

205

DEC 1

At IAS Part 25 of the Supreme Court of the State of New York, County of New York, 60 Centre Street, New York, New York this 9th day of DEC 2003.

PRESENT:

HON. LELAND DEGRASSE

In the Matter of  
the Liquidation of

IDEAL MUTUAL INSURANCE COMPANY

JUSTICE RECEIVED  
DEC 09 2003  
I.A.S. SUPPLY SECTION OFFICE

Index No. 40275/85

ORDER

FILED  
DEC 12 2003

NEW YORK COUNTY CLERK'S OFFICE  
Deputy Special

UPON the petition of RICHARD S. KARPIN, Superintendent and Agent of GREGORY V. SERIO, Superintendent of Insurance of the State of New York as Liquidator (the "Liquidator") of Ideal Mutual Insurance Company ("Ideal"), duly verified the 7th day of August, 2003 and the exhibits annexed thereto, for an order, inter alia, approving the Liquidator's Report on the Status of the Liquidation of Ideal (the "Report"), approving the transactions described in the Report, and approving the Liquidator's proposal.

NOW upon reading and filing the Order to Show Cause, signed on August 11, 2003, the petition supporting such order of Richard S. Karpin dated August 7, 2003, and the exhibits annexed thereto, including the Report of the Liquidator; the affirmation in response of James Veach dated September 12, 2003 and the exhibits annexed thereto; the reply affirmation of Jack Franceschetti dated September 25, 2003 and the exhibits annexed

thereto; and upon due consideration, the Court in a decision dated October 30, 2003 granted the application;

NOW, on the motion of the Liquidator of Ideal

IT IS ORDERED THAT:

1. This petition <sup>is</sup> granted;
2. The Liquidator's Reports on the Status of the Liquidation of Ideal is approved;
3. The transactions described in the Report are approved;
4. Only the amounts of paid and outstanding losses reported by reinsurance claimants through December 31, 2003 will be considered for allowance;
5. Only claims for actual losses and loss adjustment expenses arising under direct policies issued by Ideal reported through December 31, 2003 will be considered for allowance; and
6. All claims for losses and loss adjustment expenses including, without limitation, reinsurance claims and direct policy claims reported after December 31, 2003 will be barred and discharged.

ENTER

*J.S.C.*

*J.S.C.*

**FILED**  
DEC 12 2003  
NEW YORK  
COUNTY CLERK'S OFFICE

SRH:cb  
Order L1316 9-23-03

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

PRESENT: HON. LELAND DEGRASSE  
Justice

PART 25

Re: Ideal Mutual Insure Co

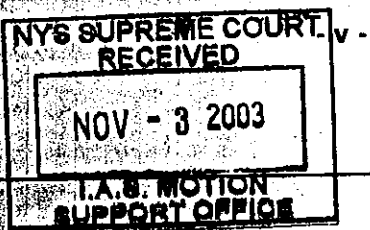
INDEX NO. 40275/85

SEP 29 2003

MOTION DATE \_\_\_\_\_

MOTION SEQ. NO. 104

MOTION CAL. NO. \_\_\_\_\_



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

FILED  
DEC 12 2003

Cross-Motion:  Yes  No

NEW YORK COUNTY CLERK'S OFFICE

Upon the foregoing papers, it is ordered that this motion

This application by the Superintendent of Insurance of the State of New York for an order approving his report on the status of the within liquidation proceeding is granted in all respects. As requested in the petition, December 31, 2003 shall be the bar date for the presentation of claims. Settle order.

Dated: October 30, 2003

[ideal0040275/85-104]

FILED  
NOV 06 2003  
NEW YORK COUNTY CLERK'S OFFICE

Dated: \_\_\_\_\_

J.S.C.

Check one:  FINAL DISPOSITION  NON-FINAL DISPOSITION

**AFFIDAVIT OF SERVICE BY MAIL**

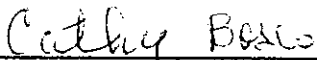
STATE OF NEW YORK    )  
                                  ) SS:  
COUNTY OF NEW YORK)

CATHY BOSCO, being duly sworn, deposes and says:

I am over the age of eighteen years, and am not a party to this action. On the 17<sup>th</sup> day of November, 2003, I served the annexed Order with Notice of Settlement upon the below listed attorneys by depositing the same, properly enclosed in a post-paid wrapper, in an official postal depository regularly maintained by the U.S. Government within the State of New York, directed to said attorneys at their respective address as follows:

To: James Veach  
Mound, Cotton, Wollan & Greengrass  
One Battery Park Plaza  
New York, New York 10004-1486

being the address, within the State, designated by them for that purpose upon the preceding papers in this action.

  
\_\_\_\_\_  
CATHY BOSCO

Sworn to before me this 17<sup>th</sup>  
day of November, 2003

  
\_\_\_\_\_  
NOTARY PUBLIC

SHARON R. SMITH  
Notary Public, State of New York  
No. 915465, Kings County  
Commission Expires October 3, 2006

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

-----X

In the Matter of  
  
the Liquidation of

**ORDER WITH  
NOTICE OF  
SETTLEMENT**

IDEAL MUTUAL INSURANCE COMPANY


-----X

SIR:

Please take notice that an order with Notice of Settlement of which the within is a true copy of will be presented for settlement to the Hon. Leland DeGrass, one of the judges of the within named Court, at 60 Centre Street on the 1<sup>st</sup> day of December, 2003 at 9:30 A.M.

Dated: New York, New York  
November 17, 2003

Yours, etc.,

  
Steven R. Harris  
New York State Insurance Department  
Liquidation Bureau  
Attorney for the Liquidator  
123 William Street  
New York, NY 10038-3889  
(212) 341-6700

To: James Veach  
Mound, Cotton, Wollan & Greengrass  
One Battery Park Plaza  
New York, New York 10004-1486

SRH:cb

Order with Notice of Settlement (Ideal)

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

In the Matter of

the Liquidation of

IDEAL MUTUAL INSURANCE COMPANY

ORDER WITH NOTICE OF SETTLEMENT

**Steven R. Harris**

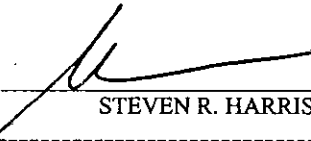
NEW YORK STATE INSURANCE DEPARTMENT  
LIQUIDATION BUREAU  
Attorney for the Liquidator

*Office and Post Office Address, Telephone*  
123 William Street  
New York, NY 10038-3889  
(212) 341-6755

**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: November 17, 2003  
New York, New York

  
STEVEN R. HARRIS

Sir: Please take notice

NOTICE OF ENTRY

that the within is a (*certified*) true copy of a  
duly entered in the office of the clerk of the within named court on

2002

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

2002 at M.

