiver.” *In the Matter of the Liquidation of U.S. Capital Insurance Company*, 36 Misc.3d 635, 637 (2012).

43. There has been no previous application for the relief requested herein.

WHEREFORE, it is respectfully requested that the petition be granted, that this Court enter an order substantially in the form of the order annexed hereto as Exhibit 1, and that the Court grant the Superintendent such other and further relief as is just and proper.

Dated: New York, New York
October 14, 2016

A handwritten signature in dark ink, appearing to read 'Maria T. Vullo', written over a horizontal line.


Maria T. Vullo
Superintendent of Financial Services
of the State of New York

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

Maria T. Vullo, being duly sworn, deposes and says:

That I am the Superintendent of Financial Services of the State of New York and that I executed the foregoing petition; that I am acquainted with the facts therein stated; that I know the contents of the petition and that the same is true to my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and that as to those matters I believe them to be true.

The sources of information and the grounds of my belief as to the matters stated in said petition to be alleged upon information and belief are the records of the New York State Department of Financial Services and the affidavit of James Regalbuto, Deputy Superintendent for Life Insurance, New York State Department of Financial Services, sworn to on October 14, 2016, in support of the verified petition.



Maria T. Vullo
Superintendent of Financial Services
of the State of New York

Sworn to before me this
14th day of October, 2016



Notary Public

MARTHA A. LEES
Notary Public, State of New York
No. 02LE6129105
Qualified in Kings County
Commission Expires 06/20 17

EXHIBIT 1

[Form of Liquidation Order]

At IAS Part ____ of the Supreme Court of the State of New York, County of New York, at the courthouse located at _____, New York City, New York, on the ____ day of _____, 2016.

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

-----X

In the Matter of

Index No.

the Application of

ORDER

Maria T. Vullo, Superintendent of Financial Services
of the State of New York, for an order to take
possession and liquidate the business and affairs of

AMERICAN MEDICAL AND LIFE
INSURANCE COMPANY.

-----X

Maria T. Vullo, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause (“Order to Show Cause”) for an order placing American Medical and Life Insurance Company (“AMLI”) into liquidation, appointing the Superintendent and her successors in office as liquidator (“Liquidator”) of AMLI, and directing the Liquidator to take possession of the property of AMLI and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on October 14, 2016 (the “Petition”), the affidavit of James Regalbuto, sworn to on October 14, 2016, and the exhibits and schedules annexed thereto, this Court finds that:

1. AMLI is insolvent within the meaning of New York Insurance Law (“Insurance Law”) § 1309(a); and

2. AMLI should be placed into liquidation under Insurance Law Article 74 because: (i) AMLI's board of directors unanimously consented to the entry of an order of liquidation; (ii) AMLI is insolvent; and (iii) AMLI has been found, after examination, to be in such condition that its further transaction of business will be hazardous to its policyholders, creditors or the public.

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Petition for an order of liquidation ("Order") is granted;
2. The Superintendent and her successors in office are appointed Liquidator of AMLI;
3. The Liquidator is directed to take possession of AMLI's property and liquidate AMLI's business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to AMLI's property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of AMLI in AMLI's name or in the name of the Liquidator;
6. All persons and entities are permanently enjoined and restrained from wasting the assets of AMLI, and are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting AMLI's business or disposing of AMLI's property;
7. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against AMLI, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, AMLI, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;

8. The Liquidator is vested with all rights in AMLI's contracts and agreements, however described, and is permitted to, in her discretion, reject any executory contracts to which AMLI is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
9. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of AMLI's funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
10. All persons or entities having property, papers (including attorney work product and documents held by attorneys), and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to, or relating to AMLI shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Liquidator;
11. The Liquidator is authorized, permitted, and allowed to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of AMLI, and is further authorized 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, without the further approval of this Court;
12. All existing insurance policies of AMLI will be cancelled as of 12:01 a.m. local time on the date that is 180 days after the entry of this Order;
13. The date that is nine months after the entry of this Order is established as the bar date by which all claims by any claimant against AMLI or its insureds (other than the Liquidator's claim or the claims of the Life Insurance Guaranty Corporation of New York, including those described in Insurance Law Section 7713(d), for administrative expenses (collectively, "Administrative Claims")), and all supporting documentation evidencing such claims, must actually be received by the Liquidator (the "Bar Date"), and all claims and supporting documentation served upon the Liquidator after the Bar Date are time-barred;
14. The Liquidator is authorized, in her discretion, to refrain from adjudicating claims other than Administrative Claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests

of the estate; or (b) it is certain that the AMLI estate will have sufficient assets to pay claims of such class;

15. Immunity is extended to the Superintendent in her capacity as Liquidator of AMLI, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
16. The Liquidator may at any time make further application to this Court for such further and different relief as she sees fit;
17. The Liquidator shall serve a copy of this Order by overnight delivery upon: (a) Sydney Tucker Taylor, President, American Medical and Life Insurance Company, 299 Park Avenue, 6th Floor, New York, New York 10171; (b) each policyholder as shown on AMLI's books and records under AMLI policies that, to the best of the Liquidator's knowledge, remain in force as of the date of entry of this Order; and (c) any person or entity who or that timely filed and served papers in opposition to the relief sought;
18. The Liquidator shall provide notice of this Order to all creditors, claimants, and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached hereto as Annex A, in *Insurance Advocate*, for two consecutive publication periods, commencing within 30 days of entry of this Order; and (ii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
19. This Court shall retain jurisdiction over this matter for all purposes;
20. The caption for this proceeding is hereby amended as follows:

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

-----X

In the Matter of

the Liquidation of

AMERICAN MEDICAL AND LIFE
INSURANCE COMPANY.

-----X

21. All further papers in this proceeding shall bear the above amended caption.

ENTER

J.S.C.

ANNEX A

[Form of Notice of Liquidation Order]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6400

To all persons or entities interested in the affairs of
AMERICAN MEDICAL AND LIFE INSURANCE COMPANY

Notice is Hereby Given:

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, County of New York ("Court"), entered on _____, 2016, as the liquidator (the "Liquidator") of American Medical and Life Insurance Company ("AMLI") and, as such, has been: (i) directed to take possession of AMLI's property and liquidate AMLI's business and affairs in accordance with New York Insurance Law ("Insurance Law") Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to AMLI's property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed Scott D. Fischer, Special Deputy Superintendent (the "Special Deputy"), as her agent to carry out her duties as Liquidator. The Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides that:

- I. The Liquidator is permitted to deal with the property and business of AMLI in AMLI's name or in the name of the Liquidator;
- II. All persons and entities are permanently enjoined and restrained from wasting the assets of AMLI, and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting AMLI's business or disposing of AMLI's property;
- III. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or the proceeding, obtaining any preferences, judgments, attachments, or other liens, making any levy against AMLI, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, AMLI, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to the proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;
- IV. The Liquidator is vested with all rights in AMLI's contracts and agreements, however described, and the Liquidator is permitted to, in her discretion, reject any executory contracts to which AMLI is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
- V. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of AMLI's funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;

- VI. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to AMLI shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
- VII. The Liquidator is authorized, permitted, and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of AMLI, and is further authorized 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, without the further approval of the Court;
- VIII. All existing insurance policies of AMLI will be cancelled as of 12:01 a.m. local time on the date that is 180 days after the entry of the Order;
- IX. The date that is nine months after the entry of the Order is established as the bar date by which all claims by any claimant against AMLI or its insureds (other than the Liquidator's claim or the claims of the Life Insurance Guaranty Corporation of New York, including those described in Insurance Law Section 7713(d), for administrative expenses (collectively, "Administrative Claims")), and all supporting documentation evidencing such claims, must actually be received by the Liquidator (the "Bar Date"), and all claims and supporting documentation served upon the Liquidator after the Bar Date are time-barred;
- X. The Liquidator is authorized, in her discretion, to refrain from adjudicating claims of any class other than Administrative Claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is certain that the AMLI estate will have sufficient assets to pay claims of such class;
- XI. Immunity is extended to the Superintendent in her capacity as Liquidator of AMLI, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XII. AMLI is insolvent within the meaning of Insurance Law § 1309(a);
- XIII. The Liquidator may at any time make further application to the Court for such further and different relief as she sees fit;
- XIV. The Court shall retain jurisdiction over this matter for all purposes.
- XV. All communications relating to AMLI and to the liquidation proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
Attention: General Counsel

New York, New York 10038
(212) 341-6400

A copy of the Order may be viewed at <http://www.nylb.org>. To the extent there are any discrepancies between this notice and the Order, then the verbiage of the Order controls.

MARIA T. VULLO
Superintendent of Financial Services of
the State of New York as Liquidator of
American Medical and Life Insurance
Company

SCOTT D. FISCHER
Special Deputy Superintendent
and Agent of the Liquidator

EXHIBIT 2

[Affidavit of James Regalbuto]

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

-----X
In the Matter of

Index No.

the Application of

AFFIDAVIT

Maria T. Vullo, Superintendent of Financial Services
of the State of New York, for an order to take
possession and liquidate the business and affairs of

AMERICAN MEDICAL AND LIFE
INSURANCE COMPANY.
-----X

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

James Regalbuto, being duly sworn, deposes and says:

1. I am employed at the New York State Department of Financial Services (“DFS”) as Deputy Superintendent for Life Insurance. I submit this affidavit in support of the petition of the Superintendent of Financial Services of the State of New York (“Superintendent”) for an order placing American Medical and Life Insurance Company (“AMLI”) into liquidation and appointing the Superintendent and her successors-in-office as liquidator of AMLI under Article 74 of the New York Insurance Law (“Insurance Law”). This affidavit is based upon personal knowledge, the sources of which are the records maintained by DFS.

2. AMLI was incorporated in the State of New York on or about December 17, 1964; it was licensed on February 14, 1966 to write accident and health insurance, and first became licensed to write life insurance on January 3, 1989. As of December 31, 2013, AMLI was licensed to conduct the business of insurance in 40 states and the District of Columbia. Since that time, AMLI’s licenses expired, were suspended, or were revoked in 23 states and, as of December 31, 2015, AMLI was licensed to conduct the business of insurance in 17 states and

the District of Columbia. Upon information and belief, AMLI is not currently writing new business.

