

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

-----X
In the Matter of

Index No.: 42638/80

the Liquidation of

AFFIRMATION

COSMOPOLITAN MUTUAL INSURANCE COMPANY.
-----X

Lauren M. Reber, an attorney at law duly admitted to practice before the Courts of the State of New York, herby affirms the following to be true under the penalties of perjury:

1. I am an attorney with the New York Liquidation Bureau (the "NYLB"), the organization that carries out the duties of Maria T. Vullo, Superintendent of Financial Services of the State of New York in her capacity as liquidator (the "Liquidator") of Cosmopolitan Mutual Insurance Company ("Cosmopolitan"), and submit this affirmation upon information and belief the sources of which are the Cosmopolitan files maintained by the NYLB, in support of the Liquidator's motion to approve the report on the status of and request to close the liquidation proceeding of Cosmopolitan (the "Closing Report"), annexed hereto as Exhibit 2.

Background

2. By order dated August 5, 1980, this Court placed Cosmopolitan into rehabilitation under Article 74 of the New York Insurance Law (the "Insurance Law"). The Superintendent of Insurance of the State of New York and his successors in office were appointed rehabilitator of Cosmopolitan (the "Rehabilitator").

3. Thereafter, the Rehabilitator concluded that further attempts to rehabilitate Cosmopolitan would be futile and moved this Court, pursuant to Insurance Law §7403(c), for an order converting the rehabilitation proceeding to a liquidation proceeding. This Court granted the motion and issued an order dated October 24, 1980 (the "Liquidation Order") converting the

proceeding to a liquidation (the "Liquidation Proceeding") and appointing the Superintendent of Insurance of the State of New York and his successors in office as Liquidator of Cosmopolitan. The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Liquidator of Cosmopolitan.

The Liquidation Proceeding Should Be Closed

4. The Closing Report (Exhibit 2) details the actions of Cosmopolitan's Liquidator during the course of this Liquidation Proceeding in (a) the marshaling of assets of the estate by collecting reinsurance and other receivables; (b) receiving and adjudicating claims against the estate by determining their classification and allowance or disallowance, subject to court approval where required, in accordance with the Insurance Law; (c) obtaining a court-ordered bar date after which no additional claims against the estate could be asserted or developed; and (d) making distributions of estate assets to allowed claimants in accordance with the Insurance Law to the extent the Liquidator deemed sufficient funds to be available for distribution.

Initial Court Report and the Bar Date

5. On September 21, 2000, the Liquidator filed a petition seeking, among other things, approval of an initial report on the status of the liquidation ("Initial Report") and the transactions delineated therein; the establishment of a bar date (a "Bar Date") for the presentation of claims, including the presentation of losses covered by reinsurance contracts; the discharge of claims presented after the Bar Date, including claims for losses covered by reinsurance contracts; and authorization for the Liquidator to make further *pro-rata* distributions of assets to Cosmopolitan's general creditors for allowed claims to the extent that sufficient funds were available. Objections to the Initial Report were raised by Blackman Plumbing Supply Corp. ("Blackman") and hearings were held on January 12, 2001, May 4, 2001, and May 3, 2002, after which the Liquidator filed an updated Interim Report, dated June 25, 2002 ("Interim Report").

On December 24, 2002, this Court entered an order (“2002 Order”) approving the Interim Report and the financial transactions detailed therein and establishing September 30, 2002 as the Bar Date, after which all claims for losses arising out of underlying claims reported after the Bar Date were barred and discharged. A copy of the 2002 Order and Interim Report are attached, collectively, to the Closing Report as Exhibit A. The 2002 Order also provided that money be made available by the New York Property/Casualty Security Fund for certain policies issued to Blackman pending resolution of Blackman’s asbestos-related claims. As more fully described in the Closing Report, Blackman’s claims were fully resolved in 2016 under Court Order Number 708.

Adjudication of Claims

6. The Liquidator sought and obtained from this Court procedures for judicial review of the Liquidator’s disallowance of claims. When presented with a timely claim, the Liquidator made a determination to allow or disallow each claim. To the extent a claim was disallowed, the claimant could object. Objections were referred to the court-appointed referee for a hearing and recommendation to the Court. All claims under Cosmopolitan policies have now been adjudicated and no objections remain open.

Distributions to Holders of Allowed Claims

7. Cosmopolitan was placed into liquidation in 1980 under Insurance Law Article XVI, which provided that all allowed creditors be paid *pro-rata* from an insolvent insurer’s general assets. In 1999, Article XVI was recodified as Article 74, which established a priority scheme for the classification of claims and payment of allowed claims in order of class priority. The scheme paid allowed claims under policies (Class two claims) ahead of all other classes of claims except the administrative claims of the Liquidator (Class one). In 2005, Insurance Law §

7434 was amended to retroactively apply the priority scheme to all open liquidation proceedings commenced prior to 1999.

The Cosmopolitan estate paid allowed creditors *pro-rata* under the prior law until it was changed, then paid allowed Class Two claimants *pro-rata* in accordance with the priority scheme. Specifically, five of nine *pro-rata* distributions made by the Cosmopolitan estate were made prior to the 2005 legislative amendment and paid a total of 65% of allowed claims to all allowed claimants in the estate. Four more distributions were made after the 2005 legislative amendment, which paid allowed a total of an additional 24.06% of allowed claims to Class two creditors under Insurance Law § 7434. After 2005, claimants whose claims were classified below Class two did not receive additional distributions.

The Liquidation Proceeding is Ready to be Closed

8. As more thoroughly described in the Closing Report, the Liquidator has complied with the directives of the Liquidation Order, has resolved Blackman's claims, and has otherwise wound up the affairs of Cosmopolitan in accordance with Insurance Law Article 74. It is respectfully submitted that the Closing Report and the financial transactions delineated therein should be approved, the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, should be discharged and an order substantially in the form of the proposed order annexed hereto as Exhibit 3 should be entered terminating and closing the Liquidation Proceeding.

9. Additionally, it is respectfully submitted that the NYLB should be authorized, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of Cosmopolitan that may be delivered to the NYLB and to use such assets, first, to pay any administrative expenses incurred in connection with the receipt and

distribution of such additional assets, and then to distribute them *pro-rata* to allowed Class two claimants in the estate.

10. The Liquidator also requests that this Court issue the accompanying Order to Show Cause approving a return date for a hearing on the Liquidator's application to be held before this Court at least forty-five (45) days after the date of issuance of the Order to Show Cause.

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

WHEREFORE, it is respectfully requested that this Court enter an order:

- (1) approving the Liquidator's Closing Report and the financial transactions delineated in such report;
- (2) authorizing the continued payment of administrative expenses, including expenses for the closing of the Liquidation Proceeding;
- (3) terminating and closing the Liquidation Proceeding;
- (4) authorizing the NYLB, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of Cosmopolitan that may be delivered to the NYLB and to use such assets, first, to pay any administrative expenses incurred in connection with the receipt and distribution of such additional assets, and then to distribute them *pro-rata* to allowed Class two claimants;
- (5) releasing and discharging the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and
- (6) granting such other and further relief as the Court may deem appropriate and just.

Dated: New York, New York
September 12, 2017

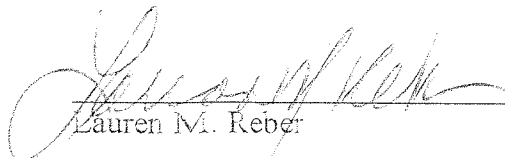

Lauren M. Reber

EXHIBIT 1

**IN THE MATTER OF THE LIQUIDATION OF
COSMOPOLITAN MUTUAL INSURANCE COMPANY**
Supreme Court County of New York
Index No.: 42638/80

NOTICE

Pursuant to an order of the Supreme Court of the State of New York, County of New York ("Court"), entered on October 24, 1980, the Superintendent of Insurance of the State of New York and his successors in office were appointed as liquidator ("Liquidator") of Cosmopolitan Mutual Insurance Company ("Cosmopolitan") and, as such, has been directed to take possession of Cosmopolitan's property and liquidate its business and affairs pursuant to Article 74 of the New York Insurance Law ("Insurance Law"). The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Liquidator of Cosmopolitan. The Liquidator has, pursuant to Insurance Law Article 74, appointed David Axinn, Special Deputy Superintendent ("Special Deputy"), as her agent to liquidate the business of Cosmopolitan. The Special Deputy carries out his duties through the New York Liquidation Bureau ("NYLB"), 110 William Street, New York, New York 10038. The Liquidator has submitted to the Court an affirmation seeking an order: (1) approving the Liquidator's report on the status of and request to close the Cosmopolitan liquidation proceeding (the "Liquidation Proceeding") and the financial transactions delineated in such report; (2) authorizing the continued payment of administrative expenses, including expenses for the closing of the Liquidation Proceeding; (3) terminating and closing the Liquidation Proceeding; (4) authorizing the NYLB, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of Cosmopolitan that may be delivered to the NYLB and to use such assets, first, to pay any administrative expenses incurred in connection with the receipt and distribution of such additional assets, and then to distribute them *pro-rata* to allowed Class two claimants; (5) releasing and discharging the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and (6) granting such other and further relief as the Court deems appropriate and just.

The Return Date on the Liquidator's application is scheduled for the ____ day of _____, 2017, at ____:____.m., before the Court at the Courthouse, 60 Centre Street, New York, New York. If you wish to object to the Liquidator's application, you must serve a written statement setting forth your objections and all supporting documentation upon the Liquidator and Clerk of the Court, at least seven (7) days prior to the Return Date. Service on the Liquidator shall be made by first class mail at the following address:

Superintendent of Financial Services of the State of New York as
Liquidator of Cosmopolitan Mutual Insurance Company
110 William Street, 15th Floor
New York, New York 10038
Attention: General Counsel

The application is available for inspection at <http://www.nylb.org>. In the event of any discrepancy between this notice and the documents submitted to Court, the documents control.

Requests for further information should be directed to the NYLB, Creditor and Ancillary Operations Division, at (212) 341-6241.

Dated: [Insert Date]

MARIA T. VULLO
Superintendent of Financial Services of the
State of New York as Liquidator of
Cosmopolitan Mutual Insurance Company

EXHIBIT 2

**FINAL REPORT ON THE STATUS OF AND REQUEST TO CLOSE THE
LIQUIDATION PROCEEDING OF COSMOPOLITAN MUTUAL
INSURANCE COMPANY**

Maria T. Vullo, Superintendent of Financial Services of the State of New York as court-appointed liquidator (the "Liquidator") of Cosmopolitan Mutual Insurance Company ("Cosmopolitan") has appointed certain agents, to carry out, through the New York Liquidation Bureau (the "NYLB"), the responsibilities of the Liquidator. The Liquidator, by David Axinn, Special Deputy Superintendent and Agent, hereby submits this report on the status of and request to close the Cosmopolitan liquidation proceeding (the "Liquidation Proceeding") and respectfully requests that the Court grant the relief sought in the accompanying application and close this Liquidation Proceeding.

Introduction

Cosmopolitan was incorporated under the laws of the State of New York on December 11, 1923, and was licensed as a New York mutual casualty insurer on April 19, 1924, then known as Butchers Mutual Casualty Company of New York. On January 21, 1947, the name of the company was changed to Cosmopolitan Mutual Casualty Company of New York and, on January 1, 1956, the company's name was changed to its present form, Cosmopolitan Mutual Insurance Company. Cosmopolitan was authorized to transact the business of insurance in the states of New York, New Jersey, Florida, Georgia, Illinois, Maine, Maryland, North Carolina, Pennsylvania and Connecticut. Cosmopolitan was also licensed to accept and cede reinsurance as provided for in New York Insurance Law (the "Insurance Law") §§6606 and 1308.

On August 5, 1980, the Supreme Court of the State of New York, New York County, entered an order placing Cosmopolitan into rehabilitation. The Superintendent of Insurance of the State of New York was appointed Rehabilitator. The Rehabilitator examined the company and determined that further efforts to rehabilitate Cosmopolitan were futile and thereafter moved

under Insurance Law §7403(c) to convert the rehabilitation proceeding to a liquidation proceeding. The Court granted the motion and issued an order (the "Liquidation Order"), entered on October 24, 1980, converting the rehabilitation proceeding into a liquidation proceeding. The Superintendent of Insurance was appointed Liquidator. The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Liquidator of Cosmopolitan.

The Liquidation Order required the Liquidator, among other things, to marshal Cosmopolitan's assets, fix and determine the amounts of valid claims against the estate by policyholders and other creditors, and otherwise wind up and liquidate the affairs of Cosmopolitan in accordance with the Insurance Law.