, on

Dated:

Yours, etc.

**Steven R. Harris, Esq.**

*Attorney for the Liquidator*

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

To

Attorney(s) for

STATE COURT OFFICE

EX PARTE MOTION OFFICE  
LJ  
MOTION FOR  
ORDER TO SHOW CAUSE  
ONLY

At ~~IAS Part~~ 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 11<sup>th</sup> day of August, 2003.

PRESENT

HON. **WILLIAM P. McCOOE** M.S.# 104 : Other  
JUSTICE.

-----x

In the Matter of

MC002826

the Liquidation of

Index No.: 40275/85

IDEAL MUTUAL INSURANCE COMPANY

ORDER TO SHOW CAUSE

-----x

INDEX NUMBER 40275 YEAR 1985  
16 MOTIONS NO FEE 0.00

Upon reading the annexed petition of RICHARD S. KARPIN, Assistant Special  
Deputy Superintendent and Agent of GREGORY V. SERIO, Superintendent of Insurance  
of the State of New York as Liquidator (the "Liquidator") of Ideal Mutual Insurance  
Company ("Ideal") and the exhibits attached hereto for an order in accordance with  
Article 74 of the Insurance Law that:

Special  
CASHIER DATE TIME TERM  
3040 3000 03 AUG 08 11:01 AM 60-1

- a. approves the Report;
- b. approves the transactions described in the Report;
- c. provides that only the amounts of paid and outstanding losses reported by reinsurance claimants through December 31, 2003 will be considered for allowance;
- d. provides that only claims for actual losses and loss adjustment expenses arising under direct policies issued by Ideal reported through December 31, 2003 will be considered for allowance;

- e. provides that all claims for losses and loss adjustment expenses including, without limitation, reinsurance claims and direct policy claims reported after December 31, 2003 be barred and discharged; and
- f. provides for such other relief as is just.

LET all policyholders and creditors with allowed or unadjudicated claims (the "interested persons") or their attorneys show cause before this Court at IAS Part <sup>75</sup>, 60 Centre Street, <sup>in. 428</sup> New York, New York 10007, on the <sup>29<sup>th</sup></sup> day of <sup>Sept</sup>, 2003 at 9:30 a.m. or as soon thereafter as counsel may be heard, why an order approving the Liquidator's Report and the relief sought in the petition should not be granted;

AND, sufficient cause having been alleged therefor, let service <sup>if a copy</sup> of notice of this Order to Show Cause in substantially the form annexed hereto be made on such interested persons by mailing at least 30 days prior to the above scheduled return date and by publication in the New York Times National Edition once a week for two consecutive weeks commencing on August 18<sup>th</sup>, 2003; and it is further

ORDERED, that the form and method of notice specified herein is the best notice practicable and shall constitute due and sufficient notice of this Order to Show Cause to all interested persons entitled to receive such notice; and it is further

ORDERED, that any person or entity who wishes to object to the petition must serve a written statement setting forth the objections and all supporting documentation upon the Liquidator and Clerk of the Court at least fifteen (15) business days prior to the above scheduled return date. Service on the Liquidator shall be made by first class mail at the following address:



The Superintendent of Insurance of the State of New York  
as Liquidator of Ideal Mutual Insurance Company  
123 William Street  
New York, New York 10038-3889  
Attention: Melvin Burruss, Esq.

and it is further

ORDERED, that unless the court otherwise directs, no person or entity will be entitled to object to the petition or otherwise be heard, except by serving and filing a written objection as described above. Any person or entity who fails to object in the manner described above will be deemed to have waived any objections and will be barred from raising objections in this or any other action.

ENTER

J. S. C.

**IN THE MATTER OF THE LIQUIDATION OF  
IDEAL MUTUAL INSURANCE COMPANY  
Supreme Court County of New York  
Index No.: 40275/85**

TO: \_\_\_\_\_

**NOTICE**

The Superintendent of Insurance of the State of New York as Liquidator (the "Liquidator") of Ideal Mutual Insurance Company ("Ideal") hereby gives you notice that he has presented the Supreme Court of the State of New York a petition for confirmation and approval (the "Petition") of his report on the status of the Ideal liquidation proceeding (the "Report"). A hearing is scheduled on the Petition on \_\_\_\_\_ at 9:30 A.M. before the Supreme Court of the State of New York, County of New York at the Courthouse, IAS Part \_\_\_\_\_, 60 Centre Street, New York, New York. If you wish to object to the Petition, you must serve a written statement setting forth your objections and all supporting documentation upon the Liquidator and Clerk of the Court, at least fifteen (15) business days prior to the hearing. Service on the Liquidator shall be made by first class mail at the following address:

**Superintendent of Insurance of the State of New York as  
Liquidator of Ideal Mutual Insurance Company  
123 William Street  
New York, New York 10038-3889  
Attention: Melvin Burruss, Esq.**

The Petition and Report are available for inspection at the above address. The Report is summarized below. In the event of any discrepancy between the summary herein and the documents, the documents control.

**The Report**

By order entered February 5, 1985, Ideal was placed into liquidation and the then Superintendent of Insurance and his successors in office were appointed as Liquidator. Pursuant to New York Insurance Law and the Liquidation Order, the Liquidator was charged with responsibility, among other things, to take possession of Ideal's property, marshal its assets and adjudicate claims consistent with Article 74 of the Insurance Law. The Liquidator discusses in his Report the status of the liquidation. In addition, the Liquidator is submitting a proposal he believes will assist in winding up the affairs of the Ideal liquidation.

