

At IAS Part 36 of the Supreme Court of the State of New York, County of New York, at the courthouse, 60 Centre Street, in the County, City and State of New York, on the 21 day of August, 2013.

PRESENT:

HON. DORIS LING COHAN, J.S.C.  
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Mot Sep 00/1  
451373/13

In the Matter of  
the Application of

Index No.

ORDER TO SHOW CAUSE

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

GRAND CENTRAL ASSURANCE CORPORATION.  
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Based on the Verified Petition of Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York (the "Superintendent"), duly verified on the 2nd day of August, 2013, the affirmation of Patrick Harrigan, Esq., dated July 15, 2013, and the exhibit attached thereto, and it appearing that the relief sought should be granted;

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

LET Grand Central Assurance Corporation ("GCAC") <sup>or counsel appear and</sup> show cause before this Court at IAS Part 36 Room 428, thereof, at the Courthouse located at 60 Centre Street in the County, City and State of New York, on the 21<sup>st</sup> day of Sept, 2013 (the "Return Date"), at 10:30 o'clock A.m., or as soon thereafter as counsel can be heard, why an order should not be made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), substantially in the form attached as Exhibit 1 to the Verified Petition (the "Proposed Liquidation Order");

10/5 pp

(1) appointing the Superintendent and his successors in office as liquidator of GCAC ("Liquidator"); (2) directing the Liquidator to take possession of GCAC's property, to liquidate GCAC's business and affairs, and to dissolve GCAC's corporate charter; (3) vesting title to all of GCAC's property, contracts and rights of action with the Liquidator and his successors; (4) authorizing and directing the Liquidator to take possession of GCAC's books, files, records and other property; (5) granting the injunctions provided for in Insurance Law Section 7419, enjoining and restraining all persons from wasting GCAC's property, and enjoining and restraining all persons, except as authorized by the Liquidator, from transacting GCAC's business or disposing of GCAC's property, interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, or making any levy against GCAC, its assets or any part thereof; (6) granting injunctions enjoining and restraining all parties from commencing or prosecuting any actions or proceedings against GCAC, the Liquidator, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, with respect to any claims against GCAC; (7) authorizing, permitting and allowing the Liquidator to sell, assign or transfer any and all stocks, bonds securities, and any real property of GCAC at market price or at the best price obtainable at private sale; (8) terminating all in-force contracts and agreements of GCAC, unless otherwise expressly assumed by the Liquidator, and fixing liability thereunder as of the date of entry of the order of liquidation; (9) requiring all persons or entities other than the Liquidator having property and/or information (including, but not limited to, software programs and bank records) owned by, belonging to, or potentially belonging to GCAC, to preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Liquidator; (10) extending immunity to the Superintendent in his capacity as Liquidator of

GCAC, his successors in office, and their agents and employees for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties as Liquidator pursuant to Article 74 of the Insurance Law; and (11) granting such other and further relief as the Court may deem just and proper;

AND, sufficient cause having been ~~shown~~ <sup>accepted</sup> therefor, let service of a copy of this Order to Show Cause and the papers upon which it is granted be made by: (i) regular mail upon the members of GCAC's initial Board of Directors, at their last known addresses; and (ii) posting on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least 15 business days prior to the Return Date, and such service shall be deemed good and sufficient service, and it is hereby

ORDERED, that pending the hearing ~~and determination~~ <sup>and determination</sup> of this motion, GCAC, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments or other liens, making any levy, or commencing or prosecuting any actions or proceedings against GCAC, its assets or any part thereof; and it is further

ORDERED, that pending the hearing ~~and determination~~ <sup>and determination</sup> on this motion, all actions or proceedings against GCAC are stayed; and it is further

*[Handwritten signature]*  
5-5C  
*[Handwritten signature]*  
8-5C

*more before 8/23/13*  
*and certified mail to GMAC's last known address marked "Urgent" LEGAL MAIL on envelope or paper 8/23/13*  
*[Handwritten initials]*

*pre determination / dr*

ORDERED, that pending the hearing ~~and determination~~ on this motion, GCAC, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons are restrained from wasting GCAC's property, and restrained from the transaction of GCAC's business or the disposition of GCAC's property, except as authorized by the Superintendent.

*W*  
*S.S.C.*

Oral Argument  
Directed

*[Signature]*

JSC

ENTER

*[Signature]*  
J. S. C.

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It is further ORDERED:

1/ Opposition papers, if any, shall be *received* by movant's counsel by 9/19/13; and

2/ Original to be filed with the court on or before 9/19/13, in Part 36 court room (Room 428, 60 Centre Street, NY, NY 10007 (or, if Room 428 is closed, in Part 36 mailbox, **with a copy of this Order attached to front of papers (on top)**); and

3/ Reply, if any, may be served on 9/23/13, in hand/facsimile and filed with Part 36, as provided, in the preceding paragraph, on or before 10 AM 9/23/13; and

4/ Proof of service shall be provided to Part Clerk on return date; and

5/ Consent adjournments will be granted if requested at least two days prior to return date, but adjourned date must be cleared with the Part 36 Clerk and shall not be scheduled for this Part's Conference day (~~Friday~~) and all submissions must be provided to clerk at least three days prior to adjourned date.

6/ \_\_\_\_\_  
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So Ordered,

Dated: 8/21/13

**JUSTICE ~~DORIS~~ LING-COHAN**

Doris Ling-Cohan, JSC  
Supreme Court  
60 Centre Street, Room 428  
New York, New York 10007

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