3. AMLI is authorized to transact the business of insurance, in accordance with paragraphs (1) (Life Insurance), (2) (Annuities), and (3) (Accident and Health Insurance) of Insurance Law § 1113(a).

4. AMLI's statutory office is located at 299 Park Avenue, 6th Floor, New York City, New York 10171.

5. As of October 11, 2016, AMLI had 30 extant policies.

6. Based upon AMLI's most recently prepared financial statement for the period ended August 31, 2016 ("Statement"), AMLI's reported reserves and other reported liabilities of \$3,010,078 exceed its admitted assets of \$2,634,936, resulting in a negative surplus to policyholders in the amount of \$375,142. A copy of the Statement is attached hereto as Exhibit A.

7. Under Insurance Law Articles 13 and 42, AMLI is required to maintain minimum capital of \$2,000,000. As set forth in the Statement, AMLI has negative capital and surplus of \$375,142, meaning that it has failed to maintain the statutory minimum capital requirement by \$2,375,142.

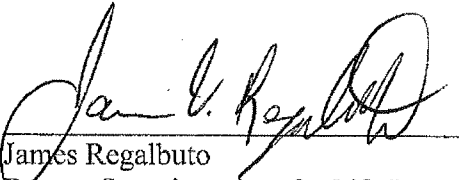
8. Furthermore, AMLI's Risk-Based Capital ("RBC") ratio is estimated after an examination by DFS, as of June 30, 2016, to be 81.6%, which constitutes a "regulatory action level event"¹ under Insurance Law Sections 1322(a)(8)(B) and 1322(e). The proper regulatory action for this financially impaired insurer was determined to be liquidation.

¹ RBC is a method of measuring the minimum amount of capital appropriate for a bank or insurance company to support its overall business operations in consideration of its size and risk profile. It is one of the factors regulators of insurance look at in determining whether an insurance company is impaired or financially sound. It should be

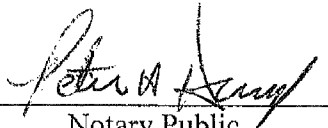
9. AMLI does not have sufficient cash to pay its current liabilities, and this illiquidity has required the release of statutory deposits in order to pay claim liabilities, salaries, and other operating expenses. However, DFS has not released funds to cover AMLI's mounting legal liabilities, including the costs of litigation defenses as well as litigation losses. Due to DFS's release of \$80,000 from a statutory deposit on September 29, 2016 and \$125,000 from a statutory deposit to AMLI on October 11, 2016, it was anticipated that AMLI would have enough financial liquidity to pay current liabilities and payroll through the end of October 2016.

10. On September 2, 2014, AMLI's Board of Directors unanimously passed a written consent for an order of liquidation pursuant to Insurance Law Article 74, which is attached hereto as Exhibit B.

11. On June 21, 2016, AMLI held a special meeting of its Board of Directors whereby the Board of Directors unanimously agreed to "update to the current period" the Resolution of Consent to Liquidate dated September 2, 2014. A copy of the June 21, 2016 Minutes to the AMLI Board of Directors' Meeting is attached hereto as Exhibit C.


James Regalbuto
Deputy Superintendent for Life Insurance

Sworn to before me this
14 day of October, 2016


Notary Public

PETER A. DUMAR, JR.
Notary Public, State of New York
Schenectady County No. 02DU6002702
Commission Expires February 17, 2018

noted that RBC is the minimum regulatory capital standard and not necessarily the full amount of capital that an insurer would want to hold to meet its safety and competitive objectives.

EXHIBIT A

ASSETS

	Current Statement Date			Debits	Credits	4 After Adjustments August 31 2016 Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 August prior to adj., Net Admitted Assets Cols. 1-2			
1. Bonds	1,736,745		1,736,745			1,736,745
2. Stocks:						
2.1 Preferred stocks						
2.2 Common stocks						
3. Mortgage loans on real estate:						
3.1 First liens						
3.2 Other than first liens						
4. Real estate:						
4.1 Properties occupied by the company (less \$.....0 encumbrances)						
4.2 Properties held for the production of income (less \$.....0 encumbrances)						
4.3 Properties held for sale (less \$.....0 encumbrances)						
5. Cash (\$.....34,861), cash equivalents (\$.....0) and short-term investments (\$.....410,030)	871,690		871,690			871,690
6. Contract loans (including \$.....0 premium notes)						
7. Derivatives						
8. Other invested assets						
9. Receivables for securities						
10. Securities lending reinvested collateral assets						
11. Aggregate write-ins for invested assets						
12. Subtotal, cash and invested assets (Lines 1 to 11)	2,608,435	0	2,608,435		0	2,608,435
13. Title plants less \$.....0 charged off (for Title insurers only)						
14. Investment income due and accrued	3,953		3,953			3,953
15. Premiums and considerations:						
15.1 Uncollected premiums and agents' balances in the course of collection						
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)						
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)						
16. Reinsurance:						
16.1 Amounts recoverable from reinsurers	1,349,067		1,349,067		1,349,067	0
16.2 Funds held by or deposited with reinsured companies						
16.3 Other amounts receivable under reinsurance contracts						
17. Amounts receivable relating to uninsured plans						
18.1 Current federal and foreign income tax recoverable and interest thereon						
18.2 Net deferred tax asset						
19. Guaranty funds receivable or on deposit						
20. Electronic data processing equipment and software						
21. Furniture and equipment, including health care delivery assets (\$.....0)						
22. Net adjustments in assets and liabilities due to foreign exchange rates						
23. Receivables from parent, subsidiaries and affiliates						
24. Health care (\$.....0) and other amounts receivable						
25. Aggregate write-ins for other than invested assets	22,548	0	22,548			22,548
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,984,003	0	3,984,003		1,349,067	2,634,936
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts						
28. TOTAL (Lines 26 and 27)	3,984,003	0	3,984,003		1,349,067	2,634,936
DETAILS OF WRITE-INS						
1101						
1102						
1103						
1198. Summary of remaining write-ins for Line 11 from overflow page						
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)						
2501. PREPAID EXPENSES, SECURITY DEPOSITS						0
2502. PREMIUM TAX RECEIVABLE	22,548		22,548			22,548
2503. NYS FRANCHISE TAXES RECEIVABLE						
2598. Summary of remaining write-ins for Line 25 from overflow page						
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	22,548	0	22,548			22,548

Q2

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 August prior to adj. Current Statement Date	Debits	Credits	2 August 31 2016 After Adjustments
1. Aggregate reserve for life contracts \$.....93,585 less \$.....0 included in line 6.3 (including \$.....0 Modco Reserve)	93,585			93,585
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve)				
3. Liability for deposit-type contracts (including \$.....0 Modco Reserve)				
4. Contract claims:				
4.1 Life				
4.2 Accident and health	2,500			2,500
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid				
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:				
6.1 Dividends apportioned for payment (including \$.....0 Modco)				
6.2 Dividends not yet apportioned (including \$.....0 Modco)				
6.3 Coupons and similar benefits (including \$.....0 Modco)				
7. Amount provisionally held for deferred dividend policies not included in line 6				
8. Premiums and annuity considerations for life and accident & health contracts received in advanced less \$.....0 discount; including \$.....0 accident and health premiums				
9. Contract liabilities not included elsewhere:				
9.1 Surrender values on cancelled contracts				
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act				
9.3 Other amounts payable on reinsurance; including \$.....\$51,027 assumed and \$ 552,728 ceded	1,483,646			1,483,646
9.4 Interest Maintenance Reserve	280,523			280,523
10. Commissions to agents due to accrued life and annuity contracts \$.....0 accident and health \$.....0 and deposit-type contract funds \$.....0				
11. Commissions and expense allowances payable on reinsurance assumed				
12. General expenses due or accrued	573,411			573,411
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances)				
14. Taxes, licenses and fees due to accrued, excluding federal income taxes	348			348
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses)				
15.2 Net deferred tax liability				
16. Unearned investment income				
17. Amounts withheld or retained by company as agent or trustee				
18. Amounts held for agents' account, including \$.....0 agents' credit balances				
19. Remittances and items not allocated				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Liability for benefits for employees and agents if not included above				
22. Borrowed money \$.....0 and interest thereon \$.....0				
23. Dividends to stockholders declared and unpaid				
24. Miscellaneous liabilities:				
24.01 Asset valuation reserve	30			30
24.02 Reinsurance in unauthorized and certified (\$.....0) companies	418,040	418,040		0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers				
24.04 Payable to parent subsidiaries and affiliates				
24.05 Drafts outstanding	575,676			575,676
24.06 Liability for amounts held under uninsured plans				
24.07 Funds held under coinsurance				
24.08 Derivatives				
24.09 Payable for securities				
24.10 Payable for securities lending				
24.11 Capital notes \$.....0 and interest thereon \$.....0				
25. Aggregate write-ins for liabilities	359			359
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	3,428,118	418,040		3,010,078
27. From Separate Accounts Statement				
28. Total liabilities (Lines 26 and 27)	3,428,118	418,040		3,010,078
29. Common capital stock	2,000,000			2,000,000
30. Preferred capital stock				
31. Aggregate write-ins for other than special surplus funds				
32. Surplus notes				
33. Gross paid in and contributed surplus	9,023,000			9,023,000
34. Aggregate write-ins for special surplus funds				
35. Unassigned funds (surplus)				
36. Less treasury stock, at cost:	(10,467,115)			(11,398,142)
36.10 shares common (value included in Line 29 \$.....0)				
36.20 shares preferred (value included in Line 30 \$.....0)				
37. Surplus (Total Lines 31 to 35, Less 36) (including \$.....0 in Separate Accounts Statement)	(1,444,115)	0		(2,375,142)
38. Totals of Lines 29, 30 and 37	555,885	0		(375,142)
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	3,984,003	418,040		2,636,956
DETAILS OF WRITE-INS				
2501. OTHER AMOUNTS PAYABLE	359			359
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	359			359
3101.				
3102.				
3103.				
3198. Summary of remaining write-ins for Line 31 from overflow page				
3199. TOTALS (Lines 3101 through 3103 plus 3198) (Line 31 above)				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