In the proposal, the Liquidator provides that

- only amounts of paid and outstanding losses reported by reinsurance claimants through December 31, 2003 (the “bar date”) will be considered for allowance;
- only claims for actual losses and loss adjustment expenses arising under direct policies issued by Ideal reported through the bar date will be considered for allowance; and
- all claims for losses and loss adjustment expenses including, without limitation, reinsurance claims and direct policy claims reported after the bar date are barred and discharged.

The bar date should enable the Liquidator to finalize Ideal’s liabilities, pay dividends to the creditors and facilitate the wind up of the Ideal liquidation.

Requests for further information should be directed to the New York State Insurance Department Liquidation Bureau, Creditor Claims Department, at (212) 341-6220.

GREGORY V. SERIO  
Superintendent of Insurance of the  
State of New York as Liquidator of  
Ideal 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. 40275/85

**VERIFIED PETITION**

IDEAL MUTUAL INSURANCE COMPANY

-----X

RICHARD S. KARPIN, Assistant Special Deputy Superintendent of Insurance and Agent of GREGORY V. SERIO, Superintendent of Insurance of the State of New York as Liquidator (the "Liquidator") of Ideal Mutual Insurance Company ("Ideal") hereby petitions this court, pursuant to Article 74 of the New York Insurance Law, for an order (the "Order") approving the Liquidator's Report on the Status of the Liquidation of Ideal and the transactions and proposals set forth therein.

1. By order (the "Liquidation Order") entered February 5, 1985, Ideal, a New York-domiciled casualty insurer, was adjudged insolvent and placed into liquidation. A copy of the liquidation order is annexed hereto as Exhibit "A".

2. The Liquidation Order appointed then Superintendent of Insurance James P. Corcoran and his successors in office to act as Liquidators.

3. The Liquidation Order charged the Liquidator with, among other things, responsibility for:

- a. taking possession of Ideal's property and assets;
- b. providing notice to Ideal's creditors, as disclosed by Ideal's books and records, to present proofs of claim;
- c. marshalling the Ideal's assets; and

- d. adjudicating the claims presented and otherwise liquidating Ideal's business pursuant to Article 74 of the New York Insurance Law.

4. Annexed hereto as Exhibit "B" is the Liquidator's Report on the Status of the Liquidation of Ideal (the "Report"). The Report sets forth the results, to date, of the Liquidator's efforts to identify creditors, adjudicate claims and collect assets, and includes the Liquidator's proposal to facilitate a further winding up of the estate.

5. By order entered April 22, 1993, the court approved the Liquidator's report dated August 7, 1992 which in part permitted the distribution of assets to creditors.

6. In the Report the Liquidator provided an update on the liquidation proceeding since its last report.

7. I respectfully request that the court grant the Order to Show Cause, which provides for service of notice in the form annexed thereto on the interested persons as set forth in the order, and requests that the hearing on the petition be made returnable in 75 days to afford the Liquidator sufficient time to issue the required notices.


8. The Liquidator further requests that the court, following the hearing, issue an order that:

- a. approves the Report;
- b. approves the transactions described in the Report;
- c. provides that only the amounts of paid and outstanding losses reported by reinsurance claimants through December 31, 2003 will be considered for allowance;
- d. provides that only claims for actual losses and loss adjustment expenses arising under direct policies issued by Ideal reported through December 31, 2003 will be considered for allowance;

- e. provides that all claims for losses and loss adjustment expenses including, without limitation, reinsurance claims and direct policy claims reported after December 31, 2003 be barred and discharged; and
  - f. provides for such other relief as is just.
9. No previous application has been made for the relief requested herein.

WHEREFORE, Petitioner respectfully requests that the accompanying Order to Show Cause be granted and that a hearing be scheduled sufficiently far in the future for the provision of notice as provided for therein and that, upon the hearing, the court issue an order granting the relief sought in this petition.

Dated: New York, New York  
August 7, 2003

  
RICHARD S. KARPIN, Assistant  
Special Deputy Superintendent and  
Agent of Gregory V. Serio,  
Superintendent of Insurance of the  
State of New York as Liquidator of  
Ideal Mutual Insurance Company

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

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

That he has read the foregoing Verified Petition, and that the same is true to his knowledge except as to the matters therein stated to be alleged on information and belief, and as to those matters he believes it to be true; that the reason this petition is verified by this deponent rather than by the Superintendent of Insurance is that deponent is the duly appointed Assistant Special Deputy Superintendent of Insurance and Agent of the Superintendent of Insurance as Liquidator of Ideal Mutual Insurance Company and as such is acquainted with the facts alleged therein.

Deponent further says that the sources of his information and the grounds of his belief as to the matters to be alleged on information and belief are records, books and papers of said company in the possession of the Liquidator and communications made to deponent by employees and attorneys of the Liquidator.

  
RICHARD S. KARPIN

Sworn to before me this  
7<sup>th</sup> day of August, 2003

  
\_\_\_\_\_  
Notary Public

STEVEN R. HARRIS  
Notary Public, State of New York  
No. 02HA4905612  
Qualified in Westchester County  
Commission Expires August 24, 2005





At a Trial Term, Part 62 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse, 60 Centre Street, in the Borough of Manhattan, City and State of New York, on the 7<sup>th</sup> day of February, 1985.

P R E S E N T :    STANLEY PARNESS

HON.

JUSTICE.

-----x

In the Matter of  
the Application of

Index No. 40275/85  
ORDER OF LIQUIDATION

JAMES P. CORCORAN, as Superintendent of Insurance of the State of New York, for an order to take possession of and liquidate the business and affairs of

IDEAL MUTUAL INSURANCE COMPANY

-----x

Petitioner, JAMES P. CORCORAN, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court by Order to Show Cause for an Order pursuant to Section 7417 of the Insurance Law to take possession of and liquidate the business and affairs of IDEAL MUTUAL INSURANCE COMPANY ("IDEAL"),

