

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

-----X
In the Matter of

the Liquidation of

Index No.: 400592/02

AFFIRMATION

GROUP COUNCIL MUTUAL INSURANCE COMPANY.
-----X

Melissa A. Pisapia, an attorney at law, duly admitted to practice before the Courts of the State of New York, hereby affirms the following to be true under penalties of perjury:

1. I am an attorney with the New York Liquidation Bureau (“NYLB”), which serves as the staff for Adrienne A. Harris, Acting Superintendent of Financial Services of the State of New York in her capacity as liquidator (“Liquidator”) of Group Council Mutual Insurance Company (“Group Council”). I submit this affirmation, upon information and belief, based on my review of the Group Council files maintained by the NYLB and the conversations I have had with employees of the Liquidator in support of the Liquidator’s application for an order approving the Report on the Status and Request to Close the Liquidation Proceeding of Group Council Mutual Insurance Company, and terminating and closing the Liquidation Proceeding, and finally discharging all past, present, and future claims brought against Group Council or in connection with the liquidation proceeding.

2. A copy of a proposed order is annexed hereto as Exhibit “1”.

3. The Closing Report is annexed hereto as Exhibit “2”.

4. A copy of the September 28, 2021 Notice of Determination recommending allowance of the claim of the New York Property/Casualty Insurance Security Fund (the “P/C Fund”) in the amount of \$4,092,132.12 for the period of January 1, 2021-September 28, 2021 as a Class Two claim against the Group Council estate is annexed as hereto Exhibit “3”.

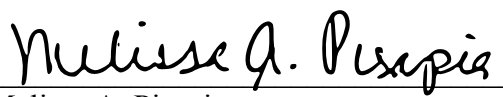
5. A copy of the initial report on the status of the Group Council liquidation proceeding is annexed hereto as Exhibit “4.”

6. The Liquidator also requests that this Court issue the accompanying Order to Show Cause approving a return date (“Return Date”) for a hearing on the Liquidator’s application to be held before the Court 45 days after the date of issuance of the Order to Show Cause, or as soon after such 45-day period as the Court determines to be reasonably practicable.

7. The Liquidator proposes that notice be given through (a) posting the Order to Show Cause and its supporting papers on the NYLB web page at <http://www.nylb.org> at least fifteen (15) days before the Return Date, and (b) publishing the notice substantially in the form as attached hereto as Exhibit “5” in the *New York Post*, or a publication of similar circulation, such publication to occur within 20 days following the date of the issuance of this Order to Show Cause.

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

Dated: New York, New York
October 14, 2021



Melissa A. Pisapia

EXHIBIT 1

At IAS Part 56 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 71 Thomas Street, in the County, City and State of New York, on the ____ day of _____, 2021.

P R E S E N T:

HON. JOHN J. KELLEY, J.S.C.

-----X

In the Matter of

Index No.: 400592/02

the Liquidation of

ORDER

GROUP COUNCIL MUTUAL INSURANCE COMPANY.

-----X

Upon the motion of the Acting Superintendent of Financial Services of the State of New York, as liquidator (the “Liquidator”) of Group Council Mutual Insurance Company (“Group Council”), for an order, *inter alia*: (i) approving an allowance for the claim of the New York Property/Casualty Insurance Security Fund (the “P/C Fund”) in the amount of \$4,092,132.12 for the period of January 1, 2021-September 28, 2021 as a Class Two claim against the Group Council estate (the “2021 P/C Fund Claim”); (ii) approving the Liquidator’s report on the status of the Group Council liquidation proceeding and the financial transactions detailed therein (the “Closing Report”); (iii) authorizing the continued payment of actual and necessary administrative expenses incurred by the Liquidator, if any, including such expenses pertaining to the closing of the Group Council liquidation proceeding; (iv) upon the approval of the 2021 P/C Fund Claim, terminating and closing the liquidation proceeding, and finally discharging all past, present, and future claims brought against Group Council or in connection with the liquidation proceeding; (v) authorizing the New York Liquidation Bureau (“NYLB”), which acts as the staff

for the Liquidator, to continue, after the termination of the Group Council liquidation proceeding and without further order of this Court, to receive any additional assets of Group Council that may be located, and to use such assets, first, to pay all administrative expenses incurred in connection with the collection and disbursement of such additional assets, and then to distribute those assets to creditors of Group Council with allowed claims who are eligible to share in a *pro rata* distribution; and (vi) 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 (“Motion”).

NOW, on the motion of the Liquidator, and no opposition having been filed with the Court, it is

ORDERED, that the Motion and the relief set forth in the supporting papers is granted; and it is further

ORDERED, that the 2021 P/C Fund Claim is allowed as a Class two claim against the Group Council estate; and it is further

ORDERED, that the Liquidator’s report on the status of the Group Council liquidation proceeding and the financial transactions detailed therein is approved; and it is further

ORDERED, that the continued payment of actual and necessary administrative expenses incurred by the Liquidator, if any, including such expenses pertaining to the closing of the liquidation proceeding is authorized; and it is further

ORDERED, that the liquidation proceeding is terminated and closed, and all past, present, and future claims brought against Group Council or in connection with the liquidation proceeding are discharged; and it is further

ORDERED, that the NYLB, which acts as the staff for the Liquidator, is authorized to continue, after the termination of the Group Council liquidation proceeding and without further

order of this Court, to receive any additional assets of Group Council that may be located, and to use such assets, first, to pay all administrative expenses incurred in connection with the collection and disbursement of such additional assets, and then to distribute those assets to creditors of Group Council with allowed claims who are eligible to share in a *pro rata* distribution; 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.

L24774/closing

EXHIBIT 2

REPORT ON THE STATUS OF AND REQUEST TO CLOSE THE LIQUIDATION PROCEEDING OF GROUP COUNCIL MUTUAL INSURANCE COMPANY

Adrienne A. Harris, Acting Superintendent of Financial Services of the State of New York (“Superintendent”) as liquidator (“Liquidator”) of Group Council Mutual Insurance Company (“Group Council”) has appointed certain agents to carry out, through the New York Liquidation Bureau (“NYLB”), the responsibilities of the Liquidator. The Liquidator, by David Axinn, Special Deputy Superintendent and Agent, submits this final report (“Closing Report”) on the Group Council liquidation proceeding (“Liquidation Proceeding”).

INTRODUCTION

The Liquidator submits this Closing Report to apprise the Court on the status of the Liquidation Proceeding and to respectfully request that the Court enter an order, *inter alia*, (a) approving an allowance for the claim of the New York Property/Casualty Insurance Security Fund (the “P/C Fund”) in the amount of \$4,092,132.12 for the period of January 1, 2021-September 28, 2021 as a Class Two claim against the Group Council estate (the “2021 P/C Fund Claim”); (b) approving the Closing Report and the financial transactions detailed herein; and (c) upon approval of the 2021 P/C Fund Claim, which is the final claim in the proceeding, terminating and closing the Liquidation Proceeding.

I. PROCEDURAL HISTORY

A. Liquidation Order and Bar Date

Group Council was placed into liquidation under Article 74 of the New York Insurance Law (“Insurance Law”) on March 19, 2002 (“Liquidation Order Date”) by order (“Liquidation Order”) of the Supreme Court of the State of New York, New York County (the “Court”). By order entered September 18, 2013, this Court established August 31, 2013, as the bar date for all

claims, other than the Liquidator's claims for administrative costs and expenses, against Group Council or its insureds ("Bar Date").¹

B. Initial Report and Distribution of Assets

On December 18, 2013, this Court issued an order granting the Liquidator's motion to approve the initial report on the status of the Group Council liquidation proceeding (the "Initial Report"). The Initial Report detailed that, as June 30, 2013, Group Council had total assets of \$2,356,530 and total liabilities of \$325,621,422, resulting in an insolvency in the amount of \$323,264,892. A copy of the Initial Report and the December 18, 2013, Order is annexed to the accompanying affirmation of Melissa A. Pisapia ("Pisapia Aff"), as Exhibit "4".

II. REPORT ON GROUP COUNCIL

A. Claims Submitted

Because the Bar Date has passed no additional claims against the Group Council estate may be presented to the Liquidator. In total, 406 claims were filed in the Liquidation Proceeding. Under Insurance Law Section 7603, the P/C Fund has stepped in and paid allowed Class Two claims on behalf of Group Council. As a result of these payments, the P/C Fund has an automatic Class Two claim for reimbursement against the assets of Group Council as provided in N.Y. Ins. L §§ 7434 and 7609(a).

B. Financial Condition of Group Council

The estate's financial books and records were closed as of June 30, 2021 (the "Closing Date"). Group Council's comparative statement of assets, the statement of liabilities and the

¹ Security Funds, such as the New York Property/Casualty Insurance Security Fund ("P/C Fund"), are not bound by the Bar Date and are permitted to continue submitting claims for reimbursement under New York Insurance Law Section 7609 until the closing of the estate.

statement of changes in cash and invested assets for the period between the Liquidation Order Date and the Closing Date are annexed hereto as Exhibit “A.”