The Liquidator submits this Closing Report to apprise the Court of the status of the Liquidation Proceeding and request that the Court (1) approve this Closing Report and the transactions delineated herein; (2) authorize the continued payment of administrative expenses, including expenses for the closing of the Liquidation Proceeding; (3) terminate and close the Liquidation Proceeding; (4) authorize the NYLB, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of Cosmopolitan that may be delivered to the NYLB and to use such assets, first, to pay any administrative expenses incurred in connection with the receipt and distribution of such additional assets, and then to distribute them *pro-rata* to allowed Class two claimants; (5) release and discharge the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and (6) grant such other and further relief as the Court deems appropriate and just.

The Claims Adjudication Procedure

The Liquidator is responsible for evaluating all claims presented to Cosmopolitan and determining whether they should be allowed or disallowed. By order entered March 25, 1994, the Court established procedures for judicial review of the Liquidator's disallowance of claims. Under the Court established procedures, any claimant whose claim was disallowed in whole or in part was afforded the opportunity to object. Objections were referred to a Court-appointed referee to hold a hearing and make a recommendation to the Court on the validity of the objection.

The Interim Report and Bar Date

On September 21, 2000, the Liquidator made a motion to approve an initial report on the status of the Liquidation Proceeding ("Initial Report") and the transactions delineated therein; establish a bar date ("Bar Date") for the presentation of claims, including the presentation of losses covered by reinsurance contracts; discharge claims presented after the Bar Date, including claims for losses covered by reinsurance contract; and authorize the Liquidator to make further *pro-rata* distributions of assets to Cosmopolitan's general creditors for allowed claims to the extent that sufficient funds were available. Objections to the Initial Report were raised by Blackman Plumbing Supply Corp. ("Blackman") and the Court conducted hearings on January 12, 2001, May 4, 2001 and May 3, 2002 on those objections.

On June 25, 2002, the Liquidator filed an updated Interim Report on the status of the Liquidation of Cosmopolitan ("Interim Report"), which included a revised recommendation to establishing September 30, 2002 as the Bar Date. On December 24, 2002, this Court entered an order ("2002 Order") approving the Interim Report and the financial transactions detailed therein and establishing September 30, 2002 as the Bar Date, after which all claims for losses arising out of claims reported after the Bar Date were barred and discharged. A copy of the 2002 Order and

the Interim Report are attached collectively hereto as Exhibit A. The 2002 Order also provided that money be made available by the New York Property/Casualty Security Fund ("P/C Fund") for certain policies issued to Blackman pending resolution of Blackman's asbestos-related claims.

Subsequent to the 2002 Order, the Liquidator acknowledged that Blackman had reported 214 asbestos bodily injury claims prior to the Bar Date. During the course of the next nine years, Blackman and the Liquidator disputed whether Blackman had reported sufficient information to establish actual losses covered by the Cosmopolitan policies. In 2012, the Court granted the Liquidator's motion to disallow Blackman's claims due to Blackman's failure to establish that its claims fell within the scope of Cosmopolitan's policies. However, on March 7, 2013, the Appellate Division, First Department, remanded the matter for a further determination of "whether each claim is covered under the Cosmopolitan policies." Thereafter, one of Blackman's claims was heard by the court-appointed referee, which resulted in a global settlement of all Blackman's claims in 2016. The settlement was approved by the Supervising Court under Court Order Number 708.

Change in Law and New Priority Classifications

Cosmopolitan was placed into liquidation in 1980 under Insurance Law Article XVI, which provided that all allowed creditors be paid pro-rata from an insolvent insurer's general assets. In 1999, Article XVI was recodified as Article 74, which established a priority scheme classifying claims into separate classes and providing for payment of allowed claims in order of class priority. In 2005, Insurance Law § 7434 was amended to retroactively apply the priority scheme to open liquidation proceedings commenced prior to 1999, which included Cosmopolitan.

The priority scheme under Insurance Law §7434 sets forth a claims classification procedure as follows:

(i) Class one. Claims with respect to the actual and necessary expenses of administration incurred by a liquidator or rehabilitator.

(ii) Class two. All claims under policies, including claims of federal, state or local government for losses incurred, third party claims, claims for unearned premiums, and all claims of security funds or guaranty associations, but excluding claims under reinsurance contracts.

(iii) Class three. Claims of the federal government, except those under Class two.

(iv) Class four. Claims for wages owing to employees of an insurer against whom an Article 74 proceeding is commenced and claims for unemployment insurance contributions required by Article 18 of the New York Labor Law.

(v) Class five. Claims of state and local governments, except those under Class two.

(vi) Class six. Claims of general creditors, including but not limited to claims arising under reinsurance contracts.

(vii) Class seven. Claims filed late or any other claims other than claims stated in Class eight or Class nine below.

(viii) Class eight. Claims for advanced or borrowed funds made pursuant to Insurance Law §1307.

Class nine. Claims of shareholders or other owners in their capacity as shareholders

Insurance Law §7434(a)(1) provides in pertinent part:

[u]pon the recommendation of the Superintendent, and under the direction of the court, distribution payments shall be made in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims. The priority of distribution of claims from an insolvent

property/casualty insurer in any [Article 74] proceeding ... shall be in accordance with the order in which each class of claims is set forth in [Insurance Law §7434] ... No claim by a shareholder, policyholder or other creditor shall be permitted to circumvent the priority classes through the use of equitable remedies.

Cosmopolitan has made a total of nine distributions of assets, of which five were made prior to the 2005 legislative amendment. Those distributions were paid to all Cosmopolitan claimants and creditors with allowed claims and totaled 65% of the value of the allowed claims. Four additional distributions were made subsequent to the 2005 legislative amendment in accordance with the priority scheme established in Insurance Law §7434. Allowed Class two claimants received a total of an additional 24.06% of the value of their allowed claims. The Cosmopolitan estate has no further assets to pay Class two claimants in full or to make distributions to claimants with lower priority claims.

The Claims Asserted Against the Cosmopolitan Estate

The Liquidator has now administered all claims against the Cosmopolitan estate. There were a total of 5790 proofs of claim filed in the estate, of which 16 were filed by the New York Security Funds and foreign guaranty associations to which eligible claims were referred for handling and payment (collectively, the "Guaranty Funds").¹ The Guaranty Funds handled and paid a total of 2,232 claims referred by the Liquidator. Of the remaining claims, 3357 were adjudicated by the Liquidator as follows: 746 were allowed as non-fund claims that were ultimately classified as Class two claims under the §7434 priority scheme; 16 were allowed as the aggregate claims of the Guaranty Funds, which became Class two claims under the §7434 priority scheme; 1,545 claims were disallowed; 464 claims were voided as duplicative or erroneous; 196 claims were withdrawn; three claims were allowed that ultimately became classified as Class five claims under the §7434 priority scheme; and 387 claims were allowed

¹ The claim of each Guaranty Fund is the aggregate of all eligible policyholder claims handled and paid by that Guaranty Fund.

that ultimately became classified as Class six claims under the §7434 priority scheme. In addition, 201 claims filed with the Liquidator were not adjudicated because, after the 2005 legislative amendment, these claims fell below Class two in the §7434 priority scheme and were not necessary to adjudicate because the estate had insufficient assets to pay claims below Class two.

Prior to the legislative amendment, all allowed creditor claims were paid on a pro rata basis from available assets of the estate. After the statutory change, allowed creditor claims were paid in order of priority, with policyholder claims, including the claims of the Guaranty Funds, being paid on a *pro-rata* basis as Class two claims.

Financial Condition of Cosmopolitan

The Liquidator completed all actions necessary to wind-up Cosmopolitan's affairs by July 31, 2017 (the "Closing Date"). Cosmopolitan's comparative balance sheet as of the Liquidation Date and the Closing Date and the statement of changes in cash and invested assets for the period between the Liquidation Date and the Closing Date (collectively, the "Financial Statements") are annexed hereto as Exhibit B. The Financial Statements provide a breakdown of receipts and disbursements during the Liquidation Proceeding. The following is a summary of that information.

A. As of the Liquidation Date

The Liquidator conducted a review of Cosmopolitan's financial position as of the Liquidation Date and found that Cosmopolitan had assets totaling \$64,397,828 and total liabilities of \$89,895,208, leaving it insolvent in the amount of \$25,497,380.

I. Assets

As of the Liquidation Date, Cosmopolitan's records reflect that it had assets in the amount of \$64,397,828. Cosmopolitan had total cash and invested assets in the amount of

\$55,650,566, premium in the course of collection in the amount of \$3,986.286 and miscellaneous assets in the amount of \$674,674. Additionally, Cosmopolitan was carrying restricted assets in the amount of \$4,086,302, which consisted of statutory deposits held by other states.

2. Liabilities

As of the Liquidation Date, Cosmopolitan's records reflect total liabilities in the amount of \$89,895,208, which consisted of \$263,035 for funds supplied by reinsurers, \$59,739,604 as gross liability for loss claim reserves, \$7,447,400 for LAE, \$14,160,102 for unearned and advance premium claims, \$1,193,928 in unsecured creditor claims (other than reinsurance related) and \$7,091,139 in reinsurance related unsecured claims.

B. As of the Closing Date

As of the Closing Date, Cosmopolitan had total assets of \$0 and total liabilities of \$31,071,709, leaving Cosmopolitan insolvent in the amount of \$31,071,709. Cosmopolitan's Closing Date liabilities of \$31,071,709, which includes \$17,664,941 for the allowed claims of the New York Security Funds and the Guaranty Funds of other States (Class two claims) for loss, unearned premium LAE and administrative expenses; and \$123,508 for allowed non-fund covered policy claims².

Cosmopolitan's records also reflect the following allowed claims: Class five State and Local Government claims in the amount of \$7,476; Class six unsecured creditor claims (other than reinsurance related) in the amount of \$312,364; and Class six reinsurance related unsecured claims in the amount of \$2,989,563.

² A non-fund covered policy related claim is either a policy claim for a type of business not covered by the P/C Fund or is a claim for the excess of a claim over the statutory limit of the P/C Fund.

Additionally, Cosmopolitan's records reflect the following non-allowed claims: Class nine late filed claims in the amount of \$9,973,857. See also Cosmopolitan's Financial Statements annexed hereto as Exhibit B.

1. Collection of Assets

(a) Cash Receipts

As of the Closing Date, the Liquidator collected assets in the amount of \$119,186,561, consisting of \$35,038,732 in reinsurance recoveries, \$18,853 in premiums and commissions, \$1,793,592 in salvage and subrogation recoveries, \$19,627 in litigation awards and \$1,667,233 in other miscellaneous receipts. The Liquidator invested Cosmopolitan's assets in cash and U.S. government bonds and agency securities, and has earned investment income over the lifetime of the estate in the amount of \$80,648,524.

(b) Administrative Expense Reimbursement

As of the Closing Date, the Liquidator received \$22,096,545, in reimbursement from the Security Funds for payment of LAE and administrative expenses incurred and paid by the Liquidator in connection with the administration of claims covered by the Security Funds.

2. Disbursement of Assets

(a) Expenses

From the Liquidation Date through the Closing Date, the Liquidator incurred and paid expenses in the amount of \$49,732,122. These expenses include: \$9,795,065 for LAE; \$21,200,188 for the salaries of the Liquidator's staff; \$5,759,716 for employee relations and welfare (*e.g.*, payroll taxes, health insurance and pension contributions); \$5,490,383 for rent and related expenses; \$2,437,501 for professional fees (*e.g.*, accountants, legal and other consultants); \$2,415,039 for general and administrative expenses (*e.g.*, IT services and office

supplies); and \$2,634,230 for miscellaneous expenses (e.g., insurance, bank fees and closing costs).

Although the disbursement of administrative expenses set forth above totals \$49,732,122, \$22,096,545, of that total relates to those expenses that have been reimbursed by the Security Funds. Therefore, after offsetting the Security Fund's payments, net total expenses charged to Cosmopolitan for administrative expenses were \$27,635,577.

(b) Transfer to Segregated Accounts

The Liquidator paid \$87,887 of assets to satisfy secured liabilities of Cosmopolitan that should have been segregated prior to liquidation.

3. Distribution of Assets

Pursuant to the October 31, 2000 Order and Insurance Law Article 74, the Liquidator made nine pro-rata distributions of assets to Cosmopolitan's creditors with allowed claims in the amount of \$147,113,663. Additionally, the non-New York Guaranty Funds received or retained \$3,323,488 from the statutory deposits and/or from other recoveries.