NOW, upon reading and filing the Order to Show Cause signed January 31, 1985 (per STANLEY PARNESS, J.) the Petition

of JAMES P. CORCORAN, the Superintendent, sworn to the 31st day of January, 1985 (the "Petition"), and the exhibits annexed thereto, with proof of due service thereof, in support of the motion; and the Order of Rehabilitation entered in the New York County Clerk's office on December 26, 1984, annexed as Exhibit "A" to the Petition; and it appearing to my satisfaction (i) that IDEAL was incorporated under the laws of the State of New York on November 17, 1944 and licensed as a mutual casualty insurer in the State of New York on December 28, 1944; (ii) that it is amenable to the Insurance Law of the State of New York and particularly to Article 74 thereof; (iii) that further efforts to rehabilitate IDEAL would be futile and that the rehabilitation proceeding of IDEAL should be terminated; (iv) that it is impossible to reinsure in whole or in part the existing policy obligations of IDEAL pursuant to Section 7405 (a) of the Insurance Law; (v) that the corporate charter as well as any rights and interest in licenses or certificates of authority to write insurance be vested in the Superintendent of Insurance; (vi) that IDEAL is insolvent, that it is in such condition that its further transaction of business would be hazardous to its policyholders, creditors or to the public, that it is to their best interests that this application should be granted and IDEAL liquidated under and pursuant to Article 74 of the Insurance Law; and petitioner having appeared by Hon. ROBERT ABRAMS,

Attorney General of the State of New York and no one appeared in opposition thereto;

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

ORDERED AND ADJUDGED, that the petition of the Superintendent is granted; and it is further

ORDERED AND ADJUDGED, that IDEAL is insolvent; and it is further

ORDERED AND ADJUDGED, that the rehabilitation proceeding of IDEAL instituted in the Supreme Court, New York County, Index No. 44538/84 is terminated; and it is further

ORDERED AND ADJUDGED, that JAMES P. CORCORAN, the Superintendent, or any successor in office as Superintendent, is hereby appointed Liquidator of IDEAL, and is hereby authorized and directed forthwith to take possession of the property and liquidate the business and affairs of IDEAL pursuant to Article 74 of the Insurance Law and to deal with the property and business of IDEAL in his name as Superintendent, and is vested with title to all of the property, licenses, corporate charter, contracts and rights of action of IDEAL pursuant to Section 7405 of the Insurance Law; and it is further

ORDERED AND ADJUDGED, that the notice aforesaid be

given by publication in the national editions of The New York Times and The Journal of Commerce, commencing on or about the <sup>12<sup>th</sup></sup> day of February, 1985, and thereafter once a week for two successive weeks; and it is further

ORDERED AND ADJUDGED, that notice of liquidation be given by publication of such notice in one newspaper in the Capital Cities of all States in the United States, Washington, D.C., as well as the Capitals of the Provinces of Canada, and in the newspapers in other cities to be selected by the Liquidator in his discretion, by publication of such notice once a week for two successive weeks within the period allowed for the filing of claims, the newspaper to be selected by the Liquidator in his discretion; and it is further

ORDERED AND ADJUDGED, that the notice prescribed is sufficient notice to all persons interested in the assets of IDEAL; and it is further

ORDERED AND ADJUDGED, that notice of the making and entry of this order be given by the Superintendent, as Liquidator, to the extent it can be reasonably ascertained, by mail to all policyholders, creditors and all other persons having any unsatisfied claim or demand of any character against the corporation in the possession of the Superintendent, as Liquidator, at the last known address of such persons as disclosed by said

records and in such other manner and form as he in his discretion may find desirable, demanding that all persons indebted to IDEAL render accounts of their indebtedness and pay any sums due to the Superintendent, as Liquidator; and giving notice to present proofs of claim with the Superintendent, as Liquidator, at a place specified in such notice within twelve months from the date of the entry of this Order and no later than the 7<sup>th</sup> day of February, 1986; and that such notice may contain such other rules, regulations and information as the Superintendent, as Liquidator, may deem necessary for the purpose of this proceeding in fixing and determining all lawful and valid claims and demands against the corporation; and it is further

ORDERED AND ADJUDGED, that in the event one or more Insurance Departments and/or Guaranty Funds or Associations of foreign States that have adopted the Uniform Insurers Liquidation Act in which respondent was licensed to do business, desire to give formal notice to policyholders and creditors in their respective states to present proofs of claim to the respective State Insurance Department or Guaranty Fund or Association, the Superintendent, as Liquidator, may permit the giving of such notice as he in his discretion may find desirable; and it is further

ORDERED AND ADJUDGED, that all outstanding policy and

SP  
JSC

other insurance obligations of IDEAL terminate and all liability thereunder cease and be fixed as of 12:01 A.M. ~~Eastern Daylight~~ <sup>Standard</sup> Savings Time on March 9<sup>th</sup>, 1985, or prior thereto upon the procurement by policyholders of new insurance covering their risks insured thereby, and notice thereof shall be given as hereinabove set forth; and it is further

ORDERED AND ADJUDGED, that all other subsisting contracts, leases, tax sharing agreements, individual labor contracts and other obligations of IDEAL terminate, and all liability thereunder cease and be fixed as of the date of the entry of this Order; and it is further

ORDERED AND ADJUDGED, that the Superintendent, as Liquidator, is relieved of the provisions set forth in Section 7405(c) of the Insurance Law, to wit: to reinsure in whole or in part the policy obligations of IDEAL; and it is further

ORDERED AND ADJUDGED, that JAMES P. CORCORAN, the Superintendent or any successor in office as Superintendent, is hereby authorized, permitted and allowed to sell, assign and transfer any and all stocks, bonds and securities in his possession or which may hereafter come into his possession belonging to IDEAL, in liquidation, at market price or better, or when there is no market price, at the best price obtainable, at private sale and at such times and upon such terms and conditions

as in his discretion he deems for the best interests of the creditors of IDEAL, in liquidation, and that he be authorized, permitted and allowed to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments; and it is further

ORDERED AND ADJUDGED, that JAMES P. CORCORAN, the Superintendent or any successor in office as Superintendent, is hereby authorized, permitted and allowed to sell, assign and transfer the Corporate Charter of IDEAL and any and all insurance licenses or certificates of authority to write insurance in such a method and manner as is to be approved by this Court; and it is further

ORDERED AND ADJUDGED, that IDEAL, its officers, directors, trustees, policyholders, agents and employees and all other persons having any property or records belonging to IDEAL, are hereby directed to assign, transfer and deliver to the Superintendent, as Liquidator, all of such property in whomsoever name the same may be, and that any persons, firms or corporations having any books, papers or records relating to the business of said corporation shall preserve the same and submit them to the Superintendent, as Liquidator, for examination at all reasonable times; and it is further