As of the Closing Date, Group Council was insolvent in the amount of \$304,738,493. Group Council had total assets of \$1,570,771 and total liabilities of \$306,309,264.

1. Group Council’s Assets

As of the Closing Date, Group Council had total assets of \$1,570,771, which consisted of \$75,644 in cash and cash equivalents, \$1,494,862 in bonds and \$265 in accrued interest.

2. Group Council’s Liabilities

As of the Closing Date, Group Council’s total liabilities were \$306,309,264 of which \$34,704 were Class One liabilities for operating and administrative expenses, \$250,044,227 was the Class Two claim of the P/C Fund (comprising 154 individual claims under policies), \$4,425 were Class Four Employee claims (comprising four claims), \$23,160 were Class Five liabilities for state and local government claims (comprising three claims), and \$56,202,748 were Class Six general creditor claims (comprising 244 claims). *See Exhibit A.*

3. Collection of Assets - Cash Receipts

As of the Closing Date, the Liquidator collected assets in the amount of \$3,675,134 consisting of \$673,397 in investment income, \$1,648,750 in reinsurance recoveries, \$1,096,319 in premiums, and \$256,668 in miscellaneous receipts.

4. Disbursement of Assets

As of the Closing Date, the Liquidator has incurred and paid \$3,830,850 in administrative expenses, which include: \$1,239,250 for the salaries of the Liquidator’s staff; \$460,032 for employee relations and welfare (*e.g.*, payroll taxes, health insurance and pension contributions); \$339,402 for rent and related expenses; \$717,036 for professional fees (*e.g.*, accountants and other

consultants); \$242,136 for general and administrative expenses (*e.g.*, IT services and general office maintenance); and \$832,994 for other miscellaneous expenses (*e.g.*, insurance and bank fees).

5. Distributions to Claimants

No distribution of assets has yet been made to any class of claimant other than Class One.

III. THE 2021 P/C FUND CLAIM SHOULD BE ALLOWED

In order for Group Council to close, it is necessary to resolve the remaining 2021 P/C Fund Claim in the amount of \$4,092,132.12, representing the period January 1, 2021 through September 28, 2021. On September 28, 2021, the Liquidator issued a Notice of Determination of the 2021 P/C Fund Claim to the P/C Fund (a copy of which is annexed as Exhibit “3” to the Pisapia Aff, and the P/C Fund agreed to the amount stated in the Notice of Determination.

As noted above, the P/C Fund is a statutory fund established under Article 76 of the Insurance Law for the purpose of paying the allowed claims of insolvent insurance companies authorized to write property/casualty insurance in the State of New York. In return for paying the claims, Insurance Law Section 7609 provides the P/C Fund with an automatic claim for reimbursement against the insolvent estate. Under Insurance Law Section 7603(a)(1), however, claims under Section 7609 must be “allowed” by the court overseeing the liquidation proceeding. The 2021 P/C Fund Claim represents the final claim for reimbursement by the P/C Fund. Upon allowance by this Court, the Liquidator will be able to wind up Group Council’s liquidation and make a final distribution.

RELIEF SOUGHT

The Liquidator submits this Closing Report to describe the Liquidator’s activities in accordance with the orders of the Court, provide a status of the Liquidation Proceeding and to report that the affairs of the Group Council estate have been substantively completed and that it is

in the best interests of the estate to close the proceeding at this time under the terms and conditions outlined herein. Accordingly, the Liquidator respectfully requests that the Court issue an order:

1. Allowing the 2021 P/C Fund Claim;
2. Approving the Closing Report and the financial transactions detailed herein;
3. Authorizing the continued payment of actual and necessary administrative expenses, if any, including such expenses pertaining to the closing of the Liquidation Proceeding;
4. Terminating and closing the Liquidation Proceeding, and finally discharging all past, present, and future claims brought against Group Council or in connection with this Liquidation Proceeding;
5. Authorizing the NYLB to continue, after the termination of the Liquidation Proceeding and without further order of the Court, to receive any additional assets of Group Council that may be located, and to use such assets, first, to pay all administrative expenses incurred in connection with the collection and disbursement of such additional assets, and then to distribute those assets to creditors of Group Council with allowed claims who are eligible to share in a *pro rata* distribution; and
6. 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.

Dated: New York, New York
October 14, 2021



David Axinn
Special Deputy Superintendent and Agent of
Adrienne A. Harris, Acting, Superintendent of
Financial Services of the State of New York
as Liquidator of Group Council Mutual
Insurance Company

L27447/MAP

EXHIBIT A

Group Council Mutual Insurance Company in Liquidation
Statement of Assets and Liabilities as of June 30, 2021 and at March 19, 2002

	<u>June 30, 2021</u>	<u>March 19, 2002</u>
Assets:		
Cash	\$ 75,644	\$ 839,510
Bonds	<u>1,494,862</u>	<u>886,712</u>
Total Cash and Invested Assets	1,570,506	1,726,222
Premium Receivable	-	3,783,383
Reserve for uncollected Premiums	-	(2,687,064)
Net Premiums Receivable	<u>-</u>	<u>1,096,319</u>
Accrued Investment Income	265	-
Other Assets	-	39,038
Total Assets	<u><u>\$ 1,570,771</u></u>	<u><u>\$ 2,861,579</u></u>
Liabilities:		
Class I - Administrative Claims	\$ 34,704	\$ -
Class II - Claims and Related Cost	250,044,227	160,963,325
Class IV - Employee Claims	4,425	-
Class V - State and Local Government Claims	23,160	-
Class VI - General Creditors	56,202,748	140,837
Total Liabilities	<u>306,309,264</u>	<u>161,104,162</u>
Liabilities In Excess Of Assets	<u><u>\$ (304,738,493)</u></u>	<u><u>\$ (158,242,583)</u></u>

Group Council Mutual Insurance Company in Liquidation
Statement of Changes in Cash and Invested Assets
For The Period March 19, 2002 to June 30, 2021

		<u>Inception to June 30, 2021</u>
Receipts	Investment Income	\$ 673,397
	Reinsurance Recovered	1,648,750
	Premiums Collected	1,096,319
	Miscellaneous	256,668
Total Receipts		3,675,134
Disbursements		-
	Salaries	1,239,250
	Employee Relations & Welfare	460,032
	Rent and Related Expenses	339,402
	Professional Fees	717,036
	General and Administrative Expenses	242,136
	Other Miscellaneous Expenses	832,994
Total Disbursements		3,830,850 -
Net Decrease in Cash and Invested Assets		(155,716)
Beginning Cash and Invested Assets - March 19, 2002		1,726,222
Ending Cash and Invested Assets - June 30, 2021		\$ 1,570,506

EXHIBIT 3



New York Liquidation Bureau

ADRIENNE A. HARRIS

Acting Superintendent as Receiver

Silverio DeFazio, Director

New York Property and Casualty Security Fund

180 Maiden Lane, 14th Floor

New York, NY 10038-4925

NOTICE OF DETERMINATION

September 28, 2021

In the Matter of the Liquidation of Group Council Mutual Insurance Company

Liquidator No.	:	GC-GF-31.1
Final Allowance Amount for the period January 1, 2021 To March 31, 2021	:	\$ 4,092,132.12
Previous Allowed Amount as of December 31, 2020	:	<u>\$245,952,093.97</u>
Total Allowed Amount as of March 31, 2021	:	<u>\$250,044,226.09</u>

Dear Ms. Blattmachr:

Pursuant to an order (the “Liquidation Order”) of the Supreme Court of the State of New York (“the Liquidation Court”), entered on March 19, 2002, Group Council Mutual Insurance Company (“Group Council”) was placed into liquidation, and the Superintendent of Insurance was appointed Liquidator and vested with title to all its assets and property. Pursuant to the Liquidation Order and Article 74 of the Insurance Law, all persons having claims against Group Council were directed to present them to the Liquidator, who is required to fix and determine the liabilities of Group Council, subject to the approval of the Court.

Accordingly, the purpose of this letter is to provide you with a determination of certain claims you have against Group Council.

The Liquidator has now made a Determination on the claim filed by you, based on the breakdown of disbursements, as set forth below, in accordance with the laws of the State of New York and the procedures for allowance of claims to be approved by the Liquidation Court pursuant to the Court’s Order of October 18, 2002. The Liquidator hereby gives notice that your claim will be recommended to the Court for the Final allowance as a class two claim in the amount of \$4,092,132.12 (cumulative \$250,044,226.09). The amount recommended for allowance is a

Group Council Mutual Insurance Company/New York Property and Casualty Security Fund
GC-GF-31.1
Interim Allowance as of March 31, 2021
(Current Allowance: \$4,092,132.12;
Cumulative Allowance: \$250,044,226.09)

Full allowance of your claim, based on payments that you asserted against the Group Council proceeding and shown below.

