

At IAS Part *13* of the Supreme Court of the State of New York, 60 Centre Street, in the Borough of Manhattan, City and State of New York, on the *20th* day of *December*, 1996.

P R E S E N T :

HON. *Sheila Abdul Salaam*

JUSTICE.

-----X Index No.: 40275/85

In the Matter of
the Liquidation of

ORDER APPROVING THE
LIQUIDATOR'S PROPOSED
PROCEDURE FOR JUDICIAL
REVIEW OF RECOMMENDATIONS
FOR ALLOWANCE OF CLAIMS

IDEAL MUTUAL INSURANCE COMPANY
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EDWARD J. MUHL, the Superintendent of Insurance of the State of New York as Liquidator of IDEAL MUTUAL INSURANCE COMPANY (the "Liquidator"), having moved this Court by Petition dated *OCTOBER 25th*, 1996, for approval of a procedure (the "Procedure") for judicial review of recommendations for allowance of claims made in this proceeding, and it appearing from the Petition that the Procedure will best serve the interests of IDEAL MUTUAL INSURANCE COMPANY ("IDEAL"), its creditors, all other interested persons and that it should be approved and implemented;

IT IS HEREBY ORDERED:

1. The Procedure is approved.

2. The Court finds that the Procedure is required for the orderly administration of the IDEAL estate. The Procedure will enable the Liquidator to dispose of claims on an ongoing basis while offering due process to all claimants who object to his recommendations.

3. The Procedure is as follows:

a) The Liquidator shall, on a periodic basis, prepare a list of claims recommended for allowance. The Liquidator shall serve each claimant with a "Notice of Determination". Service shall be made by first class mail to claimant's last known address. The Notice of Determination shall advise each claimant that:

i) The claimant's claim has been recommended for allowance by the Liquidator in the amount set forth therein;

ii) If the claimant accepts the Liquidator's recommendation, the claimant is not required to take any further action. The Liquidator will submit an ex-parte motion to this 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.

iii) If the claimant disputes the amount recommended for allowance, the claimant may object to the Notice of Determination by serving a written objection on the Liquidator. The written objection must be received by the Liquidator within sixty days of

the date of the Notice of Determination.

iv) The Liquidator will refer each claim for which there is a timely objection to the referee appointed by order entered April 4, 1995 to hear and report on the validity of claimants' objections and that the Liquidator will notify each claimant of the time and place of the hearing on the claimant's claim. *Thereafter upon the issuance of the Referee's Report, either side may move to confirm or set aside the verdict.*

b) The Liquidator shall submit an ex-parte order seventy-five days after the date of the Notice of Determination, which shall provide for the approval and confirmation of the Liquidator's recommendations for allowance with respect to each claim for which no objection is received.

Filed
JAN 5 1997
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J. S. C.

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