ORDERED AND ADJUDGED, that the officers, directors, trustees, policyholders, agents and employees of IDEAL, and all other persons are enjoined and restrained from the further transaction of business or from dealing with or disposing of the property or assets of said corporation, or doing or permitting to be done any act or thing which might waste its property or assets or allow or suffer the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against said corporation, or its estate while in the possession and control of the Superintendent, as Liquidator; and it is further

ORDERED AND ADJUDGED, that the officers, directors, trustees, policyholders, agents and employees of IDEAL, and all other persons, including but not limited to claimants, plaintiffs and petitioners who have claims against IDEAL, are permanently enjoined and restrained from bringing or further prosecuting any action at law, suit in equity, special or other proceeding against the said corporation or its estate, or the Superintendent and his successors in office, as Liquidator thereof, or from making or executing any levy upon the property or estate of said corporation, or from in any way interfering with the Superintendent, or any successor in office, in his possession, or in the discharge of his duties as Liquidator thereof, or in the liquidation of the business of said corporation; and it is further



ORDERED AND ADJUDGED, that all parties to law suits in this State and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with any pre-trial conference, trial, application for judgment, or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which IDEAL is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date hereof; and it is further

ORDERED AND ADJUDGED, that those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against IDEAL coming within the purview of Article 76 of the Insurance Law, are enjoined for 90 days from the date hereof from presenting and filing such formal claims in this proceeding pursuant to Section 7432 of the Insurance Law; and it is further

ORDERED AND ADJUDGED, that all further papers in this proceeding shall bear the caption and be entitled:

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

In the Matter of  
the Liquidation of  
IDEAL MUTUAL INSURANCE COMPANY"

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

ORDERED AND ADJUDGED, that the Superintendent, as Liquidator, may at any time make further application for such further and different relief as he sees fit.

ENTER

*S.P.*  
J. S. C.

*Filed*  
*2/7/85*

FEB - 7 1985

DATE  
I hereby certify that the foregoing  
paper is a true copy of the original  
Shewell, filed in my office on the  
day of

*Thomas J. Johnson*  
FEB - 7 1985

County Clerk and Clerk of the  
Supreme Court New York County  
EO 14176 OFFICIAL USE



**REPORT ON THE STATUS OF THE LIQUIDATION OF  
IDEAL MUTUAL INSURANCE COMPANY AND  
PROPOSAL FOR ESTABLISHMENT OF BAR DATE**

**Introduction**

Richard S. Karpin, Assistant Special Deputy Superintendent of Insurance and Agent of GREGORY V. SERIO, Superintendent of Insurance of the State of New York as Liquidator (the "Liquidator") of Ideal Mutual Insurance Company ("Ideal") supplements the Liquidator's Report dated August 7, 1992, reports on the current status of the Ideal liquidation proceeding and sets forth the Liquidator's proposal for the establishment of a bar date for the presentation and development of claims in this proceeding.

By order (the "Liquidation Order") of the Supreme Court of the State of New York, County of New York, entered on February 7, 1985 (the "Liquidation Date"), Ideal was adjudged to be insolvent and placed into liquidation. The Liquidation Order appointed then Superintendent of Insurance James P. Corcoran, and his successors in office as Liquidator of Ideal.

Pursuant to the Liquidation Order and Article 74 of the Insurance Law, the Liquidator was charged with the responsibility of:

- 1) identifying Ideal's policyholders and creditors and notifying them to present their claims;
- 2) marshalling Ideal's assets; and
- 3) adjudicating the claims presented by Ideal's policyholders and creditors and otherwise liquidating Ideal's business pursuant to Article 74 of the New York Insurance Law.

## **I. HISTORY**

Ideal was incorporated on November 17, 1944 under the laws of the State of New York and licensed as a mutual casualty insurer on December 28, 1944. Its principal office was located at 260 Madison Avenue, New York.

Ideal was authorized under its charter to transact the kinds of business specified in paragraphs 3, 4, 5, 6, 7, 8, 10, 12, 13, 14, 15, 16, 19, 20, and 21 of Section 1113 and paragraphs d, e, and f Section 4107 of the New York Insurance Law. Ideal was also engaged in the business of reinsurance. In addition to the State of New York, Ideal was authorized to transact business in the other forty-nine states, the District of Columbia, Puerto Rico, American Samoa, Guam, the United States Virgin Islands and all the Provinces of Canada.

Based on a report and examination into the financial condition and affairs of Ideal by the New York State Insurance Department (the "Department") as of December 31, 1983, showing Ideal was insolvent in the amount of \$155,343,796 and an impairment of minimum surplus to policyholders of \$157,143,796, the Department directed Ideal to eliminate its impairment. Ideal failed to do so and the Department concluded that future transactions of business would be hazardous to its policyholders, creditors and the public. By resolution dated December 24, 1984, Ideal's Board of Directors consented to the entry of an Order of Rehabilitation.

By order entered December 26, 1984, Ideal was placed into rehabilitation and the Superintendent was appointed Rehabilitator. The Superintendent determined that Ideal could not be rehabilitated and by Order to Show Cause dated January 31, 1985 petitioned the court for an order of liquidation of Ideal.

The petition for liquidation was granted and Ideal was placed into liquidation on February 7, 1985. Thereafter, the Liquidator took possession of the property of Ideal and commenced the liquidation of its business pursuant to Article 74 of the Insurance Law.

## **II. REPORT OF AUGUST 1992**

In August 1992, the Liquidator moved for approval of his Report dated August 7, 1992, regarding the liquidation of Ideal (the "1992 Report"). The court approved the 1992 Report and, in an order entered April 22, 1993, granted the relief requested therein authorizing the payment of dividends on timely filed allowed claims from time to time at his discretion, as and when the general assets of Ideal permitted. For ease of reference and the court's convenience, the Liquidator will summarize the relevant portions of the 1992 Report and the court's order.

### **A. Financial Condition of Ideal As of the Date of Liquidation**

The Liquidator conducted a review of Ideal's financial position as of the Liquidation Date. Ideal had assets of \$408,116,826, liabilities of \$601,919,539 and a deficit of (\$193,802,713).