If you accept the Liquidator's recommendation, please sign and return the attached Acknowledgment of Receipt. The Liquidator will submit an *ex parte* motion to the Court for an order approving his recommendation for allowance in the amount set forth on the Notice of Determination. The recommendation will be approved by the Court, and the claimant will be entitled to share, *pro rata*, in distributions of assets, if any, to be made by the Liquidator, based on the amount allowed.

If you dispute the amount recommended for allowance, you may object to the Notice of Determination by serving a written objection on the Liquidator at:

**New York Liquidation Bureau
(Group Council Mutual Insurance Company, in Liquidation)
Creditor & Ancillary Operations Division (14th Floor)
180 Maiden Lane
New York, NY 10038-4925**

The written objection must be received by the Liquidator within sixty days of the date of this Notice of Determination.

The Liquidator will refer each claim for which there is a timely objection to the Court-appointed Referee, to hear and report on the validity of the objection, and the Liquidator will notify you of the time and place of the hearing on the claim(s).

IF YOU DO NOT OBJECT IN WRITING TO THIS NOTICE OF DETERMINATION AS DESCRIBED HEREIN, IT BECOMES FINAL AND BINDING AND NOT SUBJECT TO FURTHER REVIEW.

Group Council Mutual Insurance Company/New York Property and Casualty Security Fund
GC-GF-31.1

Interim Allowance as of March 31, 2021

(Current Allowance: \$4,092,132.12;

Cumulative Allowance: \$250,044,226.09)

Determination Summary:

	Amount Claimed as of 03/31/2021	Previous Allowance as of 12/31/2020	Additional Recommended Allowance From 01/01/2021 To 03/31/2021	Cumulative Allowance as of 03/31/2021	Disallowed / Not Allowed Amount
Paid Loss	\$205,268,067.97	\$205,268,067.97	\$ 0.00	\$205,268,067.97	\$0.00
Loss Reserve Settlement Amount	\$ 0.00	\$ 0.00	\$2,975,000.00	\$2,975,000.00	\$0.00
Total Paid Loss:	\$205,268,067.97	\$205,268,067.97	\$2,975,000.00	\$208,243,067.97	\$0.00
Return Premium	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$0.00
LAE/Administrative Expenses Paid	\$ 40,693,363.65	\$ 40,684,026.00	\$ 9,337.65	\$ 40,693,363.65	\$0.00
LAE/Administrative Expenses Reserve Settlement Amount	\$ 0.00	\$ 0.00	\$1,107,794.47	\$ 1,107,794.47	\$0.00
Total LAE/Administrative Expenses Paid:	\$ 40,693,363.65	\$ 40,684,026.00	\$1,117,132.12	\$ 41,801,158.12	\$0.00
Total:	\$245,961,431.62	\$245,952,093.97	\$4,092,132.12	\$250,044,226.09	\$0.00

You must notify the Liquidator of any changes in your mailing address. This will ensure the Liquidator has a way to reach you if it becomes necessary. Please keep the Liquidator informed of your current address.

If you have any questions regarding this notice, you may contact Charley V. Daniel at 212-341-6267 or cdaniel@nylb.org.

Sincerely yours,

Gail Pierce Siponen

Gail Pierce-Siponen

Asst. Special Deputy Superintendent
Director, Creditor and Ancillary Operations

IF YOU DO NOT OBJECT IN WRITING TO THIS NOTICE OF DETERMINATION AS DESCRIBED HEREIN, IT BECOMES FINAL AND BINDING AND NOT SUBJECT TO FURTHER REVIEW.

Group Council Mutual Insurance Company/New York Property and Casualty Security Fund
GC-GF-31.1
Interim Allowance as of March 31, 2021
(Current Allowance: \$4,092,132.12;
Cumulative Allowance: \$250,044,226.09)

ACKNOWLEDGMENT OF RECEIPT

x I hereby acknowledge receipt of the September 28, 2021 Notice of Determination, as a claimant. By signing this Acknowledgment of Receipt, I understand and **agree** to the content of the Notice of Determination.

 I hereby acknowledge receipt of the September 28, 2021 Notice of Determination, as a claimant. By signing this Acknowledgment of Receipt, I understand and **object** to the content of the Notice of Determination.

I request that Group Council Mutual Insurance Company, in Liquidation ("Group Council") mail future correspondence to:

 Same address as above

 New address _____

Acknowledgment of Receipt must be completed, signed and returned to Group Council in order to be eligible for future distributions, as directed by the Supervising Court.

Date 9/28/21

Stephanie Blattmachr
Claimant/Authorized Representative
Stephanie Blattmachr
Assistant Special Deputy Superintendent
Silverio DiFazio 9/28/2021

IF YOU DO NOT OBJECT IN WRITING TO THIS NOTICE OF DETERMINATION AS DESCRIBED HEREIN, IT BECOMES FINAL AND BINDING AND NOT SUBJECT TO FURTHER REVIEW.

EXHIBIT 4

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

PRESENT: CYNTHIA S. KERN
J.S.C.
Justice

PART 5

GROUP COUNCIL MUTUAL INSUR. CO.

INDEX NO. 400592/c

MOTION DATE _____

MOTION SEQ. NO. 09

MOTION CAL. NO. _____

- v -

RE:

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

Notice of Motion/ Order to Show Cause — Affidavits — Exhibits ...

Answering Affidavits — Exhibits _____

Replying Affidavits _____

PAPERS NUMBERED

Cross-Motion: ☐ Yes ☐ No

Upon the foregoing papers, it is ordered that this motion is granted in accordance with the annexed order.

FILED

DEC 18 2013

NEW YORK
COUNTY CLERK'S OFFICE

Dated: 12/17/13

CYNTHIA S. KERN
J.S.C.

J.S.C.

Check one: ☒ FINAL DISPOSITION ☐ NON-FINAL DISPOSITION

Check if appropriate: ☐ DO NOT POST ☐ REFERENCE

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

At IAS Part 55 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 17th day of
December, 2013.

P R E S E N T:

HON. CYNTHIA S. KERN, J.S.C.

-----X

In the Matter of
the Liquidation of

GROUP COUNCIL MUTUAL INSURANCE COMPANY.

Index No.: 400592/02

FILED ORDER

DEC 18 2013

NEW YORK

COUNTY CLERK'S OFFICE

Mary Jo Marchisello, Assistant Special Deputy Superintendent and Agent of the Superintendent of Financial Services of the State of New York ("Superintendent") as Liquidator ("Liquidator") of Group Council Mutual Insurance Company ("Group Council"), having moved this Court for an order: (i) approving the Liquidator's report ("Report") on the status of the Group Council liquidation proceeding ("Liquidation Proceeding") and the financial transactions delineated therein; (ii) authorizing and directing the Liquidator to consider for allowance only those claims for actual losses incurred and arising under policies issued by Group Council that were presented to the Liquidator on or before the bar date of August 31, 2013 ("Bar Date"); (iii) barring and discharging all claims, other than claims for administrative expenses reported after the Bar Date; (iv) authorizing the continued payment of administrative expenses; (v) authorizing the Liquidator to distribute Group Council's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Group Council with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; (vi) extending judicial immunity to the Liquidator of Group Council, 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 pursuant to Insurance Law Article 74; and (vii) providing for such other and further relief as this Court deems appropriate and just.

NOW, upon reading the Verified Petition, dated October 18, 2013, due proof of service thereof upon all parties interested in Group Council, and due deliberation having been had thereon, and upon the decision of this Court;

NOW, on application of John Pearson Kelly, attorney for the Liquidator, it is

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

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

ORDERED, that the Liquidator is authorized and directed to consider for allowance only those claims for actual losses incurred and arising under policies issued by Group Council that were presented to the Liquidator on or before the Bar Date; and it is further

ORDERED, that all claims, other than claims for administrative expenses reported after the Bar Date are barred and discharged; and it is further

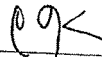
ORDERED, that the Liquidator is authorized to continue paying administrative expenses; and it is further

ORDERED, that the Liquidator is authorized to distribute Group Council's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to

those creditors of Group Council with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; and it is further

ORDERED, that judicial immunity is extended to the Liquidator of Group Council, 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 pursuant to Insurance Law Article 74.

ENTER



J.S.C.

CYNTHIA S. KERN
J.S.C.

FILED

DEC 18 2013

NEW YORK
COUNTY CLERK'S OFFICE

MS# 9
other

ARTICLE 55 OFFICE

UNPAID
FEE
PROCESSED
ONLY

At IAS Part 55 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 22
day of OCT, 2013.

PRESENT:

CYNTHIA S. KERN
J.S.C.

HON. CYNTHIA S. KERN, J.S.C.

RECEIVED

13M25462

In the Matter of

OCT 18 2013

Index No.: 400592/02

the Liquidation of

NEW YORK
COUNTY CLERK'S OFFICE

ORDER TO SHOW CAUSE

GROUP COUNCIL MUTUAL INSURANCE COMPANY.