Relief Sought

The Liquidator submits this Closing Report in order to inform the Court of the status of the Liquidation Proceeding, the actions taken within the Liquidation Proceeding, and to advise the Court that the Liquidator believes that the affairs of the Cosmopolitan estate permit administrative expenses to be paid and, further, that the Liquidation Proceeding be terminated and closed. As such, the Liquidator is applying, at this time, for an order approving the Closing Report and closing the Liquidation Proceeding. The relief sought would also authorize the NYLE, without further application to the Court, to continue to receive assets of Cosmopolitan, and to use such assets, first, to pay any and all administrative expenses incurred in connection with the collection and disbursement of any such additional assets, and then to distribute them to

those creditors of Cosmopolitan with allowed Class two claims who are eligible to share in a *pro-rata* distribution. As such, the Liquidator respectfully requests that the Supervising Court issue an order:

1. approving this Closing Report and the financial transactions delineated herein;
2. authorizing the continued payment of administrative expenses, including expenses for the closing of the Liquidation Proceeding;
3. terminating and closing the Liquidation Proceeding;
4. authorizing the NYLB, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of Cosmopolitan that may be delivered to the NYLB and to use such assets, first, to pay any administrative expenses incurred in connection with the receipt and distribution of such additional assets, and then to distribute them *pro-rata* to allowed Class two claimants;
5. releasing and discharging the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and
6. granting such other and further relief as the Court may deem appropriate and just.

Dated: New York, New York
September 12, 2017



David Axinn
Special Deputy Superintendent and Agent of
Maria T. Vullo, Superintendent of Financial
Services of the State of New York as
Liquidator of Cosmopolitan Mutual
Insurance Company

L20784/LMR

EXHIBIT A

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At Part 19 of the Supreme Court of
the State of New York, County of
New York, 60 Centre Street, New
York New York on the 15th day
of October, 2002

PRESENT:

HON. EDWARD H. LEHNER
JUSTICE

-----X Index No.: 42638/80

In the Matter of _____

ORDER AND JUDGMENT

The Liquidation of

COSMOPOLITAN MUTUAL INSURANCE
COMPANY
-----X

UPON the Petition of Richard S. Karpin, Assistant Special Deputy Superintendent and Agent of GREGORY V. SERIO, Superintendent of Insurance of the State of New York, as Liquidator of Cosmopolitan Mutual Insurance Company ("Cosmopolitan"), duly verified on September 21, 2000, pursuant to Article 74 of the New York Insurance Law, confirming and approving the Liquidator's Report on the Status of the Liquidation of Cosmopolitan Mutual Insurance Company (the "Report"), and the transactions set forth therein, and authorizing the Liquidator to establish a cut-off date ("Bar Date") for the development of claims;

NOW, upon reading and filing the Order Establishing Notice and Hearing Date for Consideration of the Liquidator's Petition for Confirmation and Approval of His Report on the Status of the Liquidation of Cosmopolitan Mutual Insurance Company, dated October 24, 2000, the Petition of Richard S. Karpin, dated September 21, 2000, the affidavit of Jeffrey A. Naimoli, sworn to on December 4, 2000 in support, and exhibits thereto; the affidavit of Susan

Halbardier, dated December 27, 2000 in opposition, the affidavit of Robert Mannheimer sworn to on December 27, 2000 in opposition, the affirmation of Douglas S. Thaler, dated December 27, 2000 in opposition, with exhibits; the affidavit of Richard S. Karpin, sworn to on January 11, 2001 in support, the letter dated February 6, 2001 from Steven S. Unger, Esq. to the Honorable Edward H. Lehner in support, the affidavit of Steven Unger, Esq., sworn to on March 16, 2001, in support, the affidavit of Susan A. Costa, sworn to on January 11, 2001 in support, and the affidavit of Richard Karpin, dated June 25, 2002, and the updated Interim Report on the Status of the Liquidation of Cosmopolitan Mutual Insurance Company, dated June 25, 2002;

AND said Petition having come on to be heard before this court on January 12, 2001, May 4, 2001 and May 3, 2002, and upon due deliberation having been had by the Court, and the Court having rendered a determination on the Record on May 3, 2002;

NOW, on motion of Herzfeld & Rubin, P.C., attorneys for the Liquidator, it is hereby

ORDERED and ADJUDGED that the Liquidator's petition is granted as and to the extent hereafter set forth; and it is further

ORDERED and ADJUDGED that the Liquidator's Interim Report on the Status of the Liquidation of Cosmopolitan Mutual Insurance Company, dated June 25, 2002 and the transactions set forth therein, is confirmed and approved; and it is further

ORDERED and ADJUDGED that the Liquidator's request for the Court to set a deadline, after which a claim for loss will be barred and/or discharged if not previously reported ("Bar Date") is granted; and it is further

ORDERED and ADJUDGED that the request of the Liquidator to modify the Bar Date to September 30, 2002 is granted; and it is further

ORDERED and ADJUDGED that the Bar Date shall be September 30, 2002; and
it is further

ORDERED and ADJUDGED that all claims for losses arising out of underlying
claims reported after September 30, 2002 shall be barred and/or discharged; and it is further,

ORDERED and ADJUDGED that up to Six Million (\$6,000,000.00) Dollars shall
be made available by the New York Property/Casualty Insurance Security Fund on account of
Cosmopolitan policies bearing numbers GLA-17-37673-52, GLA-17-37673-62, GLA-17-37673-
72, GL-17-37673-82, GL-17-37673-92, and GL-17-37673-02 issued to Blackman Plumbing
Supply Corp. ("Blackman") for payment of such claims reported to the Liquidator before the Bar
Date (September 30, 2002) as may subsequently be determined to be covered under said policies
(if any); and it is further

ORDERED and ADJUDGED that any issues concerning proof of the existence of
additional policies issued to Blackman by Cosmopolitan, which of those policies (if any) provide
coverage to Blackman, and which claims against Blackman are covered by any of
Cosmopolitan's policies, shall be the subject of a hearing before the Referee to be appointed by
the Court to hear and report; and it is further

ORDERED and ADJUDGED the Liquidator is authorized to make partial pro-rata
distribution of assets to Cosmopolitan's general creditors for allowed claims to the extent
sufficient funds are available therefor.

FILED

DEC 24 2002
COUNTY CLERK'S OFFICE
NEW YORK

ENTER



James J. Quinn
JAMES J. QUINN
CLERK

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

-----X Index No.: 42638/80

In the Matter of

AFFIDAVIT

The Liquidation of

COSMOPOLITAN MUTUAL INSURANCE
COMPANY

-----X

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

RICHARD S. KARPIN, being duly sworn, deposes and says:

1. I am an Assistant Special Deputy Superintendent of Insurance and Agent of GREGORY V. SERIO, Superintendent of Insurance of the State of New York as Liquidator (the "Liquidator") of Cosmopolitan Mutual Insurance Company ("Cosmopolitan"). I am fully familiar with the facts set forth herein. I make this affidavit in support of the proposed Order and Judgment directed to be settled by the Court.


2. Given the passage of time from the initial application and the issues raised at this proceeding's hearings, the Liquidator respectfully amends his Petition so as to request that the Bar Date be September 30, 2002.

3. Annexed hereto is an updated version of the Report on the Status of the Liquidation of Cosmopolitan Mutual Insurance Company. The Liquidator respectfully

amends his Petition so as to request approval of this updated Report.


RICHARD S. KARPIN

Sworn to before me this
25th day of June, 2002


Notary Public

CATHY BOSCO
Notary Public, State Of New York
No. 01BO6019788
Qualified in Kings County
Commission Expires 02/16/2003

**REPORT ON THE STATUS OF
THE LIQUIDATION OF
COSMOPOLITAN MUTUAL INSURANCE COMPANY
AND PROPOSAL FOR
ESTABLISHMENT OF A BAR DATE
AND THE DISTRIBUTION OF ASSETS**

INTRODUCTION

Richard S. Karpin, Assistant Special Deputy Superintendent of Insurance and Agent of Gregory V. Serio, Superintendent of Insurance of the State of New York as Liquidator (the "Liquidator") of Cosmopolitan Mutual Insurance Company ("Cosmopolitan" and alternately, "the estate") hereby reports on the status of the Cosmopolitan liquidation proceeding and respectfully sets forth the Liquidator's proposal for the distribution of assets and for the establishment of a bar date for the presentation of claims in this proceeding.

By order (the "Liquidation Order") of the Supreme Court of the State of New York, County of New York, entered on October 24, 1980, Cosmopolitan was adjudged to be insolvent and placed into liquidation. The Liquidation Order appointed the then Superintendent Albert B. Lewis and his successor(s) in office as Liquidator(s) of Cosmopolitan.

The Liquidation Order directed the Superintendent of Insurance to perform his duties as Liquidator, including the following:

- a) take possession of Cosmopolitan's property and assets;
- b) provide notice to Cosmopolitan's creditors, as disclosed by Cosmopolitan's books and records, to present proofs of claim;
- c) marshal Cosmopolitan's assets;

d) adjudicate the claims presented and otherwise liquidate Cosmopolitan's business pursuant to Article XVI (now Article 74) of the New York Insurance Law; and

e) distribute Cosmopolitan's assets, pro rata, to creditors with allowed claims.

In his fiduciary role, the Liquidator has performed duties on behalf of Cosmopolitan and its creditors since the commencement of the proceeding 22 years ago. To date, the Liquidator has recorded 5,447 proofs of claim (exclusive of workers' compensation claims) and has completed adjudication of 5,092. Of these, 81 are reinsurance claims, which have been partially allowed but not finalized. At present, allowed claims are paid at a 60% dividend rate. The Liquidator has determined that the best interest of Cosmopolitan's creditors will be served if the winding-up of the proceeding proceeds in accordance with the proposal set forth in the "Recommendations and Proposal", Section IV, in this Report and recommends that the Court establish September 30, 2002 as the bar date for the final presentation of claims.

Without a bar date, the estate will remain open for many more years. Significant claim and administrative expenses will be incurred as the Liquidator processes all losses (including those yet to be reported) covered by insurance/reinsurance contracts which were cancelled by operation of the Liquidation Order nearly 22 years ago. A bar date would benefit all creditors of Cosmopolitan as it would permit the Liquidator to set all liabilities, particularly reinsurance liabilities, as of September 30, 2002, and would expedite the distribution of assets and wind-up this long standing proceeding.

I. HISTORY

Cosmopolitan, incorporated under the laws of the State of New York on December 11, 1923, was licensed as a New York mutual casualty insurer on April 19, 1924, then

known as Butchers Mutual Casualty Company of New York. Its corporate name was changed to Cosmopolitan Mutual Casualty Company of New York on January 21, 1947, and to its present form, Cosmopolitan Mutual Insurance Company, on January 1, 1956. Cosmopolitan was authorized to transact the business of insurance in the states of New Jersey, Florida, Georgia and Connecticut, as well as New York. Cosmopolitan also engaged in the business of reinsurance¹ by assuming and ceding risk.

Prior to liquidation, and pursuant to then §511(L) of the Insurance Law, Cosmopolitan was placed into rehabilitation by order of the Honorable Thomas J. Hughes, Justice of the Supreme Court of the State of New York, County of New York, on August 5, 1980 (Exhibit "A" herein). The Rehabilitation Order on consent was predicated on a New York State Insurance Department Report on Examination dated January 25, 1980. The application for rehabilitation divulged the New York Insurance Department's findings: As of December 31, 1978, Cosmopolitan was insolvent in the amount of \$12,350,679, thus indicating a total impairment of capital of \$13,850,679.

Following further review by an independent public accounting firm retained by the Superintendent as Rehabilitator of Cosmopolitan, the insolvency as of December 31, 1979 was reported to be \$32 million. Attempts to rehabilitate Cosmopolitan proved futile; it was impossible to cure the insolvency.

As a result, the Superintendent concluded that the further transaction of Cosmopolitan's business would be hazardous to the policyholders, creditors, and to the

¹ Succinctly stated, reinsurance is insurance for the insurance/reinsurance industry. The industry spreads or transfers the risk of loss covered by its insurance policies or groups of policies. The original or primary insurer (the "cedent") cedes a portion or all of a risk it underwrites to a reinsurer who agrees to indemnify the cedent for a portion of the premium on the risk transferred. The cedent submits losses it incurs under reinsured policies to the reinsurer. The reinsurer then indemnifies the cedent for the portion of loss that the former assumed.

public. On October 20, 1980, he petitioned the Court for an order of liquidation on the grounds that Cosmopolitan was impaired and insolvent. The Liquidation Order, signed by the Honorable Richard W. Wallach, Justice of the Supreme Court of the State of New York, County of New York, was entered on October 24, 1980 (Exhibit "B" herein).