#### **1. Assets**

Ideal's total assets of \$408,116,826 included cash and equivalents of \$19,607,082, and bonds of \$24,766,212. The balance of assets consisted of premium in the course of collection of \$84,325,566, reinsurance recoverable on paid losses of \$20,913,049, reinsurance recoverables on unpaid losses of \$252,310,783 and other assets of \$6,194,134.

#### **2. Liabilities**

Ideal's reported liabilities of \$601,919,539. Liabilities consisted of claim reserves of \$331,424,206, reinsurance balances payable of \$40,280,878, funds held under reinsurance treaties of \$38,096,390 and reserve for unauthorized reinsurance of \$133,640,494. The balance of

liabilities consisted of unearned premiums of \$10,202,797, loans from affiliated companies of \$43,234,732, accounts payable and accrual expenses of \$4,899,869, and miscellaneous expenses of \$140,173. Pursuant to statutory accounting practices, the 1985 Balance Sheet carried a liability for unauthorized reinsurance of \$133,640,494

**B. Liquidation Proceeding**

1. Claims Presented

The order of liquidation fixed February 7, 1986 as the last day to file claims in the liquidation proceeding. (A copy of the Order of Liquidation is attached hereto as Exhibit A.) An amended liquidation order dated March 5, 1985 further directed that as of April 10, 1985, all outstanding policy and other insurance obligations and all other subsisting contracts and other obligations of Ideal, were terminated and all liability thereunder ceased.

In accordance with the provisions of the Order of Liquidation, notice of liquidation was mailed to the debtors, creditors, policyholders, stockholders and all other persons interested in the affairs of Ideal as disclosed by the books and records of Ideal in the possession of the Liquidator.

In addition and pursuant to the Order of Liquidation, notice was published twice a week for three successive weeks in the national editions of the New York Times, and the Journal of Commerce and by publication of such notice in newspapers in the capital cities of all states in the United States, Washington, D.C., as well as the capitals of the Provinces of Canada, once a week for two successive weeks.

2. Late or Deferred Claims

Since February 7, 1986, the last day fixed by the Order of Liquidation for filing claims, seven hundred fifty eight (758) late claims had been filed in this proceeding. These claims have not been considered by the Liquidator as under the provisions of Section 7432(c) of the Insurance Law, such claims may not share in the distribution of assets until all allowed claims, proofs of which have been filed on time, have been paid in full with interest.

3. Description of the Claims

The claims, in general, fall into the following broad categories: Guaranty or Security Fund policyholder claims, general creditor policyholder claims, reinsurance claims and claims other than those described above. In addition, policyholders were provided the opportunity to file "policyholder protection" proofs of claim. The filing of a policyholder protection proof of claim entitles the policyholder to report all occurrences giving rise to a claim under a policy in effect prior to liquidation. Policyholders are entitled to submit such claims for consideration in this proceeding, regardless of when the claim was made and whether the policyholder had notice of the claim prior to the claim filing deadline.

Many claims filed in the Ideal proceeding were filed by policyholders seeking protection for claims that might have arisen before February 7, 1986 but were unknown to the policyholder at that time. There were two thousand two hundred sixty nine (2,269) policyholder protection claims filed.

At the time of the liquidation of Ideal, all fifty states, as well as Puerto Rico and Washington, D.C., in which Ideal was licensed to do business had guaranty or security funds. The purpose of these funds is to pay those claims covered by the legislation establishing these



funds that remain unpaid and outstanding at the time of liquidation. All of the guaranty or security funds filed timely proofs of claim in this proceeding in order that they may attain general creditor status for the sums paid out by them in the satisfying of claims of residents and others located in their respective states. Included in their claims are their loss adjustment expenses.

**C. Dividends to Creditors**

In accordance with Section 7434(a) of the Insurance Law, the court shall direct the manner in which payments and dividends to creditors shall be made, upon recommendations of the Superintendent as Liquidator. Pursuant to Section 7434(c), any claimant of another state or foreign country who is entitled to or receives a dividend on his claim out of a statutory deposit on the proceeds of any qualifying bond or other asset located in such other state or foreign country shall not be entitled to any further dividend from the Liquidator until all other claimants in the same class irrespective of residence or place of the acts or contracts upon which their claims are based shall have received an equal dividend upon their claims. After such equalization, such claimant shall be entitled to share in the distribution of further dividends by the Superintendent as Liquidator like all other creditors of the same class wherever residing. No creditor shall be entitled to interest on any dividend by reason of delay in payment of such dividends.

**Court Order Approving the 1992 Report**

The relevant portions of the order approving the 1992 Report provided as follows:

1. The court approved the 1992 Report, Order and Petition of the Superintendent as Liquidator of Ideal;
2. The court authorized the Liquidator, after reserving funds for the payment of future expenses of liquidation, taxes and other contingencies, to pay dividends on all allowed claims;

3. The court ordered that all persons who have not filed claims in the proceeding on or before February 7, 1986 were barred from filing claims in the proceeding;
4. The court authorized the Superintendent as Liquidator to take any further actions he deemed advisable for the protection of the creditors and the assets and for the termination of the proceeding.

**D. Distribution of Assets**

The Liquidator has issued four dividends to creditors as follows:

August 1998 –	10%
December 1999 –	10%
November 2001 –	10%
November 2002 –	5%

Thus, to date, the Liquidator has paid 35% in dividends to the following:

Creditor Claims	3,171	\$ 3,267,949
Reinsurance	1	1,092,770
Guaranty/Security Funds	<u>60</u>	<u>131,551,459</u>
Total	3,232	\$135,912,178

**III. STATUS AS OF 12/31/02**

**A. Claims Presented**

As of December 31, 2002, thirty thousand eight hundred forty nine (30,849)<sup>1</sup> proofs of claim were or have been timely filed in Ideal's proceeding.

Of these thirty thousand eight hundred forty nine (30,849) timely filed proofs of claim, five thousand seven hundred thirty two (5,732) were voided and four hundred twenty (420) were

<sup>1</sup> Claimants with claims covered by NY WC Security Fund were not required to file proofs of claim. Therefore, the number of claimants handled by said Fund is not reflected in the number of proofs of claim filed in the proceeding.

withdrawn. Six thousand four hundred eighty nine (6,489) proofs of claim were filed for policyholder protection. As of December 31, 2002, seventeen thousand five hundred thirteen (17,513) proofs of claim have been adjudicated and six hundred ninety five (695) proofs of claim remain open.