Based upon the verified petition ("Verified Petition") of Mary Jo Marchisello, Assistant
Special Deputy Superintendent and Agent of Benjamin M. Lawsky, Superintendent of Financial
Services of the State of New York as liquidator ("Liquidator") of Group Council Mutual
Insurance Company ("Group Council"), duly verified the 18 day of October, 2013, and the
exhibits attached thereto, upon all other papers previously submitted and all proceedings
heretofore had herein, and it appearing that the relief sought should be granted;

NOW, on motion of John Pearson Kelly, attorney for the Liquidator, and after due
deliberation having been had thereon,

LET all claimants and parties interested in the affairs of Group Council ^{appear and} show cause ^{m. 432}
before this Court at IAS Part 55, thereof, at the Courthouse located at 60 Centre Street, New
York, New York, on the 17th day of December, 2013 ("Return Date") at 9:30 o'clock
 m., or as soon thereafter as counsel can be heard, why an order should not be made, pursuant

NO FEE

to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*: (i) approving the Liquidator's report ("Report") on the status of the Group Council liquidation proceeding ("Liquidation Proceeding") and the financial transactions delineated therein; (ii) authorizing and directing the Liquidator to consider for allowance only those claims for actual losses incurred and arising under policies issued by Group Council that were presented to the Liquidator on or before the bar date of August 31, 2013 ("Bar Date"); (iii) barring and discharging all claims, other than claims for administrative expenses reported after the Bar Date; (iv) authorizing the continued payment of administrative expenses; (v) authorizing the Liquidator to distribute Group Council's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Group Council with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; (vi) extending judicial immunity to the Liquidator of Group Council, 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 pursuant to Insurance Law Article 74; and (vii) providing for such other and further relief as this Court deems appropriate and just.

AND, sufficient cause having been alleged therefor, and this Court having found the form and method of notice specified herein to be the best notice practicable, it is hereby

ORDERED, that notice of this Order to Show Cause and Verified Petition shall be substantially in the form attached hereto and service shall be made by: (i) posting on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least fifteen days before the Return Date; and (ii) publication in the *New York Post*, or a publication of

similar circulation, once per week for two consecutive weeks commencing within fifteen days following entry of this Order to Show Cause; and it is further

ORDERED, that the form and methods of service of notice specified herein are hereby approved as in accordance with the law and as the best notice practicable and shall therefore constitute due and sufficient notice of this Order to Show Cause and scheduled Return Date herein and the Verified Petition and the relief sought therein to all persons and entities entitled to receive such notice; and it is further

ORDERED, that the approved form of notice shall direct that all answering papers and supporting documentation ("Answering Papers") be served on the Liquidator so as to be received at least seven days prior to the Return Date, and that 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 Group Council Mutual Insurance Company
110 William Street
New York, New York 10038
Attention: General Counsel

and by submitting copies of the Answering Papers, with affidavit of service on the Liquidator as above, to this Court at IAS Part 55 at the Courthouse located at 60 Centre Street, New York, New York, at least seven days before the Return Date; and it is further

ORDERED, that in the absence of Answering Papers filed pursuant to the previous paragraph on or prior to the date specified, the Court may enter relief without hearing and no party shall be entitled to be heard thereon; and it is further


ORDERED, that any person or entity that fails to serve Answering Papers as provided herein shall be deemed to have waived any objections to the relief sought in the Verified Petition

3. KERN
J.S.C.

and shall be barred from raising objections in this or any other proceeding concerning the matters set forth herein; and it is further

ORDERED, that any person or entity that has served Answering Papers as provided herein shall be deemed to have waived any objections that are not set forth in the Answering Papers.

ENTER:



J.S.C.

CYNTHIA S. KERN
J.S.C.

**IN THE MATTER OF THE LIQUIDATION OF
GROUP COUNCIL MUTUAL INSURANCE COMPANY
Supreme Court County of New York
Index No.: 400592/02**

NOTICE

Pursuant to an order of the Supreme Court of the State of New York, County of New York ("Court"), entered on March 19, 2002, the then-Superintendent of Insurance of the State of New York and his successors in office were appointed as liquidator ("Liquidator") of Group Council Mutual Insurance Company ("Group Council") and, as such, have been directed to take possession of Group Council'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 Group Council. The Liquidator has, pursuant to Insurance Law Article 74, appointed Michael J. Casey, Acting Special Deputy Superintendent, as his agent to carry out the responsibilities of the Liquidator, through the New York Liquidation Bureau, 110 William Street, New York, New York 10038. The Liquidator has submitted to the Court a verified petition ("Verified Petition") seeking an order: (i) approving the Liquidator's report ("Report") on the status of the Group Council liquidation proceeding ("Liquidation Proceeding") and the financial transactions delineated therein; (ii) authorizing and directing the Liquidator to consider for allowance only those claims for actual losses incurred and arising under policies issued by Group Council that were presented to the Liquidator on or before the bar date of August 31, 2013 ("Bar Date"); (iii) barring and discharging all claims, other than claims for administrative expenses reported after the Bar Date; (iv) authorizing the continued payment of administrative expenses; (v) authorizing the Liquidator to distribute Group Council's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Group Council with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; (vi) extending judicial immunity to the Liquidator of Group Council, 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 pursuant to Insurance Law Article 74; and (vii) providing for such other and further relief as this Court deems appropriate and just.

A hearing is scheduled on the Verified Petition on the ____ day of ____, 2013, at __:__.m., before the Honorable Cynthia S. Kern, JSC, New York Supreme Court at the Courthouse, IAS Part 55, 60 Centre Street, in the County, City and State of New York, 10013. If you wish to object to the relief sought, 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 days prior to the hearing. 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 Group Council Mutual Insurance Company
110 William Street
New York, New York 10038
Attention: General Counsel

The Verified Petition and Report are available for inspection at the above address. 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 New York Liquidation Bureau, Creditor and Ancillary Operations Division, at (212) 341-6588.

Dated: , 2013

Benjamin M. Lawsky
Superintendent of Financial Services of the
State of New York as Liquidator of
Group Council Mutual Insurance Company

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

-----X
In the Matter of

the Liquidation of

Index No.: 400592/02

VERIFIED PETITION

GROUP COUNCIL MUTUAL INSURANCE COMPANY.
-----X

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York as liquidator (“Liquidator”) of Group Council Mutual Insurance Company (“Group Council”), has appointed agents to carry out, through the New York Liquidation Bureau (“NYLB”), the responsibilities of the Liquidator. The Liquidator, by Mary Jo Marchisello, Assistant Special Deputy Superintendent and agent of the Liquidator, respectfully makes the following petition upon information and belief.

1. On March 19, 2002, this Court issued an order (“Liquidation Order”) appointing the then-Superintendent of Insurance of the State of New York (“Superintendent of Insurance”) and his successors in office as Liquidator of Group Council and commencing this liquidation proceeding (“Liquidation Proceeding”). The Liquidator’s report on the status of the Liquidation Proceeding (“Report”) is attached hereto as Exhibit 1. The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Liquidator of Group Council.

2. The Liquidation Order and New York Insurance Law (“Insurance Law”) Article 74 charged the Liquidator with, among other things, the responsibility for:

- a. Identifying Group Council’s policyholders and claimants;
- b. Notifying Group Council’s policyholders, creditors, claimants, and other interested persons to present their claims;
- c. Marshaling Group Council’s assets;

- d. Adjudicating the claims presented and establishing the total amount of Group Council's liabilities;
- e. Distributing Group Council's assets to creditors with allowed claims; and
- f. Otherwise liquidating Group Council's business pursuant to Insurance Law Article 74.

3. On or about June 26, 2013, the Liquidator submitted a motion ("Bar Date Motion") seeking an order establishing August 31, 2013 as the bar date ("Bar Date") for the presentment to the Liquidator of all claims against Group Council or its insureds other than the Liquidator's claims for administrative expenses. By order entered September 18, 2013, this Court approved the Bar Date Motion.

4. The Report sets forth the results of the Liquidator's efforts to identify Group Council's creditors and collect assets. In the Report, the Liquidator seeks approval to distribute Group Council's assets consistent with this Court's orders and the priorities of Insurance Law Section 7434.

5. This Verified Petition seeks the issuance of an order ("Order") that: (i) approves the Report on the status of the Group Council Liquidation Proceeding and the financial transactions delineated therein; (ii) authorizes and directs the Liquidator to consider for allowance only those claims for actual losses incurred and arising under policies issued by Group Council that were presented to the Liquidator on or before the Bar Date; (iii) bars and discharges all claims, other than claims for administrative expenses, reported after the Bar Date; (iv) authorizes the continued payment of administrative expenses; (v) authorizes the Liquidator to distribute Group Council's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Group Council with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; (vi) extends judicial

immunity to the Liquidator of Group Council, 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 pursuant to Insurance Law Article 74; and (vii) provides for such other and further relief as this Court deems appropriate and just.