II. COSMOPOLITAN'S FINANCIAL CONDITION AS OF THE DATE OF LIQUIDATION

Upon entry of the Liquidation Order, Cosmopolitan's books and records recorded total assets of \$64,397,827 and total liabilities of \$89,895,208 rendering it insolvent in the amount of \$25,497,381. (Comparative Balance Sheets as of December 31, 1978, and October 24, 1980, attached hereto as Exhibit "C").

A. Cosmopolitan's Assets

Cosmopolitan's total assets of \$64,397,827 at the date of liquidation included invested, free assets of \$55,600,567 consisting of cash and equivalents of \$471,093 and stocks and bonds (substantially junk bonds) in the amount of \$25,000 and \$55,104,474, respectively. Cosmopolitan's total assets also included invested, restricted assets comprised of an expense deposit of \$50,000 and \$2,774,295 on deposit with other state regulatory authorities.

Other assets of \$5,972,965 represent premiums in the course of collection in the amount of \$3,986,286; funds held by ancillary receivers in the amount of \$1,312,006; equity of \$572,435 invested in a mutual corporation reinsurance fund; and miscellaneous assets representing accrued interest of \$102,238.

E. Cosmopolitan's Liabilities

Cosmopolitan's reported liabilities as of October 24, 1980 totaled \$89,895,208. Claim liabilities amounted to \$59,739,604, comprised of \$323,577 then due to the New

York Security Funds ("NYSF"),² and outstanding reserves³ of \$59,416,027 on claims asserting coverage under the NYSF. Claim expense liabilities on outstanding New York claims were \$7,447,400. In addition, reinsurance liabilities then consisted of \$2,705,321 in payments due for paid losses covered by reinsurance contracts, and \$814,028 in funds held under reinsurance treaties.

Cosmopolitan's liability for the paid reinsurance losses, \$2,705,321, represented Cosmopolitan's obligation as an assuming reinsurer to pay under certain reinsurance contracts for losses already paid by its cedents. As of the date of liquidation, however, Cosmopolitan posted no claim reserves for outstanding or unpaid reinsurance obligations on its assumed business.

Despite the cancellation of all contracts prior to and/or on the date of liquidation, "long tail" claims (e.g., casualty, environmental, reinsurance claims) originally covered by Cosmopolitan's reinsurance contracts may continue to be reported. Thus, Cosmopolitan's ultimate liability for losses covered by its reinsurance contracts was neither known nor developed by the date of liquidation and is not fully known or developed to this very date.

The balance of Cosmopolitan's other liabilities as of October 24, 1980, totaling \$19,188,855, consisted of return premium obligations in the amount of \$14,160,102; funds held as collateral in the amount of \$263,035; \$3,571,790 due to the National Workers Compensation Reinsurance Pool; and \$1,193,928 in taxes, licenses and fees.

² In New York, the Property/Casualty Insurance Security Fund, the Public Motor Vehicle Liability Security Fund and the Workers' Compensation Security Fund are maintained to pay certain claims arising under policies that are unpaid due to the insolvency of a licensed insurer. The Security Funds had been triggered upon Cosmopolitan's placement into rehabilitation.

³ Outstanding claims reserves are estimates of the company's liability under insurance contracts.

III. THE LIQUIDATION PROCEEDING

A. Notice to Creditors

All policyholders, creditors and all other persons having any unsatisfied claim or demand against Cosmopolitan as disclosed by the books and records of Cosmopolitan as of October 24, 1980, were notified of the liquidation of Cosmopolitan by mail and by publication. All outstanding policies and other insurance obligations of Cosmopolitan were terminated, and liabilities ceased and were fixed at 12:01 a.m. (EST), January 1, 1981. The notice to creditors also set the fixed date for the filing of proofs of claim. Proofs of claim were to be presented by all persons having claim against Cosmopolitan within 12 months from the date of entry of the Liquidation Order and no later than October 23, 1981.

B. Proofs of Claim

To date, 5,447 proofs of claim (exclusive of workers' compensation) have been recorded. Of this total, 16 were filed by the NYSF and sister state Guaranty Funds;⁴ 191 were withdrawn; 64 were voided as duplicates. The total also includes 74 policyholder protection proofs of claim,⁵ 2,224 individual claims paid by the NYSF; one (1) finalized and 81 partially allowed reinsurance claims; 196 deferred claims, i.e., deemed untimely filed; 17 open claims; 1,530 disallowed and 1,053 general creditor claims allowed⁶ in the court proceeding.

⁴ Sister state Guaranty Funds (also referred to as "ancillaries" in this Report) perform claims paying functions akin to the NYSF.

⁵ Distinguished from all other classes of proofs of claim, policyholder protection proofs of claims provide policyholders the right to present claims covered by Cosmopolitan's policies that were incurred prior to the claim filing deadline but not asserted or reported until after the claim filing deadline.

⁶ Pursuant to New York Insurance Law, an "allowed claim" is a claim that has been approved by the liquidation court and it is allowed to share in the distribution of assets.

C. Adjudication of Claims

A claim is adjudicated upon the entry of the Liquidation court's order allowing a claim for a specified amount or disallowing it. An "allowed" claim is permitted to share in the distribution of assets based on a specified amount allowed by the court.

Cosmopolitan's liabilities consist of claims which, in general, fall into broad categories: losses covered by policies [casualty, environmental, workers' compensation and employers liability (workers' compensation 1B)]; reinsurance; security funds/guaranty associations; and general creditor claims. All claims for return premium have been satisfied. Claims for losses arising under policies are claims by or against Cosmopolitan's policyholders for losses covered by Cosmopolitan's policies that were in effect prior to liquidation.

D. Claims by Category

1. New York Security Fund Covered Claims

As of March 31, 2002, claims seeking recovery from the NYSF consist of: a) three hundred eight (308) individual workers' compensation claims reserved at \$6,418,616 in the aggregate, and (b) claims under nine (9) liability/casualty policies, reserved in the aggregate amount of \$6,104,001.⁷

The NYSF is entitled to a claim in this proceeding for reimbursement of the losses and expenses it has paid to Cosmopolitan claimants. As of March 31, 2002,

⁷ This amount includes \$6,000,000 to be made available by the New York Property/Casualty Insurance Security Fund to Blackman Plumbing Supply for payment of such claims reported to the Liquidator before the bar date as may be covered under Cosmopolitan policies bearing numbers GLA-17-37673-52, GLA-17-37673-62, GLA-17-37673-72, GL-17-37673-82, GL-17-37673-92 and GL-17-37673-02 issued to Blackman Plumbing. Attached hereto as Exhibit "D" is a listing of lawsuits for which Blackman currently seeks coverage for these policies.

Cosmopolitan's net liability to the NYSF for paid losses and loss adjustment expenses amounts to \$40,953,477.

2. Reinsurance Claims

As of March 31, 2002, \$14,648,383 has been allowed for reinsurance claims. Eighty-six (86) reinsurance proofs of claim are pending, of which 81 have been processed for interim allowance. Cosmopolitan's total liability for paid claims and assumed reserves covered by the proofs of claim totaled \$19,304,487.

Reinsurance claims are claims for payment due from Cosmopolitan (as the assuming reinsurer) to insurance companies that ceded risks to Cosmopolitan pursuant to reinsurance contracts. Reinsurance claims would also have included claims for premium due to reinsurers who assumed risks from Cosmopolitan (as cedent) pursuant to reinsurance contracts.

Eighty-one (81) of the 86 reinsurance proofs of claim remaining against the estate are related to Cosmopolitan's participation in the Agency Managers Inc. Pool (AMI), managed by Reinsurance Management Co., Inc. (ROM). ROM manages the processing of losses and collection of reinsurance on behalf of all the pool participants, including Cosmopolitan.

As to procedural matters, ROM submits claims for allowance in the Cosmopolitan liquidation proceeding for losses covered by Cosmopolitan's reinsurance contracts. ROM's handling and reporting of claims also will be subject to the proposed bar date, if

established by the Court. The Liquidator, then, will be in a better position in which to set all liabilities, especially reinsurance liabilities of this estate.

ROM is in possession of the claim files it is administering. A typical transaction by ROM is as follows: Insurer X bills ROM for a certain amount (e.g. \$50,000) for a loss sustained on a risk reinsured in whole or in part by Cosmopolitan as part of the AMI pool. ROM then files in the Cosmopolitan liquidation proceeding a proof of claim form so that the loss amount may be "allowed" in court. Thereafter, ROM bills Cosmopolitan's retrocessionaires⁸ who, in effect, are reinsurers for Cosmopolitan's assumed business on the instant risk. ROM collects the retrocessionaires' proportionate shares of the loss and remits these retrocessional recoveries to the Liquidator. ROM handles these claims, collects retrocessional recoveries and reports to the Liquidator quarterly.

3. Ancillary Fund Claims

In addition to the NYSF covered claims, security/guaranty funds in other states perform a similar function on behalf of Cosmopolitan obligations in their states. Claims have been filed by guaranty/security funds in Connecticut, Florida, Illinois, Maryland, Massachusetts, New Jersey, North Carolina and Pennsylvania.

Ancillary security funds that paid claims and incurred expenses covered by Cosmopolitan policies are entitled to a claim in this proceeding for reimbursement for those losses and expenses. In essence, the Funds are subrogated to the rights of claimants

⁸ Retrocessionaires are reinsurers who assume risk or portions thereof from the original reinsurer (Cosmopolitan here) in order to spread the original risk among many companies (i.e., a pool) for the purpose of limiting loss exposure and protecting financial stability of each participating reinsurer.

whom they paid. As of March 31, 2002, Cosmopolitan's net liability to the ancillary security funds for paid losses and loss adjustment expenses amounts to \$17,778,993.

4) Miscellaneous General Creditor Claims

General creditor claims include insurance claims that are not covered by the NYSF or ancillary security fund and non-insurance related claims such as claims by state governments for taxes, legal fees, and vendors for supplies and services rendered. Disbursements to general creditors from the date of liquidation through March 31, 2002, were \$1,228,893. The net amount remaining to be paid to Cosmopolitan's general creditors is \$817,102.

E. Collection of Assets

The Liquidator collected assets in the total amount of \$91,346,325 through March 31, 2002. The collections consist of investment income, reinsurance recoveries, salvage and subrogation, premiums and miscellaneous receipts as follows:

Investment Income	\$65,375,136
Reinsurance	16,763,734
Salvage and Subrogation	2,412,600
Premiums	4,571,579
Litigation Recoveries	19,627
Miscellaneous	2,203,649

F. Expenses

The Liquidator has incurred administrative expenses in the total amount of \$20,946,917 on behalf of Cosmopolitan from the date of liquidation through March 31, 2002. The expense items are listed on the Statement of Cash Receipts and Disbursements (the "Statement of Cash Receipts and Disbursements", attached herein as Exhibit "E").

The expenses consist of salaries for the Liquidator's staff in the amount of \$18,472,859; \$3,538,517 for employee benefits; \$4,769,684 for rent; \$4,463,388 for overhead (insurance, office expense and equipment/supplies, postage, telephone); \$463,477 for fees to legal counsel; \$1,201,675 for fees to other consultants; \$135,964 for taxes; \$171,892 for investment expense; \$94,046 for travel; and \$176,288 for audits of insureds' records. The expenses set forth above total \$33,487,790, however, \$12,540,873 relates to expenses that have been paid by the NYSE. After offsetting the Funds' expense payments, the net expenses paid by the Liquidator total \$20,946,917.

G. Dividends/Distribution

From the liquidation date, October 24, 1980, through March 31, 2002, the Liquidator has distributed assets in the form of dividends totaling \$89,736,503 to creditors. The dividend represented a payment of sixty percent (60%) of Cosmopolitan's liabilities. Thirty percent (30%) was paid in June 1988; ten percent (10%) in November 1989; fifteen percent (15%) in June 1994; and five percent (5%) in August 1995. The Liquidator has been unable to make any additional distributions of assets to Cosmopolitan's creditors because of the continuing development of reinsurance claims, and the uncertainty of the ultimate liabilities therefor. Reinsurance claims against the estate must be adjudicated and finalized.