Inasmuch as the Liquidator only assigns an individual proof of claim number to a policyholder protection proof of claim if it is required to adjudicate the claim, the number of proofs of claim does not equal the number of claims made against Ideal policyholders or Ideal's policies.

**B. Adjudication of Claims**

A claim is adjudicated upon the Liquidator's recommendation that it either be "allowed" or "disallowed". An "allowed" claim is a claim that is allowed to share in the distribution of assets. A "disallowed" claim is a claim that has been rejected and will not share in any payments of Ideal's assets. The Liquidator recommends the allowance or disallowance of claims by motion and/or procedures approved by court order. The court approved a procedure for the disallowance of claims in an order entered September 14, 1993. The court approved a procedure for the allowance of claims in an order entered January 15, 1997. Claimants who object to the Liquidator's recommendations are entitled to a hearing before the court or a court appointed referee. In an order entered April 5, 1995, the court appointed Albert Torres as successor referee to hear and report on objections to the Liquidator's recommendation for disallowance.

**I. Guaranty or Security Fund Policyholder Claims**

The Security Funds and Guaranty Funds (the "Funds") were created by statute to pay certain types of claims covered by policies issued by insurance companies licensed in their states that are unable, due to insolvency, to meet their insurance obligations. The Funds are

entitled to make claims for reimbursement of their payment of losses and expenses relating to their liabilities as a result of the insurance company's insolvency.

The Funds have proofs of claim for reimbursement of payments made for losses and expenses as a result of Ideal's insolvency. The allowances of the Funds' claims are updated periodically based on their payment of the underlying claims and expenses. The Funds' proofs of claim will remain open until all claims handled by the Security Funds have been resolved.

Sixty (60) Funds filed proofs of claim. As of December 31, 2002, the claims of twenty four (24) Funds have been allowed as final and thirty six (36) have been allowed but not concluded for a combined total allowance in the amount of \$379,817,542.

## 2. Reinsurance Creditors

Reinsurance is a method by which the insurance industry spreads the risk of losses covered by insurance policies. A "reinsurer" is an insurance company that assumes liabilities incurred by another insurance company known as the "reinsured" or "cedent" under policies or reinsurance contracts issued by the cedent in exchange for a portion of the premium paid to the cedent by its insured (or reinsured). The cedent submits losses it incurs under reinsured policies to the reinsurer. The reinsurer indemnifies the cedent for the part of the losses that it assumed.

A reinsurance claim is a claim filed by a cedent for amounts due under reinsurance contracts. Five hundred sixty two (562) reinsurance proofs of claim have been timely filed in this proceeding. A proof of claim filed by a cedent may consist of multiple claims. It covers amounts due on all contracts entered into by Ideal and the cedent for paid losses and reserves for outstanding claims and incurred but not reported claims. Of the five hundred sixty two (562) proofs filed, one (1) claim has been allowed in the amount of \$3,122,198, one (1) has been

disallowed, twenty six (26) were voided, eight (8) were withdrawn and five hundred twenty six (526) are open.

3. Miscellaneous Claims

Miscellaneous claims include proofs filed by policyholders, vendors and other creditors that are not included under reinsurance or Funds' claims. Twenty three thousand seven hundred thirty eight (23,738) miscellaneous claims have been timely filed or deemed timely filed in this proceeding. As of December 31, 2002, the court has allowed four thousand six hundred five (4,605) claims in the amount of \$9,667,235 and disallowed eleven thousand eight hundred seventy nine (11,879) claims. Pending court approval are ten (10) claims recommended for allowance totaling \$65,035 and seventy four (74) recommended for disallowance. A total of four hundred twelve (412) claims were withdrawn, five thousand seven hundred six (5,706) voided, nine hundred nineteen (919) were handled by various Guaranty Funds and one hundred thirty three (133) claims are open.

4. Deferred Claims

Pursuant to Insurance Law § 7432(c), a "deferred" claim is a claim that was not received by the Liquidator as of the last day for filing claims. A "deferred" claim may only share in the distribution of assets if timely filed claims are paid in full plus interest. Nine hundred three (903) claims have been classified as "deferred."

C. Collection of Assets

From the Liquidation Date through December 31, 2002, the Liquidator collected \$310,427,483. The collections include investment income, reinsurance recovered, premiums, salvage and subrogation recoveries, special deposits, recovery from settlement agreements with

Ideal's directors and officers, and draw downs on collateral. The collections are in part, summarized below.

1. Investment Income

As of December 31, 2002, the Liquidator earned \$74,147,951 on Ideal's invested assets.

2. Reinsurance Recovered

As of December 31, 2002, the Liquidator collected \$172,868,362 from reinsurers.

3. Premiums

As of December 31, 2002, the Liquidator collected premiums of \$14,628,036.

4. Salvage and Subrogation

As of December 31, 2002, the Liquidator received salvage and subrogation recoveries of \$3,495,934.

5. Special Deposits

As of December 31, 2002, the Liquidator received \$6,347,945 interest earned on special deposits held by ancillary receivers.

6. Directors and Officers Litigation

In 1986, the Liquidator commenced a suit against 21 of Ideal's officers and directors charging that they breached their fiduciary duty to the company by mismanaging its affairs. See, In the Matter of the Liquidation of Ideal Mutual Insurance Company, Corcoran as Liquidator of Ideal v. Becker, et al., Sup. Ct., NY Cty. The plaintiff alleged five causes of action, a settlement was reached which was approved by the court. The amount received was \$10,908,999.

7. Collateral and Miscellaneous Amounts

The Liquidator has miscellaneous cash receipts in the amount of \$28,030,256. Miscellaneous cash receipts consist of reinsurance letters of credit which were drawdown and deposited in Ideal's segregated account.

**D. Expenses/Disbursements**

1. Administrative Expenses

As of December 31, 2002, the Liquidator has incurred administrative expenses in the total amount of \$103,377,520.