6. The Liquidator also requests that this Court issue the accompanying Order to Show Cause approving: (i) a return date (“Return Date”) no more than thirty days after the date of issuance of the Order to Show Cause for a hearing (“Hearing”) on the Verified Petition to be held before this Court; (ii) the form of notice to be given to Group Council’s policyholders, claimants, creditors and all other interested parties regarding the Verified Petition and the Hearing (“Notice”); and (iii) the method of service of the Notice, *i.e.*, by: (a) posting on the Internet web page maintained by the NYLB at <http://www.nylb.org> at least fifteen days before the Hearing; and (b) publication in the *New York Post* or a publication of similar circulation, once per week for two consecutive weeks commencing within fifteen days following entry of the Order to Show Cause.

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

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

- a) Approving the Report on the status of the Group Council Liquidation Proceeding and the financial transactions delineated therein;
- b) Authorizing and directing the Liquidator to consider for allowance only those claims for actual losses incurred and arising under policies issued by Group Council that were presented to the Liquidator on or before the Bar Date;
- c) Barring and discharging all claims, other than claims for administrative expenses, reported after the Bar Date;

- d) Authorizing the continued payment of administrative expenses;
- e) Authorizing the Liquidator to distribute Group Council's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Group Council with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available;
- f) Extending judicial immunity to the Liquidator of Group Council, 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 pursuant to Insurance Law Article 74; and
- g) Providing for such other and further relief as this Court deems appropriate and just.

Dated: New York, New York
OCT. 18, 2013



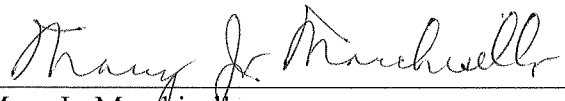
Mary Jo Marchisello
Assistant Special Deputy Superintendent
and Agent of Benjamin M. Lawskey,
Superintendent of Financial Services of
the State of New York as Liquidator of
Group Council Mutual Insurance
Company

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

Mary Jo Marchisello, being duly sworn, deposes and says:

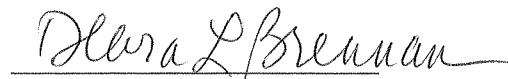
That she has read the foregoing Verified Petition, and that the same is true based upon information and belief as to those matters stated therein. Deponent further says that the sources of her information and the grounds of her belief as to the matters alleged therein are from or were derived from the files of Group Council Mutual Insurance Company in the possession of the Liquidator and communications made to deponent by employees of the Liquidator.

That the reason this petition is verified by this deponent rather than by the Superintendent of Financial Services of the State of New York is that deponent is the duly appointed Assistant Special Deputy Superintendent and Agent of the Superintendent of Financial Services of the State of New York as Liquidator of Group Council Mutual Insurance Company.



Mary Jo Marchisello
Assistant Special Deputy Superintendent and
Agent of Benjamin M. Lawskey,
Superintendent of Financial Services of the
State of New York as Liquidator of
Group Council Mutual Insurance Company

Sworn to before me this
18th day of October, 2013


Notary Public

DEBRA L. BRENNAN
Notary Public, State of New York
No. 01BR6257851
Qualified in Richmond County
Commission Expires March 19, 2016

EXHIBIT 1

**REPORT ON THE STATUS OF THE LIQUIDATION OF
GROUP COUNCIL MUTUAL INSURANCE COMPANY
AND REQUEST FOR AUTHORITY TO DISTRIBUTE ASSETS**

INTRODUCTION

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York as liquidator (“Liquidator”) of Group Council Mutual Insurance Company (“Group Council”) has appointed Michael J. Casey as Acting Special Deputy Superintendent and Agent of the Liquidator and other Agents, to carry out, through the New York Liquidation Bureau (“NYLB”), the responsibilities of the Liquidator. The Liquidator, by Mary Jo Marchisello, Assistant Special Deputy Superintendent and Agent (“Assistant Special Deputy”), hereby submits this Liquidator’s report (“Report”) on the status of the Group Council liquidation proceeding (“Liquidation Proceeding”) and requests the authority to distribute assets.

This Court entered an order (“Liquidation Order”) on March 19, 2002 (“Liquidation Order Date”), pursuant to which Group Council was placed into liquidation. The Liquidation Order appointed the then-Superintendent of Insurance of the State of New York (“Superintendent of Insurance”) and his successors in office as Liquidator of Group Council. A copy of the Liquidation Order is attached hereto as Exhibit A. The Superintendent of Financial Services of the State of New York has now succeeded the Superintendent of Insurance as Liquidator of Group Council.

The Liquidation Order and New York Insurance Law (“Insurance Law”) Article 74 charged the Liquidator with, among other things, the responsibility for:

- a. Identifying Group Council’s policyholders and claimants;
- b. Notifying Group Council’s creditors, claimants and other interested parties to present their claims;
- c. Marshaling Group Council’s assets;

- d. Adjudicating the claims presented and establishing the total amount of Group Council's liabilities;
- e. Distributing Group Council's assets to creditors with allowed claims; and
- f. Otherwise liquidating Group Council's business pursuant to Insurance Law Article 74.

The Liquidator has been discharging his responsibilities since the Liquidation Order Date. This Report sets forth a history of Group Council, a summary of the Liquidator's activities pursuant to the Liquidation Order and Insurance Law Article 74, the financial status of Group Council and the basis for the Liquidator's recommendations to: (i) approve the Report on the status of the Group Council Liquidation Proceeding and the financial transactions delineated herein; (ii) authorize and direct the Liquidator to consider for allowance only those claims for actual losses incurred and arising under policies issued by Group Council that were presented to the Liquidator on or before the bar date of August 31, 2013 ("Bar Date"); (iii) bar and discharge all claims, other than claims for administrative expenses, reported after the Bar Date; (iv) authorize the continued payment of administrative expenses; (v) authorize the Liquidator to distribute Group Council's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Group Council with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; (vi) extend judicial immunity to the Liquidator of Group Council, 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 pursuant to Insurance Law Article 74; and (vii) provide for such other and further relief as this Court deems appropriate and just.

BACKGROUND

Group Council was incorporated in the State of New York on November 23, 1976. Group Council was licensed in the State of New York to provide the types of insurance now set forth in the following numbered paragraphs of Insurance Law Section 1113(a):

<u>Paragraph</u>	<u>Type of Insurance</u>
13	Personal Injury
14	Property Damage Liability
16	Fidelity and Surety

On or about November 15, 2001, Group Council filed its quarterly statement as of September 30, 2001 with the New York State Insurance Department.¹ The quarterly statement reported that Group Council's net admitted assets were \$21,115,726 and its liabilities were \$158,999,813, making it insolvent in the amount of \$137,884,087. Group Council's board of directors unanimously agreed that Group Council be placed into liquidation. On March 19, 2002, Group Council was placed into liquidation and the Superintendent of Insurance and his successors in office were appointed Liquidator. *See Exhibit A.*

FINANCIAL CONDITION OF GROUP COUNCIL AS OF THE LIQUIDATION ORDER DATE

The Liquidator conducted a review of Group Council's financial position as of the Liquidation Order Date and found that Group Council had assets totaling \$5,548,643 and liabilities totaling \$161,104,162, making it insolvent in the amount of \$155,555,519.

A. Assets

As of the Liquidation Order Date, Group Council had total cash and invested assets in the amount of \$1,726,222, which consisted of cash and equivalents in the amount of \$839,510 and

¹ The Department of Financial Services of the State of New York has now succeeded the New York State Insurance Department.

bonds with a fair market value of \$886,712. Group Council's other assets consisted of \$3,783,383 in premiums in the course of collection, and \$39,038 in miscellaneous assets (*e.g.* furniture & fixtures, electronic data processing equipment and other miscellaneous assets).

B. Liabilities

As of the Liquidation Order Date, Group Council's records reflect total liabilities in the amount of \$161,104,162, which consisted of \$133,183,825 in loss reserves, \$27,779,500 reported as loss adjustment expenses ("LAE"), and \$140,837 in reinsurance liabilities.

Group Council's comparative statement of assets, the statement of liabilities and the statement of changes in cash and invested assets for the period between the Liquidation Order Date and June 30, 2013 (collectively, "Financial Statements") are attached hereto as Exhibit B.

LIQUIDATION PROCEEDING

A. Presentment of Claims

Pursuant to the Liquidation Order, within three weeks of its entry, the Liquidator published notice of Group Council's Liquidation Proceeding in the *New York Law Journal*, once a week for two consecutive weeks, advising of the Liquidator's obligations as identified in the Liquidation Order.

All persons having filed claims within the statutorily mandated period, pursuant to Insurance Law Section 7432, and all persons, pursuant to Insurance Law Section 7433(b)(2), appearing on Group Council's books and records as policyholders or claimants ("Identified Claimants"), are deemed to have a timely-filed proof of claim in this Liquidation Proceeding. For an Identified Claimant, being on the books and records secures the right to submit an actual claim in this Liquidation Proceeding and, if and when such actual claim is adjudicated and deemed allowed, possibly receive payment on that claim under Insurance Law Article 74.

On or about June 26, 2013, the Liquidator submitted a motion (“Bar Date Motion”) seeking an order establishing the Bar Date for the presentment to the Liquidator of all claims against Group Council or its insureds other than the Liquidator’s claims for administrative expenses. By order entered September 18, 2013, this Court approved the Bar Date Motion.