SUMMARY OF OPERATIONS

	1 As of August 2016	Debits	Credits	Adjusted August 2016
1. Premiums and annuity considerations for life and accident and health contracts	17,361			17,361
2. Considerations for supplementary contracts with life contingencies				
3. Net investment income	12,032			12,032
4. Amortization of Interest Maintenance Reserve (IMR)	38,564			38,564
5. Separate Accounts net gain from operations excluding unrealized gains or losses				
6. Commissions and expense allowances on reinsurance ceded				
7. Reserve adjustments on reinsurance ceded				0
8. Miscellaneous Income:				
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts				
8.2 Charges and fees for deposit type contracts				
8.3 Aggregate write-ins for miscellaneous income	0			0
9. Totals (Lines 1 to 8.3)	67,957	0	0	67,957
10. Death benefits				
11. Matured endowments (excluding guaranteed annual pure endowments)				
12. Annuity benefits				
13. Disability benefits and benefits under accident and health contracts	15,685			15,685
14. Coupons, guaranteed annual pure endowments and similar benefits				
15. Surrender benefits and withdrawals for life contracts				
16. Group conversions				
17. Interest and adjustments on contract or deposit type contract funds				
18. Payments on supplementary contracts with life contingencies				
19. Increase in aggregate reserves for life and accident and health contracts	(4,589)			(4,589)
20. TOTALS (Lines 10 to 19)	11,096			11,096
21. Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only)				
22. Commissions and expense allowances on reinsurance assumed				
23. General insurance expenses	726,596			726,596
24. Insurance taxes, licenses and fees, excluding federal income taxes	61,562			61,562
25. Increase in loading on deferred and uncollected premiums				
26. Net transfers to or (from) Separate Accounts net of reinsurance				
27. Aggregate write-ins for deductions	1,141,835			1,141,835
28. Totals (Lines 20 to 27)	1,941,089			1,941,089
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(1,873,132)			(1,873,132)
30. Dividends to policyholders				
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(1,873,132)			(1,873,132)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)				
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(1,873,132)			(1,873,132)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....0 transferred to the IMR)				
35. Net income (Line 33 plus Line 34)	(1,873,132)			(1,873,132)
CAPITAL AND SURPLUS ACCOUNT				
36. Capital and surplus, December 31, prior year	923,924			923,924
37. Net income (Line 35)	(1,873,132)	0	0	(1,873,132)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0				
39. Change in net unrealized foreign exchange capital gain (loss)				
40. Change in net deferred income tax				
41. Change in nonadmitted assets	1,266,457	1,349,067		(82,610)
42. Change in liability for reinsurance in unauthorized and certified companies			418,040	418,040
43. Change in reserve on account of change in valuation basis, (increase) or decrease				
44. Change in asset valuation reserve				
45. Change in treasury stock				
46. Surplus (contributed to) withdrawn from Separate Accounts during period				
47. Other changes in surplus in Separate Accounts Statement				
48. Change in surplus notes				
49. Cumulative effect of changes in accounting principles				
50. Capital changes:				
50.1 Paid in				
50.2 Transferred from surplus (Stock Dividend)				
50.3 Transferred to surplus				
51. Surplus adjustment:				
51.1 Paid in				
51.2 Transferred to capital (Stock Dividend)				
51.3 Transferred from capital				
51.4 Change in surplus as a result of reinsurance				
52. Dividends to stockholders				
53. Aggregate write-ins for gains and losses in surplus	238,636			238,636
54. Net change in capital and surplus (Lines 37 thru 53)	(368,039)	1,349,067	418,040	(1,299,066)
55. Capital and surplus as of statement date (Lines 36 + 54)	555,885	1,349,067	418,040	(375,142)
DETAILS OF WRITE-INS				
08.301. WRITE-OFF OF OVERSTATED CLAIM DRAFTS OUTSTANDING				
08.302. PROCEEDS FROM D&O POLICY CRIME COVERAGE				
08.303. CLAIM REFUNDS				
08.398. Summary of remaining write-ins for Line 8.3 from overflow page				0
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	0	0	0	0
2701. WRITE-OFF OF OVERSTATED RECEIVABLES	1,141,835			1,141,835
2702.				
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	1,141,835	0	0	1,141,835
5301. SETTLEMENT OF REINSURANCE COLLATERAL TRUST ACCOUNT	238,636			238,636
5302. PRIOR PERIOD ADJUSTMENTS				
5303.				
5398. Summary of remaining write-ins for Line 53 from overflow page				
5399. TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)	238,636	0	0	238,636

55. Beginning Capital and surplus as of statement date (Lines 36 + 54)	555,885
Reduction of outstanding drafts balance crediting claims	0
Reduction of Aggregate Reserves of \$93,585 paid \$175,00 balance debiting claims	0
Reduction of Ceded reinsurance liability	0
Non admitted reinsurance recoverable	(1,349,067)
Reduction of unauthorized reinsurance liability	418,040
55. Ending Capital and surplus as of statement date (Lines 36 + 54)	(375,142)

EXHIBIT B

American Medical and Life Insurance Company

RESOLUTION

Upon motion duly made, seconded and carried, the following resolutions were adopted by the unanimous affirmative vote of the directors present at the time of the vote at a duly called meeting of the Board of Directors of American Medical and Life Insurance Company (the "Corporation") with a quorum being present:

WHEREAS, the Corporation has filed with the New York State Department of Financial Services quarterly financial statements for the first and second quarters of 2014 that indicate that the Corporation is insolvent within the meaning of Section 1309 of the New York Insurance Law; and

WHEREAS, the Corporation has been advised by the New York State Department of Financial Services that the Superintendent of Financial Services of the State of New York ("Superintendent") may commence a proceeding pursuant to Article 74 of the New York Insurance Law for the entry of an order of rehabilitation or an order of liquidation of the Corporation;

NOW, THEREFORE, IT IS HEREBY

RESOLVED, that in order to avoid costly and protracted litigation concerning the Superintendent's commencement of a proceeding pursuant to Article 74 of the New York Insurance Law, it is in the best interests of the Corporation to consent to the commencement of any such proceeding; and it is further

RESOLVED, that the Corporation hereby consents, and shall be deemed to have consented, to the entry of an order of rehabilitation or an order of liquidation in accordance with the applicable provisions of Article 74 of the New York Insurance Law, and to the jurisdiction of the Supreme Court of the State of New York, County of New York; and it is further

RESOLVED, that the Secretary is authorized to certify a copy of these resolutions as having been adopted by this Board; and it is further

RESOLVED, that the Interim Chief Executive Officer be and hereby is authorized and directed to execute and deliver to the Superintendent such further documents as may be necessary or desirable to carry out the purpose and intent of the foregoing resolutions; and it is further

RESOLVED, that no action by the Corporation or any of its officers or directors that has the intent or effect of amending, rescinding, or changing in any way these resolutions shall be effective without the unanimous approval of the Corporation's Board of Directors and the prior written approval of the Superintendent.

I have compared the foregoing with the resolutions adopted by the Board of Directors of American Medical and Life Insurance Company at a special meeting held by Telephone conference, a quorum being present, on the 29th day of August, 2014, as recorded in the minute book of said Corporation, and I hereby certify that the same is a true, correct and complete copy thereof and that such resolutions have not been rescinded or modified and are still in full force and effect as of the current date.

IN WITNESS WHEREOF, I have set my hand on this 2nd day of September, 2014



Secretary

EXHIBIT C

American Medical Life Insurance Company Board Meeting
June 21, 2016
By phone

PARTICIPATING:

Board Members

Ron Pack

Tucker Taylor

Don Trudeau

Doug Thomas

Observers and guests

Michael Herzberg

A special board meeting of the directors of the company is called by Mr. Trudeau and Mr. Taylor and is held pursuant to Article IV Section 5 of the company's bylaws. With the above listed participants being present by telephone conference pursuant to which all present can hear each other, and there being a quorum, the meeting is called to order by Mr. Trudeau, appointed as Chairman of the meeting, at 2:00 pm EDT. Mr. Taylor is appointed as Secretary of the meeting and records the minutes.

GOVERNANCE

- I. The directors waive notification requirements for this meeting.
- II. The board unanimously adopts the minutes of the AMLI Board meetings of April 19, 2016, April 27, and May 18 which had been distributed in advance.

NYSDFS


- I. Mr. Trudeau briefs the board on his discussion with Lisa Fernex and other employees of NYSDFS.
 - a. They have general concerns around:
 - i. Procedures governing expenditures
 - ii. Cash available to continue operations
 - iii. Continuing uncertainty over the validity of the TRH Debt obligation, and;
 - iv. Slow progress on a recapitalization transaction
 - b. In addition, NYSDFS would like the Board to "updated to the current period" the Resolution of Consent to Liquidate dated September 4, 2014
 - i. Mr. Taylor leads a discussion on the implications of the action.
 - ii. The board unanimously agreed to accede to NYSDFS request, and directed Mr. Trudeau to respond with the required documentation.
- II. Mr. Herzberg leads a discussion with regard to having the NYSDFS cooperation in regard to items moving forward

OTHER

- I. At the request of Mr. Herzberg, Mr. Taylor reviews his conversation with McKool Smith:
 - a. The Board acknowledges the obligation to McKool Smith on the part of AMLI, Trek, and the preferred shareholders (\$100,000 remaining).

There being no further business, the meeting is adjourned at 2:35pm EDT.

Submitted:

A handwritten signature in dark ink, appearing to read 'T. Taylor' or similar, written in a cursive style.

