

At IAS Part 8 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 71 THOMAS Street, in the County, City and State of New York, on the 6th day of April, 2017.

PRESENT:

HON. **JOAN M. KENNEY** J.S.C.

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

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In the Matter of

Index No.: 153214/17

the Application of

ORDER TO SHOW CAUSE

Maria T. Vullo, Superintendent of Financial Services of the State of New York, for an Order of Appointment as Ancillary Receiver of

CASTLEPOINT NATIONAL INSURANCE COMPANY.

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Upon the reading and filing of the annexed verified petition ("Verified Petition") of Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on the 5th day of April, 2017, the affidavit of Marc Allen, Assistant Chief Examiner, Property Bureau, New York State Department of Financial Services, sworn to on the 4th day of April, 2017, 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 Dave Jones, Insurance Commissioner of the State of California, as the duly-appointed liquidator of CastlePoint National Insurance Company ("CastlePoint"), David E. Wilson, Special Deputy Insurance Commissioner in charge of the CastlePoint liquidation, Joseph

Holloway, Jr., Liquidation Manager for Special Deputy Insurance Commissioner Wilson, and all creditors, claimants and interested persons located in the State of New York ^{appear and} show cause before this Court at IAS Part 8 Room 304 thereof, at the Courthouse located at 71 THOMAS Street in the County, City and State of New York, on the 3rd day of May, 2017, at 10:30 o'clock in the A.m., or as soon thereafter as counsel can be heard ("Return Date"), why an order, substantially in the form attached as Exhibit 1 to the Verified Petition ("Order"), should not be made *inter alia*: (1) finding that the Superior Court of the State of California, City and County of San Francisco has issued an Order of Liquidation with a finding of insolvency against CastlePoint on March 30, 2017, and effective as of April 1, 2017 ("Liquidation Order"); (2) appointing the Superintendent and her successors in office as ancillary receiver of CastlePoint ("Ancillary Receiver"); (3) vesting the Ancillary Receiver with all rights and obligations granted to and imposed upon her pursuant to Article 74 of the New York Insurance Law ("Insurance Law"); (4) finding that the material provisions of the Liquidation Order as it pertains to this ancillary receivership proceeding, including the injunctions, restrictions and directions set forth in paragraphs 20, 21, 22, 23, 24, 25, 29 and 30, apply to this ancillary receivership proceeding; (5) finding that in accordance with Insurance Law § 7412(a) the claims bar date of December 31, 2017, established in paragraphs 31 and 32 of the Liquidation Order, applies to this ancillary receivership proceeding and all New York claims under CastlePoint policies and evidence supporting such claims must be submitted to the Ancillary Receiver by December 31, 2017, and if not submitted by that date shall be barred; (6) permanently enjoining and restraining all persons from commencing or prosecuting any actions, lawsuits or proceedings or obtaining preferences judgements, attachments, or other liens or making any levy against the Superintendent as Ancillary Receiver or as administrator of the New York security funds, the

New York Liquidation Bureau, and their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties; (7) enjoining and restraining all parties to actions, lawsuits, and special or other proceedings against insureds of CastlePoint or in which CastlePoint is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy from obtaining any judgment or 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 the Order; (8) enjoining and restraining all persons who have first party policyholder loss claims against CastlePoint in the State of New York, from presenting and filing claims with the Ancillary Receiver for a period of 90 days from the date of entry of the Order; (9) extending judicial immunity to the Superintendent in her capacity as Ancillary Receiver of CastlePoint, 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; and (10) granting such other and further relief as the Court may deem just and proper;

AND sufficient cause having been ~~shown~~ ^{alleged} therefor, it is hereby

ORDERED, that service of this Order to Show Cause and its supporting papers shall be deemed good and proper service if served by: (i) overnight mail to Dave Jones, Insurance Commissioner of the State of California, David E. Wilson, Special Deputy Insurance Commissioner in charge of the CastlePoint liquidation and Joseph Holloway, Jr., Liquidation Manager for Special Deputy Insurance Commissioner Wilson, 100 Pine Street, Suite 2600, San Francisco, California 94111 at least 10 days before the Return Date; and (ii) posting on the

Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least 10 days prior to the Return Date; and it is further

~~ORDERED, that any answering papers in support of or in opposition to this application ("Answering Papers") be served by overnight mail so as to be received by the Superintendent at least two days prior to the Return Date, and that such service shall be made at the following addresses:~~

~~Eric T. Schneiderman
Attorney General of the State of New York
120 Broadway, 24th Floor
New York, NY 10271
Attention: _____~~

~~New York Liquidation Bureau
110 William Street, 15th Floor
New York, New York 10038
Attention: General Counsel~~

~~and by filing the Answering Papers with this Court on or before the Return Date; and it is further~~

ORDERED, that pending the hearing ~~and determination~~ of this motion, all actions or proceedings within the jurisdiction of the courts of the State of New York against CastlePoint and all actions or proceedings in which CastlePoint is obligated to defend a party in a proceeding are stayed.

JMK
JOAN M. KENNEY

*J.S.C. *NO*

ORAL ARGUMENT REQUIRED.

**No reply papers*

ENTER

JMK
JOAN M. KENNEY
U.S.C.

** Opposition if any shall be uploaded prior to the return date and hard copies delivered to Part 8 on the return date before 12:00 PM*

JMK
JOAN M. KENNEY