B. Adjudication of Claims

The Liquidator is responsible for adjudicating the claims presented to Group Council. A claim is “adjudicated” upon the Liquidator’s recommendation to the Court that the claim be either “allowed” or “disallowed.” An “allowed” claim is a claim that has been approved by a liquidation court and the claimant is therefore allowed to share in the distribution of assets pursuant to Insurance Law Section 7434. A “disallowed” claim is a claim that has been rejected and the claimant will not share in any distribution of the estate’s assets. Pursuant to orders issued by this Court setting forth procedures for allowing and disallowing claims and appointing a referee, creditors who object to the Liquidator’s recommendations are entitled to a hearing before the Court or a court-appointed referee.

C. Description of Classes of Creditors

The priority of distribution of assets from a liquidating insurer is set forth by Insurance Law Section 7434, which provides that all members of a senior class be paid in full before members of the next class may receive any payment. Section 7434(a)(1) provides in pertinent part:

Upon 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 No claim by a shareholder, policyholder or other creditor shall be permitted to circumvent the priority classes through the use of equitable remedies.

The classes of claims, as provided for in the prioritization scheme established by Insurance Law Section 7434, are 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 Section 1307.

- (ix) Class nine. Claims of shareholders or other owners in their capacity as shareholders.

D. Current Status of Claims Presented

As described above, the Liquidator adjudicates those claims that are presented to him. In analyzing such claims, the Liquidator determines the class of claim and whether he concludes that such claim may be eligible for payment out of various funds maintained by the states for the payment of claims against insolvent insurance carriers. In general, the funds are state-administered reserves of money, provided by insurers operating in that state, from which claims against insolvent insurers are paid up to the lesser of the policy limit or a statutory cap. Such funds exist to ameliorate the impact of an insurer's insolvency. Those funds then have a separate claim against the insolvent insurer's estate in the amount of the claims paid by the funds.

New York maintains three security funds: New York property/casualty insurance security fund ("P/C Fund"); the New York public motor vehicle liability security fund ("PMV Fund") and the workers' compensation security fund (the "WC Fund," together with the P/C Fund and the PMV Fund, the "Security Funds"). Similar funds maintained by other states are referred to as "Guaranty Funds." Claims, therefore, generally fall into one of three categories: (a) claims that may be payable out of the estate's assets; (b) claims that may be eligible for payment out of the Security Funds; and (c) claims that may be eligible for payment out of one or more Guaranty Funds. All of the claims paid by the P/C Fund, for example, are aggregated and the P/C Fund has a subrogation claim² against the insolvent insurer. In this case, the P/C Fund has paid hundreds of individual claims on Group Council's policies, which will result in a single claim of the P/C Fund against Group Council's assets. The Liquidator has undertaken the

² See N.Y. Ins. L. §7609(a) and N.Y. Workers' Comp. L. §109-c.

review, processing and payment of the individual claims and charges and is reimbursed by the P/C Fund for such services.

Based upon proofs of claim and/or claims actually submitted to the Liquidator, the following chart shows the approximate number of Identified Claimants and claimants who filed proofs of claim, and the submitted, adjudicated and yet to be adjudicated claims in the Liquidation Proceeding:

	As of the Liquidation Order Date (unless noted otherwise)	Current (numbers are cumulative, unless noted otherwise)
Identified Claimants and claimants who actually submitted proofs of claim	Unknown ³ (as of the dates specified by statute)	N/A
Claims presented to the Liquidator	Unknown (consisting of claims that had been asserted prior to the Liquidation Order Date)	251
Class 1	N/A	N/A
Class 2	N/A	1
Non-Security Fund eligible claims	N/A	N/A
Claims of New York Security Fund	N/A	1
Claims of State Guaranty Funds	N/A	N/A
Class 3	N/A	0
Class 4	N/A	4
Class 5	N/A	2
Class 6	N/A	244
Class 7	N/A	0
Class 8	N/A	0
Class 9	N/A	0
Claims adjudicated by the Liquidator	N/A	0
Claims disallowed or recommended for disallowance by the Liquidator	N/A	0
Claims allowed or recommended	N/A	1

³ The records of Group Council did not permit such determination.

for allowance by the Liquidator		
Class 1	N/A	0
Class 2	N/A	0
Non-Security Fund eligible claims	N/A	0
Claim of Security Funds and Guaranty Funds	N/A	0
Class 3	N/A	0
Class 4	N/A	0
Class 5	N/A	0
Class 6	N/A	0
Class 7	N/A	0
Class 8	N/A	0
Class 9	N/A	0

1. Value and Payment of Claims

a) Class One Claims

From the Liquidation Order Date through June 30, 2013, the Liquidator has incurred and paid administrative expenses in the amount of \$2,934,233.

b) Class Two Claims

i. Total Value of all Class Two Claims

All of the Class two claims that have been filed in the Liquidation Proceeding as of June 30, 2013 amount to \$268,836,557. \$223,212,363 of this claimed amount has been recommended for allowance and approved by the court.

ii. Claims of Security Fund

The P/C Fund has a claim against Group Council, as of June 30, 2013 in the amount of \$268,836,557. This includes \$223,212,363 in paid losses, LAE and administrative expenses, which have been allowed by court order; \$5,151,050 in allowed paid losses, LAE and administrative expenses which have been paid but not yet allowed; and reserves on open claims totaling \$40,473,144.

c) The Remaining Classes of Claims

There are 4 Class four, 2 Class five, and 244 Class six claims presented in the Liquidation Proceeding in the amounts of \$4,425, \$22,828 and \$56,202,748, respectively. Group Council has insufficient assets to pay Class two claims in full, therefore, to maximize the assets of the estate, the remaining classes of claims will not be further adjudicated unless it appears that the estate will have sufficient assets to pay Class two claims in full.

E. Financial Condition of Group Council as of June 30, 2013

As of June 30, 2013, Group Council had total assets of \$2,356,530 and total liabilities of \$325,621,422, leaving Group Council insolvent in the amount of \$323,264,892. Group Council's Financial Statements reflect the transactions described herein. *See* Exhibit B.

1. Assets

As of June 30, 2013, Group Council had total assets of \$2,356,530, which consisted of \$2,250,354 in cash and cash equivalents, \$100,000 in receivable from affiliates and \$6,176 in restricted assets.

2. Liabilities

As of June 30, 2013, Group Council's total liabilities were \$325,621,422, of which \$6,176 are a secured creditor(s) claim, \$548,688 are Class one liabilities for operating and administrative expenses; \$268,836,557 are Class two liabilities, *i.e.*, policy-related claims; \$4,425 are Class four liabilities *e.g.*, employee claims, \$22,828 are Class five liabilities, *e.g.*, State and Local Government claims; and \$56,202,748 and are Class six liabilities, *e.g.* non-allowed general unsecured creditor claims (other than reinsurance related). *See* Exhibit B.

3. Collection of Assets

Cash Receipts

As of June 30, 2013, the Liquidator collected assets in the amount of \$3,558,365, consisting of \$557,044 in investment income, \$1,648,750 in reinsurance recoveries, \$1,096,319 in premiums, and \$256,252 in miscellaneous receipts.

Administrative Expense Reimbursement

As of June 30, 2013, the Liquidator received \$24,599,857 in reimbursement from the P/C Fund for payment of LAE and administrative expenses incurred and paid by the Liquidator in connection with the administration of claims covered by the P/C Fund.

4. Disbursement of Assets

Administrative Expenses

From the Liquidation Order Date through June 30, 2013, the Liquidator has incurred and paid expenses in the amount of \$27,534,090, consisting of LAE and administrative expenses. These expenses include: \$22,038,577 for LAE, \$2,459,486 for the salaries of the Liquidator's staff, \$841,820 for employee relations and welfare (*e.g.*, payroll taxes, health insurance and pension contributions), \$610,480 for rent and related expenses, \$422,053 for professional fees (*e.g.*, accountants, legal and other consultants), \$356,466 for general and administrative expenses (*e.g.*, IT services and office supplies), and \$805,208 for miscellaneous expenses (*e.g.*, taxes, insurance and other miscellaneous expenses).

The disbursement of administrative expenses set forth above totals \$27,534,090, of which \$24,599,857 consists of expenses relating to the P/C Fund and that have been reimbursed by the P/C Fund. Therefore, after offsetting the P/C Fund's payments, Group Council's expenses

associated with administration of the estate, other than those relating to the P/C Fund, total \$2,934,233.

Other Cash Disbursements

The Liquidator has disbursed a total of \$100,000 of Group Council assets, to the central disbursement account (“CDA”). The Liquidator used the funds in the CDA to pay, on behalf of Group Council, administrative expenses such as salaries, employee relations and welfare (*e.g.*, payroll taxes, health insurance and pension contributions), and rent of the Liquidator.