H. Assets and Liabilities as of March 31, 2002

As of March 31, 2002, Cosmopolitan's assets total \$56,409,859, and liabilities, \$101,949,557, which render the estate insolvent in the amount of \$45,539,698. This deficit is likely to grow if a cut-off date for the presentation of claims is not imposed. The spectre of reinsurance claims adding to the deficit is real, even at this late date in this long-standing proceeding. Reinsurance was written covering risks (in New York and in many other states, e.g., CT, FL, IL, MD, MA, NJ, NC, PA) for which claims have been made against the estate, and may continue to be made without a bar date.

1) Cosmopolitan's Assets as of March 31, 2002

Cosmopolitan's assets of \$56,409,859, are comprised of invested assets of \$43,703,168 and other assets of \$12,706,691.

Invested free assets in the amount of \$42,325,175 consist of cash and equivalents of \$3,924,455 and bonds valued at \$38,400,720. Restricted assets in the amount of \$1,377,993 include the following: \$160,000 on deposit with the Liquidation Bureau's revolving fund; \$656,707 in collateral accounts; escheatable funds of \$228,971; and \$332,315 in ancillary funds.

Other assets include reinsurance recoverables of \$3,609,079 on paid losses (Gross recoverables of \$6,042,694 less \$2,433,615 reserved for uncollectible amounts), reinsurance recoverables on unpaid losses of \$7,852,444 (Gross recoverables of \$8,533,440 less \$680,996 reserved for uncollectible amounts); and amounts due from security funds for claims and expenses, \$1,245,168.

2) Cosmopolitan's Liabilities as of March 31, 2002

Cosmopolitan's liabilities for claims total \$68,694,835, including payments in the amount of \$32,040,930 and \$16,033,565, due to the NYSF and ancillary guaranty funds, respectively. The latter amount, due to ancillary Guaranty Funds, is calculated by adding the losses plus the total return premium and subtracting amounts already paid on allowed claims. Reserves of \$20,620,340 make up the balance of claim liabilities.

Also, claim expense liabilities due to the NYSF are \$8,912,546, while reserves of \$3,572,484 are posted for New York, and \$553,519 for ancillaries. Total claim expense liabilities, therefore, equal \$13,038,549 as of March 31, 2002.

Reinsurance balances payable of \$14,176,431, and claims reserves for assumed reinsurance outstanding in the amount of \$5,128,056, result in \$19,304,487 in reinsurance liabilities through March 31, 2002.

Outstanding expenses of \$26,008, escheatable funds of \$228,971 and collateral in the amount of \$656,707 are also the obligation of Cosmopolitan.

Total liabilities, therefore, equal \$101,949,557 as of March 31, 2002.

IV. RECOMMENDATIONS AND PROPOSAL

A. Bar Date

The Comparative Balance Sheet (Exhibit "C" herein) illustrates the serious deficit from which the Cosmopolitan estate and its creditors suffer. As of March 31, 2002, total assets equal \$56,409,859 and total liabilities are \$101,949,557. The insolvency is \$45,539,698.

The open reinsurance claims continue to develop as Cosmopolitan's cedents report the payment of additional losses covered by the reinsurance contracts. The Liquidator respectfully requests that this Court enter an order providing that all incurred claims that are not reported by September 30, 2002 are barred and discharged. This provision is necessary to enable the Liquidator to determine, with finality, the amount due to Cosmopolitan's reinsurance creditors. Although Cosmopolitan has been in liquidation since 1980, reinsurance creditors who filed timely proofs of claim continue to report the payment of claims and expenses and the establishment of reserves on outstanding claims covered by reinsurance contracts entered into prior to liquidation. Without a bar date, reinsurance claims could continue to develop for many years. Claims against direct policies issued by Cosmopolitan that have not been reported by the bar date will also be barred. Nevertheless, the possibility that unreported individual claims under few policies may be asserted indefinitely into the future does not justify keeping the proceeding open to the detriment of all other claimants.

Approval of the bar date will have the beneficial effect of dramatically accelerating the distribution of assets. It will enable the Liquidator to quantify and finalize Cosmopolitan's liabilities, particularly, reinsurance liabilities. It will also eliminate the substantial expense that would be incurred if the Liquidator were required to further update Cosmopolitan's creditors' claims, an expense that would partially or fully offset any gains in estate investment income or reinsurance recoveries. Distributions certainly will be delayed. Even if Cosmopolitan's assets increase in value, that increase would not cover the cost to creditors inherent in the delay required to finalize Cosmopolitan's liabilities.

The only individual claims that would not be considered are those NOT YET reported on contracts that were terminated 22 years ago. As stated above, to process such claims would not benefit Cosmopolitan's creditors. It would merely delay the winding-up of this proceeding.

Based on the foregoing, the Liquidator proposes that:

1. The actions of the Liquidator that are set forth in this Report regarding the collection of assets and payment of expenses be approved and ratified.
2. Claims be limited to paid and outstanding losses and expenses reported through September 30, 2002.
3. Claims for losses and loss adjustment expenses reported after September 30, 2002, including direct policy claims, be barred and discharged.

B. Resolution of New York Workers' Compensation Security Fund ("WCSF") Claims

As of March 31, 2002, 308 New York workers' compensation claims remained open. The Liquidator proposes to estimate the present value of these claims and administrative expenses and to finalize the claim of the WCSF in the proceeding.

C. Final Distribution

Following the finalization of all reinsurance claims, WCSF commutations and all other open claims made as of September 30, 2002, the Liquidator will submit to court a proposed order for the final pro rata distribution of assets as dividends to all creditors.

This distribution, if approved, will be preceded by a final report to court and a final dividend distribution proposal as the final acts in the closing of the Cosmopolitan estate.

V. CONCLUSION

The Liquidator accordingly requests that the court sign the annexed order providing for the following relief:

1. Approval of this Report;
2. Establishment of September 30, 2002 as the bar date for the presentation of claims, including the presentation of losses covered by reinsurance contracts;
3. The discharge of claims presented after September 30, 2002, including claims for losses covered by reinsurance contracts.

Dated: New York, New York

June 25, 2002

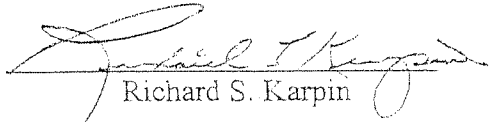

Richard S. Karpin

EXHIBIT A

At a Special Term, Part II of the
Supreme Court of the State of
New York, held in and for the
County of New York, at the Court-
house, 60 Centre Street, in the
Borough of Manhattan, City and
State of New York, on the 5th
day of August, 1980.

P R E S E N T :

HON.

Thomas J. Hughes

JUSTICE.

----- X

In the Matter of

Index No. 41938/1980

the Application of

ALBERT B. LEWIS, as Superintendent of
Insurance of the State of New York,
for an order to take possession of
the property and rehabilitate

COSMOPOLITAN MUTUAL INSURANCE COMPANY

ORDER OF REHABILITATION

----- X

Upon reading and filing the annexed petition of ALBERT
B. LEWIS, Superintendent of Insurance of the State of New York,
verified the 5th day of August, 1980, for an order directing
him to take possession of the property of COSMOPOLITAN MUTUAL
INSURANCE COMPANY and to conduct the business of said
COSMOPOLITAN MUTUAL INSURANCE COMPANY, and to take such steps
toward the removal of the causes and conditions which made the
within proceeding necessary, pursuant to Article XVI of the

Insurance Law of the State of New York, and upon the annexed consent of COSMOPOLITAN MUTUAL INSURANCE COMPANY, dated the 15th day of February, 1980; and it appearing to my satisfaction that COSMOPOLITAN MUTUAL INSURANCE COMPANY was incorporated on December 11, 1923 under the laws of the State of New York and began business as a mutual casualty insurer on April 19, 1924 as the Butchers Mutual Casualty Company of New York; that the name was changed to Cosmopolitan Mutual Casualty Company of New York on January 21, 1947 and changed to its present name, COSMOPOLITAN MUTUAL INSURANCE COMPANY, on January 1, 1956; that the principal place of business of COSMOPOLITAN MUTUAL INSURANCE COMPANY is located in the County of New York, State of New York; that it is amenable to the Insurance Laws of the State of New York and particularly to Article XVI thereof; that the said COSMOPOLITAN MUTUAL INSURANCE COMPANY, by its consent dated the 15th day of February 1980, consented to the entry of an Order of Rehabilitation, without notice to it, upon its default in its failure to cure its insolvency and its impairment; and upon the annexed exhibits to the petition herein; that it is to the best interests of all persons concerned that the Superintendent of Insurance of the State of New York be directed to take possession of the property of said company and to rehabilitate the same;

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

ORDERED, that the petition of ALBERT B. LEWIS, Superintendent of Insurance of the State of New York, be and the same hereby is in all respects granted; and it is further

ORDERED, that COSMOPOLITAN MUTUAL INSURANCE COMPANY be and it hereby is adjudged to be insolvent; and it is further

ORDERED, that the said ALBERT B. LEWIS, as Superintendent of Insurance of the State of New York, and his successors in office as Superintendents of Insurance of the State of New York, be and he is and they are hereby appointed Rehabilitator of COSMOPOLITAN MUTUAL INSURANCE COMPANY, and are hereby authorized and directed forthwith to take possession of the property of the said COSMOPOLITAN MUTUAL INSURANCE COMPANY and conduct the business thereof, and to take such further steps toward the removal of the causes and conditions which made the within proceeding necessary as he shall deem wise and expedient and as the Court shall direct and to deal with the property and business of COSMOPOLITAN MUTUAL INSURANCE COMPANY in the name of COSMOPOLITAN MUTUAL INSURANCE COMPANY, or in the name of the Superintendent of Insurance, as Rehabilitator of COSMOPOLITAN MUTUAL INSURANCE COMPANY; and it is further

ORDERED, that notice to all persons having claims against COSMOPOLITAN MUTUAL INSURANCE COMPANY to file or present the same with the Rehabilitator, be and the same hereby is deferred until further order of this Court; and it is further

ORDERED, that the said COSMOPOLITAN MUTUAL INSURANCE COMPANY, its officers, directors, depositories, trustees, agents, servants and employees, and all other persons having any property or records belonging or relating to the said COSMOPOLITAN MUTUAL INSURANCE COMPANY, including but not limited to insurance policy, loss claim and legal files, be and they are hereby directed to assign, transfer, set over and deliver to said Superintendent of Insurance and his successors in office as Rehabilitators, all of such property or records in whosoever name the same may be, and that any persons, firms, corporations or associations having any books, papers or records relating to the business of the said COSMOPOLITAN MUTUAL INSURANCE COMPANY, shall preserve the same and submit them to the Superintendent of Insurance, as Rehabilitator, his agents, servants and employees, for examination and copying at all reasonable times; and it is further

ORDERED, that the officers, directors, trustees, agents, servants and employees of the said COSMOPOLITAN MUTUAL INSURANCE

COMPANY, and all persons other than the Superintendent of Insurance, as Rehabilitator, be and they hereby are restrained from the further transaction of business or from dealing with or disposing of the assets of the said corporation; and it is further

ORDERED, that the officers, directors, trustees, agents, servants and employees of the said COSMOPOLITAN MUTUAL INSURANCE COMPANY, and all other persons, be and they hereby are restrained from doing or permitting to be done any act or thing which might waste the 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 assets while in the possession or control of the Superintendent of Insurance, as Rehabilitator, until the further order of this Court; and it is further

ORDERED, that the officers, directors, stockholders, trustees, servants, agents, employees and creditors of said COSMOPOLITAN MUTUAL INSURANCE COMPANY, and all other persons, be and they are hereby enjoined and restrained from bringing or further prosecuting any action at law, suit in equity, special or other proceeding against the said corporation or its assets, or the Superintendent of Insurance of the State of

New York and his successors in office as Rehabilitators thereof, or their agents, or from making and executing any levy upon the assets of the corporation, or from in any way interfering with the Superintendent of Insurance, as Rehabilitator, or his successors in office, in his or their possession, control and management of the property of said corporation, or in the discharge of his or their duties, as Rehabilitator, under the provisions of Article XVI of the Insurance Law of the State of New York; and it is further

ORDERED, 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 COSMOPOLITAN MUTUAL INSURANCE COMPANY is obligated to defend a party insured or any other person 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, that all policy and/or insurance obligations of COSMOPOLITAN MUTUAL INSURANCE COMPANY written for policyholders outside of the State of New York are hereby cancelled

and all obligations thereunder cease and terminate as of
12:00 o'clock midnight, Eastern Daylight Time, September 4th
1980; and it is further

ORDERED, that the Superintendent of Insurance, as Re-
habilitator, and his successors in office, be and he is and
they are hereby authorized, empowered and directed to conduct
the business and affairs of the said COSMOPOLITAN MUTUAL
INSURANCE COMPANY as he or they will deem wise and expedient
under and pursuant to the direction of this Court; and it is
further

ORDERED, that the Superintendent of Insurance, as Re-
habilitator, may at any time make further application at the
foot of this Order to this Court for such further and different
relief as he sees fit.