Tucker Taylor
Meeting Secretary
June 27, 2016

EXHIBIT 3

[Prior orders of liquidation for other estates]

SUPREME COURT OF THE STATE OF NEW YORK NEW YORK COUNTY

PRESENT: BANNON
Justice

PART 42

BENJAMIN M. LAWSKY

INDEX NO. 160307/14

-v-
EVERRADY INSURANCE COMPANY

MOTION DATE _____

MOTION SEQ. NO. 01

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

Notice of Motion/Order to Show Cause — Affidavits — Exhibits _____ No(s). _____

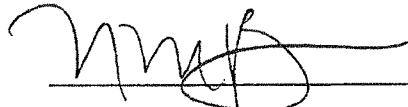
Answering Affidavits — Exhibits _____ No(s). _____

Replying Affidavits _____ No(s). _____

Upon the foregoing papers, it is ordered that this motion is granted per the attached Order.

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

Dated: 12/3/14


_____, J.S.C.
HON. NANCY M. BANNON

1. CHECK ONE: ☐ CASE DISPOSED ☒ NON-FINAL DISPOSITION
2. CHECK AS APPROPRIATE: MOTION IS: ☐ GRANTED ☐ DENIED ☒ GRANTED IN PART ☐ OTHER
3. CHECK IF APPROPRIATE: ☐ SETTLE ORDER ☐ SUBMIT ORDER
- ☐ DO NOT POST ☐ FIDUCIARY APPOINTMENT ☐ REFERENCE

At IAS Part 42 of the Supreme Court
of the State of New York, County of
New York, at the courthouse located
at 111 Centre Street, New York City,
New York, on the 30th day of
December, 2014.

P R E S E N T:

HON. NANCY M. BANNON, J.S.C.
-----X

In the Matter of

Index No. 160307/2014

the Application of

ORDER OF LIQUIDATION

Benjamin M. Lawskey, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of

EVEREADY INSURANCE COMPANY.
-----X

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order appointing the Superintendent and his successors in office as liquidator ("Liquidator") of Eveready Insurance Company ("Eveready") and directing the Liquidator to take possession of the property of Eveready and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on October 9, 2014, the affidavit of James Davis, sworn to on October 8, 2014, and the exhibits annexed thereto, this Court finds that:

1. Eveready was incorporated in the State of New York on or about August 8, 1963 and commenced business on May 1, 1965;

2. Eveready is licensed to transact the business of insurance in accordance with paragraphs (13) (Personal Injury Liability), (14) (Property Damage Liability), and (19) (Motor

Vehicle and Aircraft Physical Damage) of Section 1113(a) of the New York Insurance Law ("Insurance Law") and is licensed to transact the business of insurance only in the State of New York. Eveready writes primarily private passenger auto liability and physical damage insurance, plus a small amount of commercial auto insurance in downstate New York;

3. Eveready's statutory office is located at 59 Maiden Lane, New York City, New York 10038-4502;

4. Eveready is insolvent;

5. On July 7, 2014, Eveready's Board of Directors unanimously passed a written consent for the entry of an order of liquidation pursuant to Insurance Law Article 74;

6. Eveready is subject to the Insurance Law and, in particular, to Article 74 thereof; and

7. It is in the best interest of all persons concerned that, based upon Article 74 of the Insurance Law, the Superintendent should be appointed Liquidator and directed to take possession of the property of Eveready, to liquidate its business and affairs, and be vested with title to all of Eveready's property, contracts and rights of action; and

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the petition for an order of liquidation ("Order") is granted;
2. The Superintendent and his successors in office are appointed Liquidator of Eveready;
3. The Liquidator is directed to take possession of Eveready's property and liquidate Eveready's business and affairs in accordance with Insurance Law Article 74;

4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to Eveready's property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of Eveready in Eveready's name or in the name of the Liquidator;
6. All persons are permanently enjoined and restrained from wasting the assets of Eveready, and are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Eveready's business (including the issuance of insurance policies) or disposing of Eveready's property;
7. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Eveready, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Eveready, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Article 74 in relation thereto;
8. All parties to actions, lawsuits, and special or other proceedings (other than those brought by Eveready) in which Eveready, its policyholders or insureds are a party or obligated to defend a party or provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of this Order;
9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is vested with all rights in Eveready's contracts and agreements, however described, and is permitted to, in his discretion, reject any executory contracts to which Eveready is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
11. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Eveready's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings

and loan association or other financial institution; and/or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;

12. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Eveready shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
13. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in his discretion, he deems to be in the best interest of the creditors of Eveready, and is further authorized 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, without the further approval of this Court;
14. ALL EXISTING INSURANCE POLICIES OF EVEREADY WILL BE CANCELLED AT THE EARLIEST OF: (A) 30 DAYS FROM THE GIVING OF NOTICE OF SUCH CANCELLATION BY EVEREADY, IF SUCH NOTICE IS REQUIRED BY AN INSURANCE POLICY OR APPLICABLE LAW; (B) THE STATED EXPIRATION OR TERMINATION DATE AND TIME OF THE INSURANCE POLICY; (C) THE EFFECTIVE DATE AND TIME OF A REPLACEMENT INSURANCE POLICY OF THE SAME TYPE ISSUED BY ANOTHER INSURER REGARDLESS OF WHETHER THE COVERAGE IS IDENTICAL COVERAGE; (D) THE EFFECTIVE DATE AND TIME THAT THE EVEREADY INSURANCE POLICY OBLIGATION IS TRANSFERRED TO ANOTHER INSURER OR ENTITY AUTHORIZED BY LAW TO ASSUME SUCH OBLIGATION; OR (E) 12:01 A.M. LOCAL TIME ON THE DATE THAT IS 30 DAYS AFTER THE ENTRY OF THIS ORDER;
15. The date that is one year after the entry of this Order is established as the bar date by which all claims by any claimant against Eveready or its insureds, other than the Liquidator's claim for administrative expenses, must be actually be received by the Liquidator, including all evidence supporting the liquidation of such claims;
16. The Liquidator is authorized, in his discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate;
17. Immunity is extended to the Superintendent and his successors in office in his capacity as Liquidator of Eveready, the New York Liquidation Bureau, and their

agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;

18. Eveready is insolvent;
19. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
20. In accordance with Insurance Law Section 7432(b), all claims against Eveready must be presented to the Liquidator within four months of the date of entry of this Order;
21. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
22. The Liquidator shall serve a copy of this Order upon: Marc Wollerstein, President, Eveready Insurance Company, 59 Maiden Lane, New York, New York 10038-4502, by overnight delivery or by certified mail;
23. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached hereto as Exhibit A, in the *New York Daily News*, once a week for two consecutive publication periods, commencing within 30 days of entry of this Order; and (ii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
24. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered;
25. The notice prescribed in paragraph 23 above is sufficient notice to all persons interested in Eveready;
26. This Court shall retain jurisdiction over this matter for all purposes;

27. The caption for this proceeding is hereby amended as follows:

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

-----X

In the Matter of

the Liquidation of

EVEREADY INSURANCE COMPANY.

-----X

28. All further papers in this proceeding shall bear the above amended caption.

ENTER

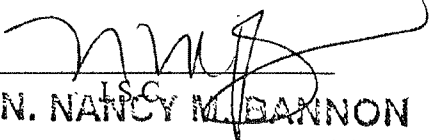

HON. NANCY M. BANNON
J.S.C.

EXHIBIT A

[Form of Notice]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6400

To all persons or entities interested in the affairs of
EVEREADY INSURANCE COMPANY

Notice is Hereby Given:

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, County of New York ("Court"), entered _____, 2014, as the liquidator (the "Liquidator") of Eveready Insurance Company ("Eveready") and, as such, has been: (i) directed to take possession of Eveready's property and liquidate Eveready's business and affairs in accordance with New York Insurance Law ("Insurance Law") Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to Eveready's property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed Scott D. Fischer, Acting Special Deputy Superintendent (the "Acting Special Deputy"), as his agent to carry out his duties as Liquidator. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides:

- I. The Liquidator is permitted to deal with the property and business of Eveready in Eveready's name or in the name of the Liquidator;
- II. All persons are permanently enjoined and restrained from wasting the assets of Eveready, and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Eveready's business (including the issuance of insurance policies) or disposing of Eveready's property;
- III. All parties are permanently enjoined and restrained from interfering with the Liquidator or the proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Eveready, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Eveready, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to the proceeding or the discharge of their duties under Article 74 in relation thereto;
- IV. All parties to actions, lawsuits, and special or other proceedings (other than those brought by Eveready) in which Eveready, its policyholders or insureds are a party or obligated to defend a party or provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of an order of liquidation;
- V. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of an order of liquidation;
- VI. The Liquidator is vested with all rights in Eveready's contracts and agreements, however described and permitting the Liquidator to, in his discretion, reject any executory contracts to which Eveready is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;

- VII. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Eveready's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and/or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
- VIII. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Eveready shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
- IX. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in his discretion, he deems to be in the best interest of the creditors of Eveready, and is further authorized 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, without the further approval of the Court;
- X. ALL EXISTING INSURANCE POLICIES OF EVEREADY WILL BE CANCELLED AT THE EARLIEST OF: (A) 30 DAYS FROM THE GIVING OF NOTICE OF SUCH CANCELLATION BY EVEREADY, IF SUCH NOTICE IS REQUIRED BY AN INSURANCE POLICY OR APPLICABLE LAW; (B) THE STATED EXPIRATION OR TERMINATION DATE AND TIME OF THE INSURANCE POLICY; (C) THE EFFECTIVE DATE AND TIME OF A REPLACEMENT INSURANCE POLICY OF THE SAME TYPE ISSUED BY ANOTHER INSURER REGARDLESS OF WHETHER THE COVERAGE IS IDENTICAL COVERAGE; (D) THE EFFECTIVE DATE AND TIME THAT THE EVEREADY INSURANCE POLICY OBLIGATION IS TRANSFERRED TO ANOTHER INSURER OR ENTITY AUTHORIZED BY LAW TO ASSUME SUCH OBLIGATION; OR (E) 12:01 A.M. LOCAL TIME ON THE DATE THAT IS 30 DAYS FROM THE ENTRY OF AN ORDER OF LIQUIDATION OF EVEREADY;
- XI. The date that is one year after the entry of the Order is established as the bar date by which all claims by any claimant against Eveready or its insureds, other than the Liquidator's claim for administrative expenses, must actually be received by the Liquidator, including all evidence supporting the liquidation of such claims;
- XII. The Liquidator is authorized, in his discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate;
- XIII. Immunity is extended to the Superintendent in his capacity as Liquidator of Eveready and his successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XIV. Eveready is insolvent;