5. Payments to Claimants

No distribution of assets has yet been made to any class of claimant other than Class one. The Liquidator has reserved for the Class two claims which have yet to be adjudicated, as well as for projected administrative expenses. This reserve is necessary to ensure that at the time of any distribution, there will be sufficient assets to pay all Class two creditors in parity and the administrative expenses incurred as of that time.

RELIEF SOUGHT

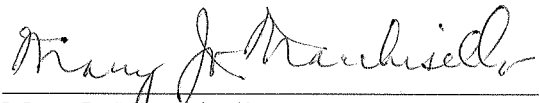
The Liquidator submits this Report to describe to this Court the status of the Group Council Liquidation Proceeding, and receive authorization to distribute assets of the estate. In support of the Liquidator’s recommendations stated herein, the Liquidator has submitted to this Court the Verified Petition of the Assistant Special Deputy. Based on the facts set forth in the Verified Petition and herein, the Liquidator requests in the Verified Petition that this Court issue an order which:

- a. Approves this Report on the status of the Group Council Liquidation Proceeding and the financial transactions delineated herein;

- b. Authorizes and directs the Liquidator to consider for allowance only those claims for actual losses incurred and arising under policies issued by Group Council that were presented to the Liquidator on or before the Bar Date;
- c. Bars and discharges all claims, other than claims for administrative expenses, reported after the Bar Date;
- d. Authorizes the continued payment of administrative expenses;
- e. Authorizes the Liquidator to distribute Group Council's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Group Council with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available;
- f. Extends judicial immunity to the Liquidator of Group Council, 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 pursuant to Insurance Law Article 74; and
- g. Provides for such other and further relief as this Court deems appropriate and just.

Dated: New York, New York

Oct. 18, 2013



Mary Jo Marchisello
Assistant Special Deputy Superintendent
and Agent of Benjamin M. Lawskey,
Superintendent of Financial Services of the
State of New York as Liquidator of Group
Council Mutual Insurance Company

EXHIBIT A

At IAS Part 55 of the Supreme Court of the
State of New York, County of New York
at the Courthouse, 60 Centre Street, New
York, New York on the 14th day of
March, 2002.

PRESENT:

HON. JANE S. SOLOMON

JUSTICE

-----X
In the Matter of

Index No.: 400592/02

the Application of

LIQUIDATION ORDER

GREGORY V. SERIO, as Superintendent of Insurance
of the State of New York, for an order to take
possession of the property of and liquidate

GROUP COUNCIL MUTUAL INSURANCE
COMPANY

FILED
MAR 19 2002
NEW YORK
COUNTY CLERK'S OFFICE

-----X
Petitioner, Gregory V. Serio, Superintendent of Insurance of the State of New
York (the "Superintendent"), having moved this Court for an order to take possession of the
property of and liquidate GROUP COUNCIL MUTUAL INSURANCE COMPANY
("GROUP COUNCIL");

NOW, upon reading and filing the petition of the Superintendent Gregory V.
Serio, by Kevin Rampe, First Deputy Superintendent of Insurance, duly verified on the 6th
day of February, 2002, the exhibits annexed thereto; the emergency affidavit of Kevin
Rampe, dated February 6, 2002; the Affirmation in Partial Opposition of Norman L. Cousins,
dated February 16, 2002; the Affirmation in Partial Opposition of Susan M. Karten, dated
February 18, 2002; the Notice of Cross-Motion by Gersowitz Libo & Korek, P.C., dated

February 14, 2002 (the "Cross-Motion"); the Affirmation of Michael A. Fruhling in support of the Cross-Motion, dated February 14, 2002; the Affirmation in Opposition of Mark Bower dated February 13, 2002; and the Affirmation in Opposition of Gary Zucker dated February 8, 2002; and it appearing to my satisfaction that:

1. GROUP COUNCIL is a New York corporation, with its principal office in New York County;
2. GROUP COUNCIL is insolvent;
3. GROUP COUNCIL has consented to an order of liquidation being entered against it in the Supreme Court, County of New York;
4. It is in the best interest of all persons concerned that the Superintendent be directed to take possession of the property and liquidate the business and affairs and dissolve the corporate charter of GROUP COUNCIL.

And the matter having come to be heard on February 8 and February 19, 2002, and the Superintendent having appeared by the Honorable Eliot Spitzer, Attorney General of the State of New York, by Michael E. Peeples, Assistant Attorney General, and the attorneys listed in the Notice of Settlement having appeared; and GROUP COUNCIL having consented to the relief sought herein, and due deliberation having been had; and this Court having orally rendered a decision on February 19, 2002 granting the petition, and denying the Cross-motion as premature;

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

ORDERED that:

1. The petition is granted and the Cross-motion is denied;

2. GROUP COUNCIL is insolvent;
3. Gregory V. Serio, Superintendent, and his successors in office as superintendent, are appointed liquidator of GROUP COUNCIL, authorized and directed to immediately take possession of its property, vested with title to its property, contracts and rights of action and directed to liquidate its business and affairs in accordance with Article 74 of the Insurance Law. The Superintendent may deal with the property and business of GROUP COUNCIL in its name or in the name of the Superintendent, as liquidator;
4. In accordance with Insurance Law § 7432 (b), all claims against GROUP COUNCIL must be presented to the Superintendent, as liquidator, within four months of the date of entry of this order;
5. In accordance with Insurance Law § 7433 (b)(2), all persons who appear on GROUP COUNCIL's books and records as policyholders, obligees, or claimants as of the date of entry of this order shall be deemed to have duly filed proofs of claim prior to the last day set for filing claims;
6. The Superintendent shall provide notice, by publication in the New York Times and the New York Law Journal once a week for two consecutive weeks commencing within three weeks of entry of this order, of the foregoing paragraph, and that all other creditors, claimants and interested persons to must present claims within four months of the date of entry of this order;
7. The notice provided for herein is sufficient notice to all persons interested in GROUP COUNCIL;
8. In accordance with Insurance Law § 7405, insurance policies, bonds, and other insurance obligations, if any, issued and undertaken by GROUP COUNCIL shall terminate and all liability thereunder shall be fixed as of 12:01 a.m. on the thirtieth day after entry of this order or upon termination or cancellation under the terms of same, or upon procurement of replacement policies, bonds or insurance coverage, whichever is earlier;
9. In accordance with Insurance Law § 7405, all other contracts, leases, tax sharing agreements, employment contracts, and obligations of GROUP COUNCIL, however described, shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this order unless ratified by the Superintendent, as liquidator;

10. The Superintendent, as liquidator, is authorized to sell, assign, or transfer any and all real or personal property, stocks, bonds or securities of GROUP COUNCIL at market price or better, or if there is no market price, at the best price obtainable at private sale at such times and upon such terms and conditions as in his discretion he deems is in the best interest of GROUP COUNCIL's creditors, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments;
11. GROUP COUNCIL, its officers, directors, depositories, trustees, agents, servants, employees, attorneys, and all other persons, having any property or records belonging or relating to GROUP COUNCIL, including, but not limited to insurance policies, loss, claim or legal files are directed, upon request of the Superintendent, as liquidator, to assign, transfer, set over and deliver to him all such property or records;
12. Any persons, firms, corporations, or associations having any books, papers or records relating to the business of GROUP COUNCIL shall preserve them and submit them to the Superintendent, as liquidator, for examination and copying at all reasonable times;
13. The officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of GROUP COUNCIL, and all other persons are permanently enjoined and restrained from the transaction of GROUP COUNCIL's business, the waste or disposition of its property, interfering with the Superintendent, as liquidator, in the possession, control and management of GROUP COUNCIL's property or in the discharge of his duties;
14. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against GROUP COUNCIL, the Superintendent, as liquidator of GROUP COUNCIL, or the New York State Insurance Department Liquidation Bureau its employees, and agents with respect to claims against GROUP COUNCIL;
15. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against GROUP COUNCIL's assets or any part thereof;

16. All parties to lawsuits, in which GROUP COUNCIL is obligated to defend a party pursuant to or by virtue of an insurance policy or in which GROUP COUNCIL is the excess or umbrella layer of insurance and the primary or other underlying insurer has tendered or offered its full policy limits or where said policy limits have been exhausted by payment of the underlying insurer's aggregate, are enjoined and restrained from proceeding in all actions at law, suits in equity, special, or other proceeding for 180 days from the date of entry of this order, including, but not limited to, proceedings with any discovery, pre-trial conference, trial, application for judgment, or proceedings on judgment or settlement.
17. Those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against GROUP COUNCIL coming within the purview of Article 76 of the Insurance Law are enjoined from presenting and filing such claims in this proceeding for 90 days from the date of entry of this order.
18. The corporate charter of GROUP COUNCIL is relinquished, forfeited, surrendered and annulled, and GROUP COUNCIL is dissolved;
19. That the Superintendent of Insurance as Liquidator, may at any time make further application to this Court for such further and different relief as he sees fit.
20. All further papers in this proceeding shall bear the caption:


“In the Matter of

the Liquidation of

GROUP COUNCIL MUTUAL INSURANCE COMPANY”