E N T E R

15/ T. J. H.
J. S. C.

Filed
8/5/80
myl

EXHIBIT B

At a Special Term, Part I of
Supreme Court of the State
New York, held in and for
County of New York, at the
Courthouse, 60 Centre Street
in the Borough of Manhattan
City and State of New York
the 24th day of October, 1980

P R E S E N T :

HON.

Richard W. Wallace

JUSTICE.

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

Index No. 42638/1980

ALBERT B. LEWIS, Superintendent of
Insurance of the State of New York,
for an order to take possession and
liquidate the business of and dissolve

ORDER OF LIQUIDATION

COSMOPOLITAN MUTUAL INSURANCE COMPANY

-----x
Petitioner, ALBERT B. LEWIS, Superintendent of Insurance
of the State of New York, having moved this Court for an order
to take possession of the property and to liquidate the business
and affairs and to dissolve the corporate existence of COSMOPOLITAN
MUTUAL INSURANCE COMPANY, and such motion having been
come on before this Court on the 24th day of October, 1980.

NOW, upon reading and filing the order to show cause
on the 20th day of October, 1980 by Hon. CHARLES G. TIERNEY,
one of the Justices of the Supreme Court of the State of New York

and the petition of ALBERT B. LEWIS, Superintendent of Insurance of the State of New York, verified the 17th day of October, 1930, and the exhibits annexed thereto, with proof of due service thereof, in support of said motion, and it appearing to my satisfaction that COSMOPOLITAN MUTUAL INSURANCE COMPANY was incorporated under the laws of the State of New York on December 11, 1923 and licensed as a mutual casualty insurer in the State of New York on April 19, 1924; that its principal office is located in the County, City and State of New York; that it is amenable to the Insurance Law of the State of New York and particularly to Article XVI thereof, and upon reading the order of rehabilitation entered in the New York County Clerk's office on the 5th day of August, 1930, Exhibit "A" annexed to the petition herein, and it appearing to my satisfaction that further efforts to rehabilitate COSMOPOLITAN MUTUAL INSURANCE COMPANY would be futile and that the rehabilitation proceeding of the said corporation should be terminated; that it is impossible to reinsure in whole or in part the existing policy obligations of COSMOPOLITAN MUTUAL INSURANCE COMPANY pursuant to the provisions of Section 514 (2nd), Insurance Law, and that the Liquidator should be relieved of the requirements of said section; that COSMOPOLITAN MUTUAL INSURANCE COMPANY is insolvent; that it is in such condition that its further prosecution of business would be hazardous to its policyholders, creditors or to the public; that it is to the best interests

all persons concerned that this application should be granted and COSMOPOLITAN MUTUAL INSURANCE COMPANY should be liquidated under and pursuant to Article XVI of the Insurance Law; that it should be dissolved and its corporate charter annulled and forfeited; and petitioner having appeared by HON. ROBERT ABRAHAM, Attorney General of the State of New York, in support of said motion, and there being no appearance in opposition thereto, and after due deliberation having been had thereon and upon filing the opinion of the Court;

NOW, on motion of HON. ROBERT ABRAHAM, Attorney General of the State of New York, it is

ORDERED, that the petition of ALBERT B. LEWIS, Superintendent of Insurance of the State of New York, be and the same hereby is in all respects granted; and it is further

ORDERED, that COSMOPOLITAN MUTUAL INSURANCE COMPANY is and it hereby is adjudged to be insolvent; and it is further

ORDERED, that ALBERT B. LEWIS, Superintendent of Insurance of the State of New York, and his successors in office, Superintendents of Insurance of the State of New York, be and he is and they are hereby appointed Liquidators of COSMOPOLITAN MUTUAL INSURANCE COMPANY, and are hereby authorized and directed forthwith to take possession of the property and liquidate the business of COSMOPOLITAN MUTUAL INSURANCE COMPANY under and pursuant to the provisions of Article XVI of the Insurance Law.

of the State of New York and to deal with the property and business of COSMOPOLITAN MUTUAL INSURANCE COMPANY in his or their names as Superintendents of Insurance and he is and they are vested with title to all of the property, contracts and rights of action of COSMOPOLITAN MUTUAL INSURANCE COMPANY, pursuant to Section 514 of the New York Insurance Law; and it is further

ORDERED, that formal notice of the making and entry of this order be given by the Superintendent of Insurance, as Liquidator, by mail to all policyholders, creditors and all other persons having any unsatisfied claim or demand of any character against the corporation as disclosed by the books and records of the corporation in the possession of the Superintendent of Insurance, 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 COSMOPOLITAN MUTUAL INSURANCE COMPANY render accounts of their indebtedness and pay any sums due to the Superintendent of Insurance, as Liquidator; and giving notice to present proofs of claim with the Superintendent of Insurance, as Liquidator, at a place specified in such notice within twelve months from the date the entry of this order and no later than the 23rd day of October, 1981; and that such notice may contain such other

regulations, and information as the Superintendent of Insurance 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, 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 of Insurance, as Liquidator, may permit the giving of such notice as he in his discretion may find desirable; and it is further

ORDERED, that the notice aforesaid be given by publication in the national editions of the New York Times and The Journal of Commerce, commencing on or about the 11th day of November, 1980; and thereafter once a week for two successive weeks; and it is further

ORDERED, that notice of liquidation be given to those who may not otherwise receive notice, by publication of such notice in one newspaper in each of the following cities:

Miami and Tallahassee, Florida;

Newark, New Jersey;

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, that the notice hereinbefore prescribed is sufficient notice to all persons interested in the assets of COSMOPOLITAN MUTUAL INSURANCE COMPANY; and it is further

ORDERED, that all outstanding policy and other insurance obligations of COSMOPOLITAN MUTUAL INSURANCE COMPANY terminate and all liability thereunder cease and be fixed as of 12:01 A. Eastern Standard Time, on the 1st day of January, 1931, or prior thereto upon the procurement by policyholders, respectively, of new insurance covering their risks insured thereby, and notice thereof shall be given as hereinabove set forth; and it is further

ORDERED, that all other subsisting contracts and other obligations of COSMOPOLITAN MUTUAL INSURANCE COMPANY terminate and all liability thereunder cease and be fixed as of the date of the entry of this order; and it is further

ORDERED, that the Superintendent of Insurance, as Liquidator, be and he hereby is relieved of the provisions set forth in Section 514 (2a), Insurance Law, to wit: to remain in whole or in part the policy obligations of COSMOPOLITAN

MUTUAL INSURANCE COMPANY; and it is further

ORDERED, that ALBERT E. LEWIS, Superintendent of Insurance of the State of New York, and his successors in office as Superintendents of Insurance of the State of New York, he and he is and they are hereby authorized, permitted and allowed to sell, assign and transfer any and all of the stocks, bonds and securities in his possession or which may hereafter come into his possession belonging to COSMOPOLITAN MUTUAL INSURANCE COMPANY, 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 COSMOPOLITAN MUTUAL INSURANCE COMPANY, 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, that said COSMOPOLITAN MUTUAL INSURANCE COMPANY, its officers, directors, trustees, policyholders, agents and employees and all other persons having any property or records belonging to the said COSMOPOLITAN MUTUAL INSURANCE COMPANY, hereby directed to assign, transfer and deliver to the Superintendent of Insurance, as liquidator, all of such property in whatsoever name the same may be, and that any persons, firms or corporations having any books, papers or records relating to

business of said corporation shall preserve the same and submit them to the Superintendent of Insurance, as Liquidator, for examination at all reasonable times; and it is further

ORDERED, that the officers, directors, trustees, policy holders, agents and employees of said COSMOPOLITAN MUTUAL INSURANCE COMPANY, and all other persons be and they hereby 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 of Insurance, as Liquidator; and it is further

ORDERED, that the officers, directors, trustees, policy holders, agents and employees of said COSMOPOLITAN MUTUAL INSURANCE COMPANY, and all other persons, including but not limited to claimants, plaintiffs and petitioners who have claims against the said COSMOPOLITAN MUTUAL INSURANCE COMPANY, be and they hereby are permanently 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 of Insurance of the State of New York and his successors in office, as Liquidator thereof, or

making or executing any levy upon the property or estate of said corporation, or from in any way interfering with the Superintendent of Insurance of the State of New York, or his successors in office, in his or their possession, control or management of the property of said corporation, or in the discharge of his or their duties as Liquidator thereof, or in the liquidation of the business of said corporation; and it is further

ORDERED, that all parties to law suits in this state are hereby enjoined and restrained from proceeding with any trial, application for judgment, or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which COSMOPOLITAN MUTUAL INSURANCE COMPANY is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a period of 90 days from the date hereof; and it is further

ORDERED, that the corporate charter of said COSMOPOLITAN MUTUAL INSURANCE COMPANY be and the same hereby is forfeited, surrendered and annulled and the said COSMOPOLITAN MUTUAL INSURANCE COMPANY is hereby dissolved; and it is further

ORDERED, 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
COSMOPOLITAN MUTUAL INSURANCE COMPANY"

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

ORDERED, that the Superintendent of Insurance, as
Liquidator, may at any time make further application at the
foot of this order for such further and different relief as
he sees fit.

E N T E R

8/ R. W. W.
J.S.C.

File
8/24/80
DATE

OCT 24 1980

CLERK OF THE COURT
COUNTY OF NEW YORK
RECEIVED

OCT 24 1980

See...

CLERK OF THE COURT
COUNTY OF NEW YORK
RECEIVED

EXHIBIT C

COSMOPOLITAN MUTUAL INSURANCE COMPANY IN LIQUIDATION
COMPARATIVE BALANCE SHEET AT

	MAR. 31, 2002	OCT. 24, 1980
ASSETS		
INVESTED ASSETS		
FREE ASSETS		
Cash & equivalents	\$3,924,455	\$471,093
Bonds	38,400,720	55,104,474
Stock	0-	25,000
Total free assets	42,325,175	55,600,567
RESTRICTED ASSETS		
Central disbursement account- advance	160,000	50,000
Collateral	656,707	0
Escheatable funds	228,971	0
Ancillary funds	332,315	2,774,295
Total restricted assets	1,377,993	2,824,295
Total invested assets	43,703,168	58,424,862
OTHER ASSETS		
Premiums in course of collection	0	3,986,286
Reins recoverables on paid losses (less \$2,433,615 Res for uncollectible)	3,609,079	0
Reins recoverables on unpaid losses (less \$680,996 Res for uncollectible)	7,852,444	0
Funds held by ancillary receivers	0	1,312,006
Equity in mutual corporation rein. fund	0	572,435
Security funds recoverable	1,245,168	0
Miscellaneous	0	102,238
Total other assets	12,706,691	5,972,965
TOTAL ASSETS	\$56,409,859	\$64,397,827

COSMOPOLITAN MUTUAL INSURANCE COMPANY IN LIQUIDATION
COMPARATIVE BALANCE SHEET AT

	MAR. 31, 2002	OCT. 24, 1980
LIABILITIES		
CLAIM LIABILITIES		
Due : New York security funds	\$32,040,930	\$323,577
Ancillary security funds	16,033,565	0
Reserve : New York	12,522,617	59,416,027
Ancillaries	7,280,624	0
General creditors	817,102	0
Total claim liabilities	68,694,835	59,739,604
CLAIM EXPENSE LIABILITIES		
Due : New York security fund	8,912,546	0
Reserve : New York	3,572,484	7,447,400
Ancillaries	553,519	0
Total claim expense liabilities	13,038,549	7,447,400
REINSURANCE LIABILITIES		
Balances payable		
(less \$4,416,197 dividends paid)	14,176,431	2,705,321
Claim reserves - assumed	5,128,056	0
Funds held under rein. treaties	0	814,028
Total reinsurance liabilities	19,304,487	3,519,349
Return premiums	0	14,160,102
Operating expense	26,008	0
Escheatable funds	228,971	0
Collateral	656,707	263,035
National Workers Comp. Rein. Pool	0	3,571,790
Taxes, licenses and fees	0	1,193,928
TOTAL LIABILITIES	101,949,557	89,895,208
LIQUIDATOR'S DEFICIT	(45,539,698)	(25,497,381)
TOTAL LIABILITIES, LESS LIQUIDATOR'S DEFICIT	\$56,409,859	\$64,397,827