- XV. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
- XVI. In accordance with Insurance Law Section 7432(b), all claims against Eveready must be presented to the Liquidator within four months of the date of entry of the Order;
- XVII. The Liquidator may at any time make further application to the Court for such further and different relief as he sees fit;
- XVIII. The Court shall retain jurisdiction over this matter for all purposes.
- XIX. All communications relating to Eveready and to the liquidation proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
Attention: Acting Special Deputy Superintendent
New York, New York 10038
(212) 341-6400

BENJAMIN M. LAWSKY
Superintendent of Financial Services of
the State of New York as Liquidator
of Eveready Insurance Company

SCOTT D. FISCHER
Acting Special Deputy Superintendent
and Agent for the Superintendent as
Liquidator of Eveready Insurance Company

NYSCEF DO NO. 8
Scanned to New York EF on 12/23/13

RECEIVED NYSCEF: 12/24/2013

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

PRESENT: RAKOWER
JusticePART 15LAWSKY, BENJAMIN M.

INDEX NO.

452122/13

MOTION DATE

MOTION SEQ. NO.

01

MOTION CAL. NO.

ICM 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 _____

PAPERS NUMBERED

Cross-Motion: ☐ Yes ☐ No

Upon the foregoing papers, it is ordered that this motion

See attached order.Dated: 12/23/2013HON. EILEEN A. RAKOWER
J.S.C.Check one: ☐ FINAL DISPOSITION ☐ NON-FINAL DISPOSITIONCheck if appropriate: ☐ DO NOT POST ☐ REFERENCEMOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
FOR THE FOLLOWING REASON(S):

At IAS Part 15 of the Supreme Court of the State of New York, County of New York, at the courthouse located at _____, New York, New York, on the 23 day of December, 2013.

P R E S E N T:

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

-----X

In the Matter of

Index No. 452122/13

the Application of

ORDER OF LIQUIDATION

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

ICM INSURANCE COMPANY.

-----X

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order appointing the Superintendent and his successors in office as liquidator ("Liquidator") of ICM Insurance Company ("ICM") and directing the Liquidator to take possession of the property of ICM and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified the 21st day of November, 2013, the affidavit of Jean Marie Cho, sworn to on November 21, 2013, and the exhibits annexed thereto, this Court finds that:

1. ICM was incorporated under the laws of the State of New York on or about September 23, 1981;

2. ICM is licensed to transact the business of insurance in accordance with paragraphs (4)–(7), (9), (12)–(14), and (19)–(21) of New York Insurance Law Section 1113(a) (“Insurance Law”);

3. ICM’s principal office, as disclosed in its Quarterly Statement as of March 31, 2013, is located at 521 Fifth Avenue, New York, NY 10175;

4. On September 18, 2013, ICM’s Board of Directors unanimously passed a resolution consenting to the entry of a liquidation order pursuant to Insurance Law Article 74;

5. ICM is insolvent;

6. ICM is subject to the Insurance Law and, particularly, to Article 74 thereof;

7. It is in the best interest of all persons concerned that, based upon Article 74 of the Insurance Law, the Superintendent should be appointed Liquidator and directed to take possession of the property of ICM, to liquidate its business and affairs, and be vested with title to all of ICM’s property, contracts and rights of action; and

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the petition for an order of liquidation (“Order”) is granted and ICM is declared to be insolvent;
2. The Superintendent is appointed Liquidator of ICM and is: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; (ii) vested with title to ICM’s property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of this Order; and (iii) directed to liquidate ICM’s business and affairs in accordance with Insurance Law Article 74;
3. The Liquidator may deal with the property and business of ICM in ICM’s name or in the name of the Liquidator;

4. All persons are permanently enjoined and restrained from wasting the assets of ICM and permanently enjoined and restrained, except as authorized by the Liquidator, from disposing of ICM's property;
5. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of ICM and all other persons other than the Liquidator and his agents are permanently enjoined and restrained from: (i) transacting ICM's business, except as authorized by the Liquidator; or (ii) interfering with this proceeding or the Liquidator in the possession, control and management of ICM's property or in the discharge of his duties;
6. All persons are permanently enjoined and restrained from commencing or prosecuting any action or proceeding against ICM, the Liquidator or the New York Liquidation Bureau ("Bureau"), or their present or former employees, attorneys or agents with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto;
7. All persons are permanently enjoined and restrained from obtaining any preference, judgment, attachment or other lien, or making any levy against ICM, its assets or any part thereof;
8. All parties to actions, lawsuits, and special or other proceedings (other than those brought by ICM) in which ICM, its policyholders or insureds are a party or obligated to defend a party or to provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from proceeding with any discovery, court proceeding or other litigation task or procedure, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of this Order;
9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is vested with all rights in ICM's contracts and agreements, including leases, tax agreements, insurance policies and employment contracts, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination;
11. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or other securities of ICM at the best price obtainable at such times and upon such terms and conditions as, in

his discretion, he deems to be in the best interest of the creditors of ICM, and he is further authorized 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 without the further approval of this Court;

12. ICM and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property, papers (including attorney work product) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance contracts, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to or relating to ICM, shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
13. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to ICM shall maintain and preserve all information in its possession relating in any way to ICM, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by ICM and is directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees;
14. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control any of ICM's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Liquidator; (ii) transfer title of such funds, accounts or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; (iv) transfer funds from such bank, savings and loan association or other financial institution; and/or (v) take any other action necessary for the proper conduct of the liquidation proceeding;
15. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
16. In accordance with Insurance Law Section 7405(f), the Liquidator is hereby permitted to make distributions of ICM's assets to the New York Property/Casualty Insurance Security Fund and similar guaranty funds of other states in accordance with such statute, and any agreement to be

entered into among the Liquidator and such guaranty fund is hereby approved and the Liquidator is authorized to enter into and perform such agreement;

17. All existing insurance policies of ICM shall terminate at 12:01 A.M. local time on the earliest of 30 days from the entry of this order, 30 days from the giving of notice of such cancellation, if such notice is required by an insurance policy or applicable law, or upon the date and time stated in the policy;
18. May 16, 2014 is the bar date by which all claims by any claimant against ICM or its insureds, other than the Liquidator's claims for administrative expenses, must be actually received by the Liquidator;
19. December 31, 2014 is the final date by which evidence supporting the liquidation of any claim presented by the foregoing bar date must be actually received by the Liquidator;
20. The Liquidator, in his discretion, is authorized to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate;
21. Immunity is extended to the Superintendent in his capacity as Liquidator of ICM and his successors in office and their agents and employees, including the Bureau, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
22. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
23. The Liquidator shall serve the copy of this Order upon: Marc Tract, Katten Muchin Roseman LLP, 575 Madison Ave, New York, NY 10022, attorneys for ICM Insurance Company, by overnight delivery or by certified mail;
24. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of the notice of this Order in *The New York Times*, National Edition, once a week for two consecutive weeks, commencing within thirty days of entry of this Order in a form substantially similar to the one attached hereto as Exhibit A; and (ii) posting this Order on the Internet web page maintained by the Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;

25. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered;
26. The notice prescribed in decretal paragraphs 23 and 24 hereof is sufficient notice to all persons interested in ICM;
27. This Court shall retain jurisdiction over this matter for all purposes;
28. The caption for this proceeding is hereby amended as follows:

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

-----X

In the Matter of

the Liquidation of

ICM INSURANCE COMPANY.

-----X

29. All further papers in this proceeding shall bear the above amended caption.

ENTER


J.S.C.

EXHIBIT A

[Form of Notice]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6755

To all persons or entities
interested in the affairs of
ICM INSURANCE COMPANY
Notice is Hereby Given:

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, New York County ("Court"), entered _____, 2013, as the liquidator (the "Liquidator") of ICM Insurance Company ("ICM") and, as such, has been: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order; (ii) vested with title to ICM's property, contracts, rights of action and all its books and records, wherever located, as of the date of entry of the Order; and (iii) directed to liquidate ICM's business and affairs in accordance with Insurance Law Article 74. The Liquidator has, pursuant to Insurance Law Article 74, appointed Michael J. Casey, Acting Special Deputy Superintendent of Insurance (the "Acting Special Deputy") as his agent to carry out his duties as Liquidator. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides:

- I. The Liquidator may deal with the property and business of ICM in ICM's name or in the name of the Liquidator.
- II. All persons are permanently enjoined and restrained from wasting the assets of ICM and permanently enjoined and restrained, except as authorized by the Liquidator, from disposing of ICM's property.
- III. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of ICM and all other persons other than the Liquidator and his agents are permanently enjoined and restrained from: (i) transacting ICM's business, except as authorized by the Liquidator; or (ii) interfering with this proceeding or the Liquidator in the possession, control and management of ICM's property or in the discharge of his duties.
- IV. All persons are permanently enjoined and restrained from commencing or prosecuting any action or proceeding against ICM, the Liquidator or the New York Liquidation Bureau ("Bureau"), or their present or former employees, attorneys or agents with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto.
- V. All persons are permanently enjoined and restrained from obtaining any preference, judgment, attachment or other lien, or making any levy against ICM, its assets or any part thereof.
- VI. All parties to actions, lawsuits, and special or other proceedings (other than those brought by ICM) in which ICM, its policyholders or insureds are a party or obligated to defend a party or to provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from proceeding with any discovery, court proceeding or other litigation task or procedure, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of this Order.
- VII. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order.