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

ENTER



J.S.C.
JANE S. SOLOMON

SRH:cb L2397
Of Group Council

FILED
MAR 19 2002
NEW YORK
COUNTY CLERK'S OFFICE

EXHIBIT B

GROUP COUNCIL MUTUAL INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF ASSETS

	Jun. 30, 2013		Mar. 19, 2002	
Unrestricted Assets				
Cash-Unrestricted	\$	2,250,354	\$	839,510
Short-Term Investments		-		-
Bonds, Preferred Stocks, and Common Stocks		-	\$	886,712
Total Cash and Invested Assets	\$	2,250,354	\$	1,726,222
Reinsurance Recoverables on Paid Losses and LAE		23,061,831		-
Less: Allowance for Uncollectible Reinsurance Recoverable	\$	(23,061,831)		-
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		-		-
Premium and Commissions Receivable				3,783,383
Receivable from Affiliates		100,000		-
Accrued Investment Income		-		-
Other Assets		-		39,038
Total Unrestricted Assets		2,350,354		5,548,643
Restricted Assets:				
Restricted - Statutory Deposits in This or Other States		-		-
Restricted - Other		6,176		-
Total Restricted Assets		6,176		-
Total Assets	\$	2,356,530	\$	5,548,643

GROUP COUNCIL MUTUAL INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF LIABILITIES

	Jun. 30, 2013	Mar. 19, 2002
Secured Claims	\$ 6,176	-
Class I - Administrative Claims:	548,688	-
Class II - Claims and Related Costs:		
Guaranty Fund Claims:		
Allowed Claims:		
Administrative Claims Expenses	-	-
Loss Adjustment Expenses (LAE)	\$ 37,769,300	\$ 27,779,500
Loss Claims	185,443,063	133,183,825
Unearned and Advance Premium Claims	-	-
Total Allowed Claims	223,212,363	160,963,325
Less Advance Dividends	-	-
Total Allowed Claims	223,212,363	\$ 160,963,325
Non - Allowed Claims:		
Administrative Claims Expenses	8,208,782	-
Loss Adjustment Expenses (LAE)	4,137,188	-
Loss Claim Reserves	33,278,224	-
Unearned and Advance Premium Claims	-	-
Total Non-Allowed Claims	45,624,194	-
Total Guaranty Fund Claims:	\$ 268,836,557	\$ 160,963,325
Creditor Claims:		
Allowed Claims:		
Loss Claims	-	-
Unearned and Advance Premium Claims	-	-
Total Allowed Claims	-	-
Less Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims:		
Loss Claims Reserves	-	-
Unearned and Advance Premium Claims	-	-
Loss Adjustment Expenses (LAE)	-	-
Total Non-Allowed Claims	-	-
Total Creditor Claims	-	-
IBNR	-	-
Total Class II Claims and Related Costs:	268,836,557	\$ 160,963,325
Class III - Federal Government Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class III Claims	-	-
Class IV - Employee Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	\$ 4,425	-
Total Class IV Claims	\$ 4,425	-

GROUP COUNCIL MUTUAL INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF LIABILITIES (Continued)

	Jun. 30, 2013	Mar. 19, 2002
Class V - State and Local Government Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	\$ 22,828	-
Total Class V Claims	\$ 22,828	-
 Class VI - General Creditors:		
Allowed General Unsecured Creditor Claims (Other than Reinsurance Related)	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non Allowed General Unsecured Creditor Claims (Other than Reinsurance Related)	56,202,748	-
Total General Unsecured Creditor Claims (Other than Reinsurance Related)	\$ 56,202,748	-
 Reinsurance Related Unsecured Claims	-	\$ 140,837
Less: Dividends	-	-
Total Reinsurance Related Unsecured Claims	-	\$ 140,837
Total Class VI Claims	56,202,748	\$ 140,837
 Class VII - Late Filed Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class VII Claims	-	-
Class VIII - Section 1307 (Shareholder) Loans:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class VIII Claims	-	-
Class IX - Share Holder Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class IX Claims	-	-
 Other Liabilities	-	-
 Total Liabilities	325,621,422	161,104,162
TOTAL DEFICIT	(323,264,892)	(155,555,519)
 Total Liabilities and Liquidator's Surplus (Deficit)	\$ 2,356,530	\$ 5,548,643

GROUP COUNCIL MUTUAL INSURANCE COMPANY IN LIQUIDATION
STATEMENT OF CHANGES IN CASH AND INVESTED ASSETS
FOR THE PERIOD FROM MARCH 19, 2002 TO JUNE 30, 2013

		Inception to June 30, 2013
Receipts		
	Investment Income	\$ 557,044
	Reinsurance Recovered	1,648,750
	Premiums Collected	1,096,319
	Expense Reimb Receipts from New York Security Funds	24,599,857
	Miscellaneous	256,252
Total Receipts		28,158,222
Disbursements		
	Deposit with Central Disbursement Account	100,000
	Loss Adjustment Expenses	22,038,577
	Salaries	2,459,486
	Employee Relations & Welfare	841,820
	Rent and Related Expenses	610,480
	Professional Fees	422,053
	General and Administrative Expenses	356,466
	Other Miscellaneous Expenses	805,208
Total Disbursements		27,634,090
Net Increase (Decrease) in Cash and Invested Assets		524,132
BEGINNING CASH AND INVESTED ASSETS - MARCH 19, 2002		1,726,222
Unrealized Gain on Investments		-
ENDING CASH AND INVESTED ASSETS - JUNE 30, 2013		\$ 2,250,354

Index No. 400592 Year 2002

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

In the Matter of
the Liquidation of

GROUP COUNCIL MUTUAL INSURANCE COMPANY.

ORDER TO SHOW CAUSE AND VERIFIED PETITION

JOHN PEARSON KELLY

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

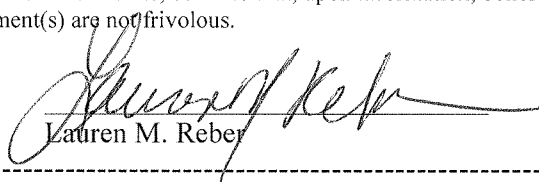
Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street – 15th Floor
New York, NY 10038
(212) 341-6755
Fax (212) 608-3398

ATTORNEY CERTIFICATION

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

Dated: Oct. 18, 2013
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 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) 341-6755
Fax (212) 608-3398

EXHIBIT 5

NOTICE

IN THE MATTER OF THE LIQUIDATION OF GROUP COUNCIL MUTUAL INSURANCE COMPANY

Supreme Court, County of New York

Index No.: 400592/2002

The Acting Superintendent of Financial Services of the State of New York as liquidator (“Liquidator”) of Group Council Mutual Insurance Company (“Group Council”) has made an application to the Supreme Court, County of New York (“Court”) seeking an order: (i) approving an allowance for the claim of the New York Property/Casualty Insurance Security Fund (the “P/C Fund”) in the amount of \$4,092,132.12 for the period of January 1, 2021-September 28, 2021 as a Class Two claim against the Group Council estate (the “2021 P/C Fund Claim”); (ii) approving the Liquidator’s report on the status of the Group Council liquidation proceeding and the financial transactions detailed therein; (iii) authorizing the continued payment of actual and necessary administrative expenses incurred by the Liquidator, if any, including such expenses pertaining to the closing of the Group Council liquidation proceeding; (iv) upon approval of the 2021 P/C Fund Claim, terminating and closing the liquidation proceeding, and finally discharging all past, present, and future claims brought against Group Council or in connection with the liquidation proceeding; (v) authorizing the New York Liquidation Bureau to continue, after the termination of the Group Council liquidation proceeding and without further order of this Court, to receive any additional assets of Group Council that may be located, and to use such assets, first, to pay all administrative expenses incurred in connection with the collection and disbursement of such additional assets, and then to distribute those assets to creditors of Group Council with allowed claims who are eligible to share in a *pro rata* distribution; and (vi) 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.

A hearing on the application is scheduled for the ____ day of ____, 2021, at __: __ M (“Return Date”), before the Court at IAS Part 56, at the Courthouse located at 71 Thomas Street, New York, NY. If you wish to object to the application, you must serve a written statement setting forth your objections and all supporting documentation upon the Liquidator, by at least seven (7) days prior to the Return Date and any answering papers, together with an affidavit of service, shall be filed with the Court on or before the Return Date. All papers must be properly bound and tabbed. Service on the Liquidator shall be made by first class mail at the following address:

Acting Superintendent of Financial Services of the State of New York as
Liquidator of Group Council Mutual Insurance Company
180 Maiden Lane, 15th Floor
New York, New York 10038
Attention: General Counsel

The Liquidator's 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 New York Liquidation Bureau, Creditor and Ancillary Operations Division, at (212) 341-6489.

Dated: October __, 2021

ADRIENNE A. HARRIS
Acting Superintendent of Financial Services
of the State of New York as Liquidator of
Group Council Mutual Insurance Company

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

GROUP COUNCIL MUTUAL INSURANCE COMPANY.