EXHIBIT D

BLACKMAN ASBESTOS CASES

CLAIMANT	INDEX NO.	COURT
AHERN, MARTIN	99-103581	S/NY
AHERNS, Michael	00-122152	S/NY
AMISANO, Conrad	00-103534	S/NY
ANDRIN, JADRANKO	99-103580	S/NY
APOLO, JOHNSON	99-109009	S/NY
ARIEL	98-117243	S/NY
ARNOLD, Joseph	01-108421	S/NY
BARDI, Arthur	01-105713	S/NY
BARRETT, Thomas	99-125182	S/NY
BEIRO, Sandy	99-125354	S/NY
BELLO	99-103579	S/NY
BENITTO	99-110126	S/NY
BERNERT	99-102439	SNY
BERTRAND	99-103578	S/NY
BALKOWSKI, Jos.	99-124805	S/NY
BILKO/MIDGETT	99-113329	S/NY
BISSOTTI, JOSEPH	01-104156	S/NY
BITTLE, Robert	00-106273	S/NY
BOPP	99-103577	S/NY
BOSSOTTI, Joseph	01-104156	S/NY
BOYLE, JOHN	99-103576	S/NY
BRADLEY, PATRICK	99-103575	S/NY
BRANCO	99-103574	S/NY
BROSNAN (YAZELSKY)	96-102417	S/NY
BRUDERMANN, Claude	99-122314	S/NY
BRUZGIS	99-103552	S/NY
BUCKLEY	99-103551	S/NY
CADDLE, Edward	00-125560	S/NY
CALABRO	99-103550	S/NY
CALISI, Giuseppe	00-123656	S/NY

CAMPBELL, Charles	99-122588	S/NY
CANCRO, Vincent	00-114842	S/NY
CANTARELLA	99-103549	S/NY
CARBONE, Thomas	00-101250	S/NY
CARO, Alejandro	00-100703	S/NY
CHRISTIE, Richard	01-121630	S/NY
CHRISTMAS, Lawrence	99-124315	S/NY
CHUDKOSKY	97-106290	S/NY
COFFEY	99-103548	S/NY
CONROY	99-103547	S/NY
CONRY, THOMAS	99-105792	S/NY
COPELAND, JAMES	99-105793	S/NY
CORCORAN	99-102440	S/NY
CORWIN	99-120531	S/NY
COSCIA	99-102441	SNY
COTRONE, STEVE	00-110763	SNY
COYNE	99-103546	S/NY
CRISPINO	99-106650	S/NY
CRONICK, Albert	99-122589	S/NY
CRONIN	99-103545	S/NY
CROWE	99-103544	S/NY
CUMMINGS	99-103543	S/NY
CUNNINGHAM	99-103542	S/NY
DALEY	99-103541	S/NY
DALTON, William	99-125355	S/NY
DEASANTIS	99-102593	S/NY
DESATNIK, JOHN	99-107330	S/NY
DIBENEDETTO, M.	99-118132	S/NY
DIMAURO, Rudolph	00-00980	S/NY
DIRESTO, WILLIAM	99-107331	S/NY
DONOHUE, JOHN	97-118080	S/NY
DOOLEY	99-103540	S/NY
DRISCOLL, John	99-125013	S/NY
DUNN, JAMES	99-125183	S/NY
EBANKS	99-103539	S/NY

ELARDO	99-103538	S/NY
ENZ, JAMES	99-105794	S/NY
ERICKSON	99-102442	S/NY
FARACI, Richard	00-123656	S/NY
FARRELL, JAMES	99-103537	S/NY
FARRELL, THOMAS	99-102443	S/NY
FELL, Patrick	01-105885	S/NY
FELLI	99-103536	S/NY
FISCHER, Paul	01-124322	S/NY
FISCO	99-102447	S/NY
FLANSBURG, Lawrenc	00-113404	S/NY
FOLEY	99-103535	S/NY
FRANK, Sheldon	00-121669	S/NY
GENHRICH	99-102594	S/NY
GERACI	99-103534	S/NY
GIBBONS	98-101043	S/NY
GIORDANO, FRANK	99-105858	S/NY
GONZALES	97-119503	S/NY
GRILLO	99-103533	S/NY
GUTMAN, Zhanna	00-124346	S/NY
HAFNER	99-102444	S/NY
HARRISON, WALTER	99-123500	S/NY
HAWKINS	99-102457	S/NY
HOFFER	99-102445	S/NY
HUSKISSON	99-104313	S/NY
INGRISANI	99-107528	S/NY
JOHN	99-103532	S/NY
KAKOS, EDWARD	99-105928	S/NY
KALFAS	98-118119	S/NY
KAY, WILLIAM	99-105927	S/NY
KEANE	99-103679	S/NY
KELLY, JOHN	99-103678	S/NY
KNECHTEL	99-102435	S/NY
KOHL	99-103677	S/NY

KOSKOSKI	99-103676	S/NY
LAGALANTE, Nicholas	00-125916	S/NY
LANGAN	99-102453	S/NY
LAPINSKI, JOSEPH	99-104663	S/NY
LARROUY, Raymond	01-124322	S/NY
LAVIN, Michael	00-123822	S/NY
LEBRIE	99-115732	S/NY
LEBRON	99-100892	S/NY
LEDDY	99-103675	S/NY
LEISENHEIMER	99-102461	S/NY
LITZ	99-103674	S/NY
LORENZ	99-103673	S/NY
MALFITONE	98-120643	S/NY
MANAICI	99-103672	S/NY
MANZELLA	99-103608	S/NY
MARCONI, Eugene	99-111734	S/NY
MARASA	99-103607	S/NY
MATAJY	99-103606	S/NY
McCLOSKEY	99-103595	S/NY
McCONNON, John	00-118088	S/NY
McGOOHAN, WILLIAM	99-105926	S/NY
McGRAIL, Gregory	00-116405	S/NY
McLOUGHLIN	99-102456	S/NY
McNULTY	99-103594	S/NY
McSHEA, THOMAS	99-105925	S/NY
MELITO, KENNETH	01-104155	S/NY
MESTROVICH	99-103596	S/NY
METTE, William	00-114990	S/NY
MEZZICH, SIMEON	99-105924	S/NY
MIGLIORE, ANTHONY	01-103116	S/NY
MOFFITT, DENNIS	99-119570	S/NY
MONTONVANO	01-107304	S/NY
MOONEY	99-103593	S/NY
MOSKOVIC	99-103592	S/NY
MOUSSETTE, Anthony	01-108334	S/NY

NESCI	99-103591	S/NY
NIETO	99-103590	S/NY
O'DONOGHUE	99-103589	S/NY
O'HALLORAN	99-103588	S/NY
O'LEARY, William	99-125181	S/NY
O'NEILL	99-102446	S/NY
O'REILLY, TOM	99-103682	S/NY
O'ROURKE, THOMAS	99-105923	S/NY
OLSON	99-102448	S/NY
OSSO	99-102451	S/NY
PACCIONE	99-102436	S/NY
PACCIONE, DONALD	99-105922	S/NY
PACHECO	99-103589	S/NY
PALAIGOS	99-103683	S/NY
PALLADINO, Agostino	01-121631	S/NY
PARMIGIANI, JOHN J.	99-117786	S/NY
PALMISANO	99-102437	S/NY
PARDEE	99-103586	S/NY
PAWLOWSKI	99-102434	S/NY
PERCIVAL, JOHN	99-105921	S/NY
PEROU	99-103684	S/NY
PETERSON	99-102433	S/NY
PIAZZA	99-102454	S/NY
PIKE	99-110296	S/NY
PISCIOTTA	99-106435	S/NY
PITCAIRN	99-111557	S/NY
PRADO, FELIPE	99-105920	S/NY
PRICE, WILLIAM	99-103685	S/NY
PULVERMACHEF., WILLIAM	105177-02	S/NY
QUICK, Belton	99-122768	S/NY
REICHMANN, HENRY	99-105919	S/NY
RELLA	99-103686	S/NY
RIVICCIO	99-102455	S/NY
ROKER, EMERSON	99-105918	S/NY
ROTONDO, Richard	01-121986	S/NY
ROZAK	99-102458	S/NY

RYAN, WILLIAM	99-102452	S/NY
RYAN, CHARLES	99-103768	S/NY
SACCOCCIO, Gaetano	00-118952	S/NY
SANDERS, JAMES	99-103769	S/NY
SANTORA	99-103770	S/NY
SANTOS, FELINO	99-105917	S/NY
SCARANGELLA	98.117238	S/NY
SINATRA, JOSEPH	01-105886	S/NY
SULLIVAN, JOHN	99-103793	S/NY
SULLIVAN, MATT	99-102450	S/NY
TAPFAR, Philip	99-123523	S/NY
TATULLI, FRANK	99-103792	S/NY
TATULLI, IGNAZIO	99.103791	S/NY
TAYLOR	99.103790	S/NY
TEABO, PATRICIA	99.114657	S/NY
TOPPS, JOHN	110787	S/NY
VALENTIN	99-103789	S/NY
VALENTINE, ANTHONY L..	00-108965	S/NY
VAN PELT, WILLIAM	99-119572	S/NY
VAUGHAN	99.103788	S/NY
VAZQUEZ, LOUIS	99-105915	S/NY
VEGA, Carlos	99-123522	S/NY
VIGLIOTTI, FRANK	01-105499	S/NY
VINSKO, Raymond	00-125309	S/NY
VIOLETTI	99-103787	S/NY
VITALE, ALFRED	99-123359	S/NY
VOGEL, Charles	00-118670	S/NY
WARD, Jerome	00-121211	S/NY
WERRING, Michael	01-124324	S/NY
WESTCOTT, Robert	99-121421	S/NY
WHOLEY	99-103786	S/NY
WICKHAM, Claude	99-122040	S/NY
WIDMER, Richard	01-106640	S/NY
WILSHUSEN	99-103584	S/NY
WILSON	99-103583	S/NY
WING, JOSEPH	00-112869	S/NY

WINITCH, Irwin	99-121231	S/NY
WOJCIECH	99-103796	S/NY
WRIGHT, EDWARD	01-104723	S/NY
WRIGHT, WILBUR	01-102460	S/NY
WROBLEWSKI	99-103681	S/NY
YAZERSKY (BROSAN)	96-102417	S/NY
YIANDSELIS	99-103680	S/NY
ZUBER	99-103582	S/NY

EXHIBIT E

COSMOPOLITAN MUTUAL INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

BEGINNING CASH AND INVESTED ASSETS - OCTOBER 24, 1980		\$58,424,862
Receipts	Net investment income	65,375,136
	Reinsurance recovered	16,763,734
	Premium collected	4,571,579
	Salvage and subrogation	2,412,600
	Claims reimb from NYSF	83,053,027
	Expense reimb from NYSF	20,786,523
	Litigation awards	19,627
	Collateral & other miscellaneous	2,203,649
	Advance from central disbursement unit	15,912
Total Receipts		195,201,787
Disbursements	NY security funds	59,966,005
	Guaranty funds	24,128,261
	General creditors	1,226,040
	Reinsurers	4,416,197
	Claimants	78,312,089
	Return of funds held	111,356
	Commissions	30,093
	Salaries	18,472,859
	Employee relations & welfare	3,538,517
	Rent & rent items	4,769,684
	Legal fees	463,477
	Accountants & EDP services	1,201,675
	Insurance	383,444
	Travel	94,046
	Equipment	927,579
	Postage & telephone	553,365
	Printing & stationery	392,950
	Office expense	2,206,050
	Claim adjustment expense	8,245,650
	Audit of insured's records	176,288
	Investment expenses	171,892
	Taxes other than payroll	135,964
Total Disbursements		209,923,481
Net Increase (Decrease)		(14,721,694)
ENDING CASH AND INVESTED ASSETS - MARCH 31, 2001		\$43,703,168

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

RICHARD S. KARPIN, being duly sworn, deposes and says:

That he is the duly appointed Assistant Special Deputy Superintendent of Insurance and Agent of the Superintendent of Insurance, as Liquidator of COSMOPOLITAN MUTUAL INSURANCE COMPANY; that the foregoing Report subscribed by him is true to the best of his knowledge and the grounds of his belief as to the matters herein stated are the records of the Liquidation Bureau of the New York State Insurance Department, the records filed in this proceeding and reports and conversations had with attorneys and employees of said Bureau.