VIII. The Liquidator is vested with all rights in ICM's contracts and agreements, including leases, tax agreements, insurance policies and employment contracts, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination.

IX. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or other securities of ICM at the best price obtainable at such times and upon such terms and conditions as, in his discretion, he deems to be in the best interest of the creditors of ICM, and he is further authorized 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 without the further approval of this Court.

X. ICM and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property, papers (including attorney work product) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance contracts, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to or relating to ICM, shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator.

XI. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to ICM shall maintain and preserve all information in its possession relating in any way to ICM, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by ICM and is directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees.

XII. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to ICM shall maintain and preserve all information in its possession relating in any way to ICM, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by ICM and is directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees.

XIII. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74.

XIV. In accordance with Insurance Law Section 7405(f), the Liquidator is hereby permitted to make distributions of ICM's assets to the New York Property/Casualty Insurance Security Fund and similar guaranty funds of other states in accordance with such statute, and any agreement to be entered into among the Liquidator and such guaranty fund is hereby approved and the Liquidator is authorized to enter into and perform such agreement;

XV. ALL EXISTING INSURANCE POLICIES OF ICM SHALL TERMINATE AT 12:01 A.M. LOCAL TIME ON THE EARLIEST OF 30 DAYS FROM THE ENTRY OF THE ORDER, 30 DAYS FROM THE GIVING OF NOTICE OF SUCH CANCELLATION, IF SUCH NOTICE IS REQUIRED BY AN INSURANCE POLICY OR APPLICABLE LAW, OR UPON THE DATE AND TIME STATED IN THE POLICY.

XVI. MAY 16, 2014 IS THE BAR DATE BY WHICH ALL CLAIMS BY ANY CLAIMANT AGAINST ICM OR ITS INSURED, OTHER THAN THE LIQUIDATOR'S CLAIMS FOR ADMINISTRATIVE EXPENSES, MUST BE ACTUALLY RECEIVED BY THE LIQUIDATOR.

XVII. DECEMBER 31, 2014 IS THE FINAL DATE BY WHICH EVIDENCE SUPPORTING THE LIQUIDATION OF ANY CLAIM PRESENTED BY THE FOREGOING BAR DATE MUST BE ACTUALLY RECEIVED BY THE LIQUIDATOR.

XVIII. The Liquidator, in his discretion, is authorized to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate

XIX. Immunity is extended to the Superintendent in his capacity as Liquidator of ICM and his successors in office and their agents and employees including the Bureau, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74.

XX. The Liquidator may at any time make further application to the Court for such further and different relief as he sees fit.

XXI. The court shall retain jurisdiction over this matter for all purposes.

XXII. All communications relating to ICM and to the Liquidation Proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
New York, New York 10038
(212) 341-6400

BENJAMIN M. LAWSKY
Superintendent of Financial Services of
the State of New York as Liquidator
of ICM Insurance Company

MICHAEL J. CASEY
Acting Special Deputy Superintendent
and Agent for the Superintendent as
Liquidator of ICM Insurance Company

Index no.: 452122/13

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

In the Matter of

the Application of

**Benjamin M. Lawskey, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of**

ICM INSURANCE COMPANY.

ORDER OF LIQUIDATION

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York

120 Broadway, 24th Floor New York, NY 10271

Tel: (212) 416-8301

Fax: (212) 416-6009 / 6075 / 6076 (not for service)

At IAS Part 10 of the Supreme Court of
the State of New York, County of New
York, at the Courthouse, 60 Centre Street,
New York, New York, on the 30 day of
September, 2010.

P R E S E N T:

HON. JUDITH J. GISCHE, J.S.C.

-----X

In the Matter of

the Application of

James J. Wrynn, Superintendent of Insurance
of the State of New York, for an order to take possession
of the property of and rehabilitate

Index No.: 400236/10

**ORDER OF
LIQUIDATION**

COLONIAL COOPERATIVE INSURANCE COMPANY.

-----X

Petitioner, James J. Wrynn, Superintendent of Insurance of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order to convert the rehabilitation proceeding of Colonial Cooperative Insurance Company ("CCIC") to a liquidation proceeding, and the Rehabilitator having provided CCIC claimants and creditors with notice of the relief sought, by posting the notice of the Order to Show Cause on the Internet web page maintained by the New York Liquidation Bureau at least 30 days prior to the return date, and no objections having been received, and upon reading and filing the petition of the Superintendent, duly verified the 20th day of August, 2010, the affidavit of Francesca G. Bliss, Assistant Special Deputy Superintendent, sworn to August 11, 2010, and the affidavit of Peter Giaccone, Chief Financial Officer of the New York Liquidation Bureau, sworn to August 11, 2010, and the exhibits attached thereto, this Court finds that:

1. CCIC was placed into rehabilitation and the Superintendent was appointed rehabilitator ("Rehabilitator") by order of this Court ("Rehabilitation Order") entered March 1, 2010;

2. The Rehabilitation Order found that a Mandatory Control Event under New York Insurance Law ("Insurance Law") Section 1324(g) had occurred with regard to CCIC;

3. The Rehabilitation Order found that CCIC consented to the entry of the Rehabilitation Order;

4. Further efforts to rehabilitate CCIC would be futile;

5. CCIC is insolvent;

6. CCIC is subject to the Insurance Law and, particularly, to Article 74 thereof;

and

7. It is in the best interest of all persons concerned that the Superintendent be vested with title to all CCIC's property, contracts and rights of action and directed to liquidate its business and affairs;

NOW, on motion of the Honorable Andrew M. Cuomo, Attorney General of the State of New York, it is hereby ORDERED as follows:

1. The relief requested in the petition for an order of liquidation is granted and CCIC is found to be insolvent;
2. The rehabilitation proceeding of CCIC instituted in the Supreme Court, New York County, is terminated;
3. The Superintendent, and his successors in office, are appointed liquidator ("Liquidator") of CCIC and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; (ii) vested with title to CCIC's property, contracts, rights of action and all its books and records, wherever located, as of the date of entry of this Order; and (iii) directed to liquidate CCIC's business and affairs in accordance with Insurance Law Article 74;

4. The Liquidator may deal with the property and business of CCIC in its name or in the name of the Liquidator;
5. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of CCIC and all other persons other than the Superintendent and his agents are permanently enjoined and restrained, except as authorized by the Superintendent, from: (i) transacting the business of CCIC, (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of CCIC's property; (iii) interfering with the Liquidator in the possession, control and management of CCIC's property or in the discharge of his duties; and (iv) disclosing the name, address or contact information of CCIC's policyholders, or any other information that is proprietary to CCIC's or not in the public domain, except as may be authorized by the Liquidator;
6. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against CCIC, the Liquidator or the New York Liquidation Bureau, its employees, attorneys and/or agents with respect to any claims against CCIC;
7. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against CCIC's assets or any part thereof;
8. All parties to actions, lawsuits, and special or other proceedings ("Litigation") in which CCIC is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings conferences or other court proceedings, motions or other requests to the court of any nature, proceedings on default, settlements or judgments, service of documents, discovery or any other litigation tasks or procedures for a period of 180 days from the date of entry of this Order;
9. All persons who have first-party policyholder no-fault loss claims pursuant to Article 51 of the Insurance Law against CCIC are enjoined from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or securities of CCIC at market price or better, or if there is no market price, at the best price obtainable at private sale at such times and upon such terms and conditions as, in his discretion, he deems is in the best interest of the creditors of CCIC, and he is further authorized 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;

11. In accordance with Insurance Law Section 7405, all contracts and agreements, including all leases, tax sharing agreements and employment contracts of CCIC, however described, shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this Order unless expressly assumed in writing by the Liquidator;
12. CCIC and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property belonging to or relating to CCIC, including but not limited to business records, insurance policies, claims files (electronic or paper), software programs, bank records or any tangible or intangible items of value, shall preserve such property and are directed, upon the Liquidator's request, to promptly assign, transfer, turn over and deliver such property to the Liquidator or his designees;
13. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to CCIC shall maintain and preserve all information in its possession ("Information") relating in any way to CCIC, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by CCIC and are directed, upon the Liquidator's request, to promptly submit all such Information to the Liquidator or his designees;
14. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of any of CCIC's funds, accounts or assets shall immediately, upon the Liquidator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Liquidator; (ii) transfer title of such funds, accounts or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; (iv) withdraw funds from such bank, savings and loan association or other financial institution; or (v) take any lesser action necessary for the proper conduct of the liquidation proceeding;
15. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
16. Judicial immunity is extended to the Superintendent in his capacity as liquidator and his successors in office and their agents and employees and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by any one or more of them when acting in good faith, in accordance with this Order, or in the performance of their duties pursuant to Insurance Law Article 74;

17. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;

18. The Liquidator shall provide notice of this order to all creditors, claimants and other interested persons by: (a) service of a copy of this Liquidation Order upon Kenneth Pangburn, former President of CCIC, as designated agent for service of process, by regular mail and certified mail, return receipt requested, on or before the 29th day of October 2010; (b) posting this Liquidation Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 30 days after the entry of this Liquidation Order; (c) publication of the notice of this Liquidation Order in *Business Insurance* once a week in two consecutive publication weeks, commencing within four weeks of entry of this Order, in a form substantially similar to the one attached hereto.

JUDITH J. GISCHE, J.S.C.

19. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered.

20. The notice prescribed in decretal paragraph 18 hereof is sufficient notice to all persons interested in CCIC;

21. This Court shall retain jurisdiction over this matter for all purposes;

22. All further papers in this proceeding shall bear the caption:

"In the Matter of

the Liquidation of

COLONIAL COOPERATIVE INSURANCE COMPANY"

SEP 30 2010

ENTER

J.S.C.

JUDITH J. GISCHE, J.S.C.