Expenses for commissions, salaries, rent, and employee relations & welfare were \$67,375,092. The Liquidator has incurred legal fees in the amount of \$7,859,696. The Liquidator also incurred consulting and accounting fees for the collection of reinsurance, overall accounting services, auditing and the collection of recoverables of \$20,050,776. Overhead expenses for such things as office and communications expenses total \$7,584,924 and other expenses totaling \$507,032.

2. Other Disbursements

The balance of the Liquidator's expenses consist of release of collateral in the amount of \$22,305,057, and release of reinsurance receipts in the amount of \$2,528,984. Also, ancillaries and escheatable funds were released in the amounts of \$530,584 and \$6,447 respectively.

In addition, \$131,551,459 has been disbursed to the Funds; \$3,267,949 was disbursed to General Creditors, and \$1,092,770 was paid to reinsurers.

#### **IV. LIQUIDATOR'S PROPOSAL**

##### **A. Bar Date and Distribution of Assets**

As assets have been marshalled and claims have been liquidated, the Liquidator has obtained Court approval to make interim distributions to creditors with allowed claims. As previously mentioned, the Liquidator has issued interim distributions from August 1998 to November 2002 in the total amount of 35 percent.

These interim distributions, however, are not intended to be full payment on the claims. Due to the substantial amounts of unliquidated claims and potential reinsurance thereon, the Liquidator cannot now determine the exact percentage that will ultimately be paid on creditor claims. In order to ensure compliance with his statutory mandate, the Liquidator has distributed a minimum amount to which such claimants will be entitled, while not risking overpayment. An increase in the distribution percentage for the estate, however, cannot be made until all claims have been liquidated. Thus, absent a mechanism to quantify liabilities, creditors will have to wait many more years to receive additional distributions from the remaining assets.

Accordingly, the Liquidator seeks to expedite the liquidation of Ideal and the closure of the estate in a manner that will fairly treat all affected parties and maximize the assets available to pay claimants. The Liquidator has determined that it is in the best interests of Ideal's claimants, policyholders, and the general public, for the liquidation of the estate to be completed pursuant to the process described below.

##### **1. Reinsurance Creditors**

Although Ideal has been in liquidation since 1985, reinsurance creditors who filed timely proofs of claim continue to report the payment of claims and expenses and the establishment of reserves on outstanding claims covered by reinsurance contracts entered into



prior to liquidation. There are five hundred twenty six (526) open reinsurance proofs of claim. The Liquidator's proposal for a bar date will enable the Liquidator to update the gross amount recommended for allowance and reconcile that amount with Ideal's cedents as of the bar date. The cedent's claims in this proceeding will ultimately be reduced by debts owed by the cedents to Ideal.

2. Policyholder Claims

Similarly, claims arising under direct policies issued by Ideal that are covered by policyholder protection proofs of claim may continue to be reported. Although incurred claims may yet be reported under these policies, after eighteen years, the possibility that an unreported claim can come to light does not justify keeping the proceeding open any longer.

Without a bar date, claims will continue to develop for many years and the Liquidator will be unable to finalize Ideal's liability or make a further distribution of assets. Approval of the bar date should have the beneficial effect of accelerating the distribution of assets as it will enable the Liquidator to quantify and finalize Ideal's liabilities. This provision is necessary to enable the Liquidator to determine, with finality, the amount due to Ideal's reinsurance creditors and to finalize claims covered by policyholder protection proofs of claim.

Without a deadline, the Liquidator is unable to make a further distribution because of the prospect of unanticipated claims that would render impossible a final determination. The establishment and enforcement of the bar date is a pragmatic necessity for distributing the insolvent insurers' assets. Before final payment can be made to creditors, the Liquidator must be able to make a final determination regarding the number and amount of claims in order to issue the appropriate dividend.

In order to calculate a feasible distribution percentage, the Liquidator must determine Ideal's distributable assets and make a conservative estimate of Ideal's outstanding liabilities. This approach is necessary to insure that there will be sufficient assets to pay all creditors, including creditors whose claims have yet to be adjudicated or even reported, their pro-rata shares of Ideal's assets. Given the above uncertainties, Ideal's current financial status prevents a further dividend at this time.

By better crystalizing Ideal's exposure to policyholders through a bar date, the Liquidator will also be in a position to bill those reinsurers who may be liable for these claims. Thus, the bar date also has the beneficial effort of perhaps collecting assets.

For the above reasons, the Liquidator proposes that the Court bar and discharge all claims not reported by December 31, 2003.

#### V. COURT APPROVAL

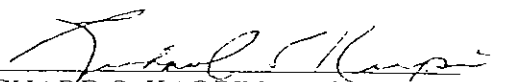
The Liquidator shall move, on notice to Ideal's creditors, for an order that:

- a. approves this Report on the Status of the Liquidation of Ideal (the "Report");
- b. approves the transactions described in the Report;
- c. provides that only the amounts of paid and outstanding losses reported by reinsurance claimants through December 31, 2003 will be considered for allowance;
- d. provides that only claims for actual losses and loss adjustment expenses arising under direct policies issued by Ideal reported through December 31, 2003 will be considered for allowance;
- e. provides that all claims for losses and loss adjustment expenses including, without limitation, reinsurance claims and direct policy claims reported after December 31, 2003 be barred and discharged; and
- f. provides for such other relief as is just.

CONCLUSION

Pursuant to the accompanying petition, the Liquidator is requesting that the Court schedule a hearing on the Liquidator's proposal and approve the form of notice attached to the petition. If the proposal is approved, the Liquidator will submit an appropriate order as directed by the Court.

Dated: New York, New York  
August 7, 2003

  
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RICHARD S. KARPIN, Assistant Special  
Deputy Superintendent and Agent of  
GREGORY V. SERIO, Superintendent of Insurance  
of the State of New York as Liquidator of  
Ideal Mutual Insurance Company

INDEX NO.: 40275/85

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

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In the Matter of

the Liquidation of

IDEAL MUTUAL INSURANCE COMPANY

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ORDER TO SHOW CAUSE  
NOTICE  
VERIFIED PETITION WITH EXHIBITS

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STEVEN R. HARRIS, ESQ.

New York Insurance Department  
Liquidation Bureau

Attorney for the Liquidator

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(212) 341-6755

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**ATTORNEY CERTIFICATION**

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

Dated: New York, New York  
August 27<sup>th</sup>, 2003

  
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STEVEN R. HARRIS

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