RICHARD S. KARPIN

Sworn to before me this
26th day of June, 2002


Notary Public

ROBERT S. LARSON
NOTARY PUBLIC, STATE OF N.Y.
NO. 43-4672300, RICHMOND CO.
COMMISSION EXPIRES FEB. 28, 2003

INDEX NO.: 42638/80

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

In the Matter of

The Liquidation of

COSMOPOLITAN MUTUAL INSURANCE COMPANY

NOTICE OF SETTLEMENT, ORDER AND JUDGMENT
May 3, 2002 TRANSCRIPT AND COURT REPORT

Christina J. Lee

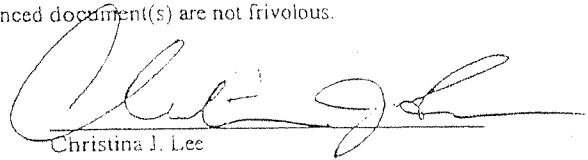
State of New York Insurance Department - Liquidation Bureau

Office and Post Office Address, Telephone
123 William Street
New York, NY 10038-3889
(212) 341-6768

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: New York, New York
July 25, 2002



Christina J. Lee

Sir: Please take notice

☐ 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

2001

☒ NOTICE OF SETTLEMENT

that an order
presented for settlement to the HON.

of which the within is a true copy will be
one of the judges of the within named court, at
2001 at M.

Dated:

Yours, etc.

Law Offices Steven R. Harris

Attorneys for

Office and Post Office Address, Telephone
123 William Street
New York, NY 10038-3889
(212) 341-6700

FILED
DEC 24 2002
11:00 AM
AT
N.Y. CO. CLK'S OFFICE

EXHIBIT E

EXHIBIT D

EXHIBIT C

EXHIBIT B

EXHIBIT A

EXHIBIT B

COSMOPOLITAN MUTUAL INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF ASSETS

	Jul. 31, 2017	Oct. 24, 1980
Unrestricted Assets		
Cash-Unrestricted	\$ -	\$ 521,093
Bonds	-	55,104,473
Common Stocks	-	25,000
Total Cash and Invested Assets	\$ -	\$ 55,650,566
Investment in Subsidiary	-	-
Other Invested Assets	-	-
Reinsurance Recoverables on Paid Losses and LAE	-	-
Less: Allowance for Uncollectible Reinsurance Recoverable	-	-
Net Reinsurance Recoverable on Paid Losses and LAE	-	-
Reinsurance Recoverables on Unpaid Losses and Unpaid LAE	-	-
Less: Allowance for Uncollectible Reinsurance Recoverable	\$ -	-
Net Reinsurance Recoverable on Unpaid Losses and LAE	-	-
Premiums in the course of collection	-	3,986,286
Receivable from Affiliates	-	-
Accrued Investment Income	-	-
Other Assets	-	674,674
Total Unrestricted Assets	-	60,311,526
Restricted Assets:		
Restricted - Statutory Deposits in This or Other States	-	4,086,302
Funds held by Ceding Companies	-	-
Restricted - Other	-	-
Total Restricted Assets	-	4,086,302
Total Assets	\$ -	\$ 64,397,828

COSMOPOLITAN MUTUAL INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF LIABILITIES

	Jul. 31, 2017	Oct. 24, 1980
Secured Claims	\$ -	\$ 263,035
Class I - Administrative Claims:	-	-
Class II - Claims and Related Costs:		
Guaranty Fund Claims:		
Allowed Claims:		
Administrative Claims Expenses	\$ 2,573,535	-
Loss Adjustment Expenses (LAE)	30,361,379	-
Loss Claims	127,561,603	-
Unearned and Advance Premium Claims	1,221,806	-
Total Allowed Claims	161,718,323	-
Less: Distributions	(144,053,382)	-
Total Allowed Claims	17,664,941	-
Non - Allowed Claims:		
Administrative Claims Expenses	-	-
Loss Adjustment Expenses (LAE)	-	\$ 7,447,400
Loss Claim Reserves	-	59,739,604
Unearned and Advance Premium Claims	-	14,160,102
Total Non-Allowed Claims	-	81,347,106
Total Guaranty Fund Claims:	17,664,941	81,347,106
Creditor Claims:		
Allowed Claims:		
Loss Claims	1,082,442	-
Unearned and Advance Premium Claims	46,517	-
Total Allowed Claims	1,128,959	-
Less: Distributions	(1,005,451)	-
Total Allowed Claims	\$ 123,508	-
Non - Allowed Claims:		
Loss Claims Reserves	-	-
Unearned and Advance Premium Claims	-	-
Loss Adjustment Expenses (LAE)	-	-
Total Non-Allowed Claims	-	-
Total Creditor Claims	123,508	-
IBNR	-	-
Total Class II Claims and Related Costs:	\$ 17,788,449	\$ 81,347,106
Class III - Federal Government Claims:		
Allowed Claims:	-	-
Less: Distributions	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class III Claims	-	-
Class IV - Employee Claims:		
Allowed Claims:	-	-
Less: Distributions	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class IV Claims	-	-

COSMOPOLITAN MUTUAL INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF LIABILITIES (Continued)

	Jul. 31, 2017	Oct. 24, 1980
Class V - State and Local Government Claims:		
Allowed Claims:	\$ 21,360	-
Less: Distributions	<u>(13,884) *</u>	<u>-</u>
Total Allowed Claims	7,476	-
Non - Allowed Claims	<u>-</u>	<u>-</u>
Total Class V Claims	\$ 7,476	-
Class VI - General Creditors:		
Allowed General Unsecured Creditor Claims (Other than Reinsurance Related)	892,823	-
Less: Distributions	<u>(580,459) *</u>	<u>-</u>
Total Allowed Claims	312,364	-
Non Allowed General Unsecured Creditor Claims (Other than Reinsurance Related)	<u>-</u>	<u>\$ 1,193,928</u>
Total General Unsecured Creditor Claims (Other than Reinsurance Related)	312,364	1,193,928
Reinsurance Related Unsecured Claims	7,773,539	7,091,139
Less: Distributions	<u>(4,783,976) *</u>	<u>-</u>
Total Reinsurance Related Unsecured Claims	2,989,563	<u>\$ 7,091,139</u>
Total Class VI Claims	3,301,927	\$ 8,285,067
Class VII - Late Filed Claims:		
Allowed Claims:	-	-
Less: Distributions	<u>-</u>	<u>-</u>
Total Allowed Claims	-	-
Non - Allowed Claims	<u>\$ 9,973,857</u>	<u>-</u>
Total Class VII Claims	\$ 9,973,857	-
Class VIII - Section 1307 (Shareholder) Loans:		
Allowed Claims:	-	-
Less: Distributions	<u>-</u>	<u>-</u>
Total Allowed Claims	-	-
Non - Allowed Claims	<u>-</u>	<u>-</u>
Total Class VIII Claims	-	-
Class IX - Share Holder Claims:		
Allowed Claims:	-	-
Less: Distributions	<u>-</u>	<u>-</u>
Total Allowed Claims	-	-
Non - Allowed Claims	<u>-</u>	<u>-</u>
Total Class IX Claims	-	-
Other Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	31,071,709	89,895,208
Total Deficit of Assets over Liabilities	<u>(31,071,709)</u>	<u>(25,497,380)</u>
Total Liabilities and Deficit of Assets over Liabilities	<u>\$ -</u>	<u>\$ 64,397,828</u>

* Payments were made prior to the 2005 Legislative amendment to the New York Insurance Law.

COSMOPOLITAN MUTUAL INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF CHANGES IN CASH AND INVESTED ASSETS
FOR THE PERIOD FROM OCTOBER 24, 1980 TO JULY 31, 2017

		Inception to July 31, 2017
Receipts	Investment Income	\$ 80,648,524
	Reinsurance Recovered	35,038,732
	Premiums and Commissions	18,853
	Salvage and Subrogation	1,793,592
	Litigation Awards	19,627
	Expense Reimbursements from New York Security Funds	22,096,545
	Miscellaneous	1,667,233
Total Receipts		141,283,106
Disbursements	Distributions	147,113,663 *
	Funds Transferred to Segregated Accounts	87,887
	Loss Adjustment Expenses	9,795,065
	Salaries	21,200,188
	Employee Relations & Welfare	5,759,716
	Rent and Related Expenses	5,490,383
	Professional Fees	2,437,501
	General and Administrative Expenses	2,415,039
	Other Miscellaneous Expenses	2,634,230
Total Disbursements		196,933,672
Net Increase (Decrease) in Cash and Invested Assets		(55,650,566)
BEGINNING CASH AND INVESTED ASSETS - OCTOBER 24, 1980		55,650,566
Unrealized Gain on Investments		-
ENDING CASH AND INVESTED ASSETS		-
* Of the \$147,113,663, \$98,423,128 was paid prior to the 2005 amendment to the New York Insurance Law, and \$48,690,535 was paid subsequent to the amendment.		

EXHIBIT 3

At IAS Part 55 of the Supreme Court of the State of New York, County of New York, at the courthouse at 60 Centre Street, in the County, City and State of New York, on the ____ day of _____, 2017.

SUPREME COURT OF THE STATE
OF NEW YORK

-----X

In the Matter of

the Liquidation of

Index No.: 42638/80 (Kern, C.)

ORDER

Cosmopolitan Mutual Insurance Company.

-----X

Upon the September 12, 2017 affirmation of Lauren M. Reber, an attorney with the New York Liquidation Bureau the organization that carries out the duties of Maria T. Vullo, Superintendent of Financial Services of the State of New York as Liquidator (the "Liquidator") of Cosmopolitan Mutual Insurance Company ("Cosmopolitan"), for an order approving the Liquidator's report ("Report") on the status of the above-referenced liquidation proceeding ("Liquidation Proceeding"), the financial transactions detailed therein and request to terminate and close the Liquidation Proceeding, and upon all other papers previously submitted and all proceedings heretofore had herein;

NOW, on motion of the Liquidator and after due deliberation having been had, it is

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

ORDERED, that the Liquidator's Report on the status of the Cosmopolitan Liquidation Proceeding and the financial transactions delineated therein is approved; and it is further

ORDERED, that the Liquidator is authorized to continue to pay administrative expenses, including expenses for the closing of the Liquidation Proceeding; and it is further

ORDERED, that the Liquidation Proceeding is terminated and closed; and it is further

ORDERED, that the NYLB is authorized, after the termination of the Liquidation Proceeding and without further order of this Court, to receive any additional assets of Cosmopolitan that may be delivered to the NYLB and to use such assets, first, to pay any administrative expenses incurred in connection with the receipt and distribution of such additional assets, and then to distribute them *pro-rata* to allowed Class two claimants; and it is further

ORDERED, that the Liquidator, her predecessors and successors in office, and their agents, attorneys and employees, are released and discharged from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding.

E N T E R

J.S.C.

Index No. 42638

Year 1980

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

In the Matter of

the Liquidation of

COSMOPOLITAN MUTUAL INSURANCE COMPANY.

ORDER

(Initial Report)

JOHN PEARSON KELLY

Attorney for Superintendent of Financial Services of the State of New York as Liquidator

Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street
New York, NY 10038
(212) 341-6755
Fax (212) 233-0461

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:

New York, New York

Lauren M. Reber

☐ 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 Financial Services
of the State of New York as Liquidator

Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street
New York, NY 10038
(212) 341-6755
Fax (212) 233-0461

Index No. 42638 Year 1980

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

In the Matter of

the Liquidation of

COSMOPOLITAN MUTUAL INSURANCE COMPANY.

ORDER TO SHOW CAUSE AND AFFIRMATION

JOHN PEARSON KELLY

Attorney for the Superintendent of Financial Services of the State of New York as Liquidator

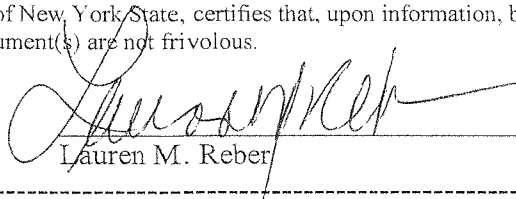
Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street – 15th Floor
New York, NY 10038
(212) 341-6523
Fax (212) 233-0461

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 12, 2017
New York, New York


Lauren M. Reber

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20 at

Dated:

, on

Yours, etc.

JOHN PEARSON KELLY

Attorney for the Superintendent of Financial
Services of the State of New York as Liquidator

Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street – 15th Floor
New York, NY 10038
(212) 341-6523
Fax (212) 233-0461