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

PRESENT: JUDITH J. GISCHE, J.S.C.
Justice

PART 10

*for Re: Colonial Cooperative
Annuities*

INDEX NO. 40023610
MOTION DATE _____
MOTION SEQ. NO. 03
MOTION CAL. NO. _____

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

Notice of Motion/ Order to Show Cause — Affidavits — Exhibits _____
Answering Affidavits — Exhibits _____
Replying Affidavits _____

FILED
OCT 04 2010
COUNTY CLERK'S OFFICE
NEW YORK
PAPERS NUMBERED

Cross-Motion: ☐ Yes ☐ No

Upon the foregoing papers, It is ordered that this motion

The OSC has been served on all appropriate parties & no one has appeared either in person or in writing to oppose the relief sought. It is therefore granted on default in accordance with a separate order signed this date.

Dated: 9/30/10

JUDITH J. GISCHE, J.S.C. J.S.C.

Check one: ☒ FINAL DISPOSITION ☐ NON-FINAL DISPOSITION
Check if appropriate: ☐ DO NOT POST ☐ REFERENCE
☐ SUBMIT ORDER/ JUDG. ☐ SETTLE ORDER/ JUDG.

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

Index No.: 400236/10

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

In the Matter of

the Liquidation of

COLONIAL COOPERATIVE INSURANCE COMPANY.

ORDER OF LIQUIDATION

JOHN PEARSON KELLY

Attorney for Superintendent of Insurance as Liquidator

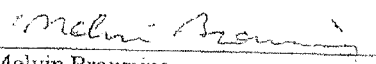
Office and Post Office Address, Telephone

New York Liquidation Bureau
123 William Street
New York, NY 10038-3889
(212) 341-6755
Fax (212) 608-3398

ATTORNEY CERTIFICATION

The undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information, belief and reasonable inquiry, the contentions in the above referenced document(s) are not frivolous.

Dated: September 30, 2010
New York, New York


Melvin Browning

☐ NOTICE OF ENTRY

that the within is a (*certified*) true copy of a
duly entered in the office of the clerk of the within named court on the day of 20

☐ NOTICE OF SETTLEMENT

that an order
settlement to the HON.

of which the within is a true copy will be presented for
one of the judges of the within named court, at
20 at

Dated:

, on

Yours, etc.

JOHN PEARSON KELLY

Attorney for Superintendent of Insurance
as Liquidator

Office and Post Office Address, Telephone

New York Liquidation Bureau
123 William Street
New York, NY 10038-3889
(212) 341-6755
Fax (212) 608-3398

At IAS Part 7 of the Supreme Court of the
State of New York, County of New York
at the Courthouse, 111 Centre Street, New
York, New York on the 15 day of June
2005.

PRESENT:

HON. FAVIOLA SOTO.

JUSTICE

-----X
In the Matter of

Index No.: 401876/05

the Application of

ORDER OF LIQUIDATION

HOWARD MILLS, Superintendent of Insurance
of the State of New York, for an order to take
possession of and liquidate the business and
affairs of and dissolve

REALM NATIONAL INSURANCE COMPANY

FILED

JUN 15 2005

COUNTY CLERK'S OFFICE
NEW YORK

Petitioner, Howard Mills, Superintendent of Insurance of the State of New York
(the "Superintendent"), having moved this court for an order to take possession of the
property of and liquidate the business and affairs and dissolve the corporate charter of
Realm National Insurance Company ("REALM");

NOW, upon reading and filing the petition of the Superintendent, duly verified
on the 10th day of June, 2005, the exhibits annexed thereto; the emergency affidavit of
Howard Mills, dated June 10, 2005; and it appearing to my satisfaction that:

1. REALM is a New York corporation, with its principal office in New
York County;
2. REALM is insolvent;

3. REALM has consented to an order of liquidation being entered against it in the Supreme Court, County of New York;

4. REALM is amenable to the Insurance Law of the State of New York and particularly to Article 74 thereof;

5. REALM should be dissolved and its corporate charter annulled and forfeited.

6. It is impossible to reinsure in whole or in part the existing policy obligations of REALM pursuant to Section 7405 (c) of the Insurance Law;

7. REALM is in such condition that its further transaction of business would be hazardous to its policyholders, creditors or to the public;

8. It is in the best interest of all persons concerned that the Superintendent be directed to take possession of the property and liquidate the business and affairs and dissolve the corporate charter of REALM.

NOW, on motion of the Honorable Eliot Spitzer, Attorney General of the State of New York, it is hereby ORDERED as follows:

1. The petition is granted;
2. REALM is insolvent;
3. The Superintendent, and his successors in office as Superintendent, are appointed liquidator of REALM, authorized and directed to immediately take possession of its property, are vested with title to its property, contracts and rights of action and directed to liquidate its business and affairs in accordance with Article 74 of the Insurance Law. The Superintendent as Liquidator may deal with the property and business of REALM in its name or in the name of the Superintendent, as Liquidator;
4. In accordance with Insurance Law § 7432 (b), all claims against REALM must be presented to the Superintendent, as Liquidator, within four months of the date of entry of this order;

5. In accordance with Insurance Law § 7433 (b)(2), all persons who appear on REALM's books and records as policyholders or claimants as of the date of entry of this order shall be deemed to have duly filed proofs of claim prior to the last day set for filing claims;
6. All former policyholders of REALM whose policies expired within three (3) years of the date of entry of this order shall be deemed to have duly filed a proof of claim prior to the last day set for filing claims;
7. The Superintendent, as Liquidator, shall provide notice, by publication in the New York Times, National Edition and the Journal of Commerce once a week for two consecutive weeks commencing within three weeks of entry of this order, to all other creditors, claimants and interested persons to present claims within four months of the date of entry of this order;
8. The Superintendent, as Liquidator, shall provide notice by publication in one newspaper in the capital cities of each state in the United States wherein REALM is licensed to do business, once a week for two successive weeks within the period allowed for the presenting of claims, the newspaper to be selected by the Liquidator at his discretion;
9. In the event one or more Insurance Departments and/or Guaranty Funds or Associations of foreign states, that have adopted the Uniform Insurers Liquidation Act, in which REALM was licensed to do business, desire to give formal notice to policyholders and creditors in their respective State Insurance Departments or Guaranty Fund or Association, the Superintendent, as Liquidator, may permit the giving of such notice as he in his discretion may find desirable;
10. The notice prescribed herein is sufficient notice to all persons interested in REALM;
11. All outstanding insurance policies, bonds, and other insurance obligations, if any, issued and undertaken by REALM shall terminate and all liability thereunder shall cease and be fixed as of 12:01 a.m. on the thirtieth day after entry of this order or upon cancellation or procurement of replacement policies, bonds or insurance coverage, whichever is earlier;

12. In accordance with Insurance Law § 7405, all other contracts, leases, tax sharing agreements, employment contracts, and obligations of REALM, however described, shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this order unless ratified by the Superintendent, as Liquidator;
13. The Superintendent, as Liquidator, is relieved of the provisions set forth in Section 7405(c) of the Insurance Law to reinsure in whole or in part the policy obligations of REALM;
14. The Superintendent, as Liquidator, is authorized, permitted and allowed to sell, assign, or transfer any and all real or personal property, stocks, bonds or securities of REALM at market price or better, or if there is no market price, at the best price obtainable at private sale at such times and upon such terms and conditions, as in his discretion, he deems is in the best interest of the creditors of REALM, and he is further authorized 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;
15. REALM, its officers, directors, depositories, trustees, agents, servants, employees, attorneys, and all other persons, having any property or records belonging or relating to REALM, including, but not limited to insurance policies, loss, claim or legal files are directed to assign, transfer, set over and deliver to the Superintendent, as Liquidator, all such property or records;
16. Any persons, firms, corporations, or associations having any books, papers or records relating to the business of REALM shall preserve them and submit them to the Superintendent, as Liquidator, for examination and copying at all reasonable times;
17. The officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of REALM, and all other persons are permanently enjoined and restrained from the transaction of REALM's business, the waste or disposition of its property, interfering with the Superintendent, as Liquidator, in the possession, control and management of the property of REALM or in the discharge of his duties;
18. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against REALM, the Superintendent, as Liquidator of REALM, or the New York Liquidation Bureau, its employees, attorneys and agents with respect to claims against REALM;

19. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against REALM's assets or any part thereof;
20. All parties to lawsuits in this state and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with, including but not limited to, 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 REALM is obligated to defend by virtue of its insurance contract 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 REALM is the next excess of umbrella layer of insurance for a period of 180 days from the date hereof;
21. Those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against REALM 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;
22. The corporate charter of REALM is relinquished, forfeited, surrendered and annulled, and REALM is dissolved;
23. The Superintendent of Insurance as Liquidator, may at any time make further application to this court for such further and different relief as he sees fit;
24. All further papers in this proceeding shall bear the caption:

"In the Matter of

the Liquidation of

REALM NATIONAL INSURANCE COMPANY"

25. The Superintendent, as Liquidator, shall serve a conformed copy of this order upon the county clerk and the clerk of the trial support office for amendment of the court and computer records.

ENTER


HON. FAVIOLA SOTO

FILED
JUN 15 2005
COUNTY CLERK'S OFFICE
NEW YORK

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 day of 20

Yours, etc.,

ELIOT SPITZER

Attorney General,

Attorney for

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

To

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 200, at A. M.

Date, N.Y.,

Yours, etc.,

ELIOT SPITZER

Attorney General,

Attorney for

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

To:

SUPREME COURT: NEW YORK COUNTY

In the Matter of
the Application of

HOWARD MILLS, Superintendent of Insurance of the State of New York, for an order to take possession of and liquidate the business and affairs of and dissolve

REALM NATIONAL INSURANCE COMPANY

ORDER OF LIQUIDATION

ELIOT SPITZER

Attorney General

Attorney for the Superintendent of
Insurance

Office and Post Office Address
120 Broadway, New York, N.Y. 10271
Tel. (212) 416-8658

Personal service of a copy of

within.....

is admitted this..... day of
.....20

At the Ex-Parte Office of the
Supreme Court of the State of
New York, County of New York,
60 Centre Street, in the Bor-
ough of Manhattan, City and
State of New York, on the 3rd
day of April, 1986.

P R E S E N T :

HON. *Thomas J. Hughes*

JUSTICE.

-----x
In the Matter of
the Application of

Index No. *41294/1986*
ORDER OF LIQUIDATION

JAMES P. CORCORAN, as Superintendent
of Insurance of the State of New York,
for an order to take possession of and
liquidate the business and affairs of

MIDLAND INSURANCE COMPANY
-----x

Now upon reading the Petition of JAMES P. CORCORAN,
Superintendent of Insurance of the State of New York, verified
the 2nd day of April, 1986 and exhibits annexed thereto in sup-
port of the petition, and it appearing to my satisfaction (i)
that MIDLAND INSURANCE COMPANY (hereinafter referred to as
"MIDLAND") was incorporated under the laws of the State of New
York on October 29, 1959 and licensed as a stock casualty insurer
in the State of New York on December 31, 1959; (ii) that it is

-1-

amenable to the Insurance Law of the State of New York and particularly to Article 74 thereof; (iii) that it is impossible to reinsure in whole or in part the existing policy obligations of MIDLAND pursuant to Section 7405 (c) of the Insurance Law; (iv) that the corporate charter as well as any rights and interest in licenses or certificates of authority to write insurance be vested in the Superintendent of Insurance; (v) that MIDLAND is insolvent, that it is in such condition that its further transaction of business would be hazardous to its policyholders, creditors or to the public, that it is to their best interests that this application should be granted and MIDLAND liquidated under and pursuant to Article 74 of the Insurance Law;

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

ORDERED ~~AND GRANTED~~, that the petition of the Superintendent is granted; and it is further

ORDERED ~~AND GRANTED~~, that JAMES P. CORCORAN, the Superintendent, or any successor in office as Superintendent, is hereby appointed liquidator of MIDLAND, and is hereby authorized and directed forthwith to take possession of the property and liquidate the business and affairs of MIDLAND pursuant to Article 74 of the Insurance Law and to deal with the property and busi-

ness affairs of MIDLAND in his name as Superintendent, and is vested with title to all of the property, licenses, corporate charters, contracts and rights of action of MIDLAND pursuant to Section 7405 of the Insurance Law; and it is further

ORDERED ~~AND APPROVED~~, that the notice of the aforesaid be given by publication in the national editions of The New York Times and The Journal of Commerce, commencing on or about the 16th day of April, 1986, and thereafter once a week for two successive weeks; and it is further

ORDERED ~~AND APPROVED~~, that notice of liquidation be given by publication of such notice in one newspaper in Washington, D.C., San Juan, Puerto Rico, the United States Virgin Islands and in all the Capital Cities of the States in the United States and the Capital of Canada, and in the newspapers in other cities to be selected by the Liquidator in his discretion, by publication of such notice once a week for two successive weeks within the period allowed for the filing of claims; and it is further

ORDERED ~~AND APPROVED~~, that the notice prescribed is sufficient notice to all persons interested in the assets of MIDLAND; and it is further

ORDERED ~~AND APPROVED~~, that notice of the making and entry of this order be given by the Superintendent, as Liquida-

tor, to the extent it can be reasonably ascertained, by mail to all policyholders, creditors and all other persons having any unsatisfied claims or demands of any character against the corporation in the possession of the Superintendent, as Liquidator, at the last known address of such persons as disclosed by said records and in such other manner and form as he in his discretion may find desirable, demanding that all persons indebted to MIDLAND render accounts of their indebtedness and pay any sums due to the Superintendent, as Liquidator; and giving notice to present proofs of claim with the Superintendent, as Liquidator, at a place specified in such notice within twelve months from the date of the entry of this Order and no later than the *7th* day of *April* 1987; and that such notice may contain such other rules, regulations and information as the Superintendent, as Liquidator, may deem necessary for the purpose of this proceeding in fixing and determining all lawful and valid claims and demands against the corporation; and it is further

ORDERED ~~AND ADJUDGED~~, that in the event one or more Insurance Departments and/or Guaranty Funds or Associations of foreign States that have adopted the Uniform Insurers Liquidation Act in which respondent was licensed to do business, desire to give formal notice to policyholders and creditors in their respective states to present proofs of claim to the respective State Insurance Department or Guaranty Fund or Association, the Superintendent, as Liquidator, may permit the giving of such

notice as he in his discretion may find desirable; and it is further

ORDERED ~~AND IT IS ORDERED~~, that all outstanding policy and other insurance obligations as well as surety bonds and obligations thereunder of MIDLAND terminate and all liability thereunder cease and be fixed as of 12:01 A.M. Eastern Daylight Savings Time, 30 days after the signing of this Order, or prior thereto upon the procurement by policyholders of new insurance covering their risks insured thereby, as well as procurement by principals of new surety bonds covering the obligations thereunder and notice thereof shall be given as hereinabove set forth; and it is further

ORDERED ~~AND IT IS ORDERED~~, that all other subsisting contracts, leases, tax sharing agreements, individual labor contracts and other obligations of MIDLAND and all liability thereunder cease and be fixed as of the date of the entry of this Order; and it is further

ORDERED ~~AND IT IS ORDERED~~, that the Superintendent, as Liquidator, is relieved of the provisions set forth in Section 7405 (c) of the Insurance Law, to wit: to reinsure in whole or in part the policy obligations of MIDLAND; and it is further

ORDERED ~~AND IT IS ORDERED~~, that JAMES P. CORCORAN, the Superintendent or any successor in office as Superintendent, is hereby authorized, permitted and allowed to sell, assign and

transfer any and all stocks, bonds and securities in his possession or which may hereafter come into his possession belonging to MIDLAND, in liquidation, 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 interests of the creditors of MIDLAND, in liquidation, 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 ~~James P. Corcoran~~, that JAMES P. CORCORAN, the Superintendent or any successor in office as Superintendent, is hereby authorized, permitted and allowed to sell, assign and transfer the Corporate Charter of MIDLAND and any and all insurance licenses or certificates of authority to write insurance in such a method and manner as is to be approved by the Court; and it is further

ORDERED ~~James P. Corcoran~~, that the Superintendent of Insurance, as Liquidator of MIDLAND, be permitted in his discretion to continue contract negotiations for the sale of MIDLAND PROPERTY AND CASUALTY INSURANCE COMPANY in the present manner and format as has been already entered into by MIDLAND prior to this Order and that the consummation of the transaction be subject to a further order of the Court; and it is further

ORDERED ~~AND~~ that MIDLAND, its officers, directors, trustees, policyholders, agents and employees and all other persons having any property or records belonging to MIDLAND, are hereby directed to assign, transfer and deliver to the Superintendent, as Liquidator, all of such property in whomever the same may be, and that any persons, firms or corporations having any books, papers or records relating to the business of said corporation shall preserve the same and submit them to the Superintendent, as Liquidator, for examination at all reasonable times; and it is further

ORDERED ~~AND~~, that the officers, directors, trustees, policyholders, agents and employees of MIDLAND, and all other persons are enjoined and restrained from the further transaction of business or from dealing with or disposing of the property or assets of said corporation, 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 corporation, or its estate while in the possession and control of the Superintendent, as Liquidator; and it is further

ORDERED ~~AND~~, that the officers, directors, trustees, policyholders, agents and employees of MIDLAND, and all other persons, including but not limited to claimants, plaintiffs and petitioners who have claims against MIDLAND, are per-

manently enjoined and restrained from bringing or further prosecuting any action at law, suit in equity, special or other proceeding against the said corporation or its estate, or the Superintendent and his successors in office, as Liquidator thereof, or from making or executing any levy upon the property or estate of said corporation, or from in any way interfering with the Superintendent, or any successor in office, in his possession or in the discharge of his duties as Liquidator thereof, or in the liquidation of the business of said corporation; and it is further

ORDERED ~~and it is further~~, that all parties to law suits in this State and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with any pre-trial conference, trial, application for judgment, or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which MIDLAND is obligated to defend a party insured or any other persons it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date hereof; and it is further

ORDERED ~~and it is further~~, that those persons who may have first party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against MIDLAND coming within the purview of Article 76 of the Insurance Law,

are enjoined for 90 days from the date hereof from presenting and filing such formal claims in this proceeding pursuant to Section 7432 of the Insurance Law; and it is further

ORDERED ~~XXXXXXXXXX~~, that all parties to Administration Hearings before the Workers' Compensation Board coming within the purview of Article 76 of the Insurance Law (Property and Casualty Security Fund) and Section 107 of the Workers' Compensation Law (Stock Workers' Compensation Security Fund) are hereby enjoined and restrained from proceeding with conferences, hearings, applications for judgments or proceedings on said judgments or other proceedings in which MIDLAND is legally obligated to defend an insured employer or any other person by virtue of their Workers' Compensation Contract for a period of 90 days from the date hereof; and it is further

ORDERED ~~XXXXXXXXXX~~, that all parties to conferences before the Commissioner of the United States Department of Labor at various district offices in the United States, or Hearings before Administrative Law Judges of the Department of Labor and any ensuing appeals therefrom are hereby enjoined and restrained from proceeding with conferences, hearings, applications for judgments or proceedings on said judgments or other proceedings in which MIDLAND is legally obligated to defend or represent an insured employer or any other persons by virtue of their Longshore and Harbor Workers' Compensation Contract for a period of

90 days from the date hereof; and it is further

ORDERED ~~AND ADJUDGED~~, 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 Liquidation of
MIDLAND INSURANCE COMPANY"

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

ORDERED ~~AND ADJUDGED~~, that the Superintendant, as Liquidator, may at any time make further application for such further and different relief as he sees fit.

E N T E R

151 T. J. H.
J. S. C.

Filed
4/13/86
New York County

DATE *APR 9 1986*
I hereby certify that the foregoing
paper is a true copy of the original
thereof, filed in my office on the
3rd day of *April*, 19*86*

[Signature]

County Clerk and Clerk of the
Supreme Court New York County
NO FEE - OFFICIAL USE

-10-