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At IAS Part of the Supreme Court of the State of New York, County of New York, at the Courthouse Centre Street, County, City and State of New York, on the 17 day of Oct, 2013.

PRESENT:

HON. DORIS LING-COHAN S. C.

13M21719

In the Matter of  
the Conservation of  
the Trust Funds of  
LEGION INDEMNITY COMPANY.

Index No.: 402667/03

ORDER TO SHOW CAUSE

RECEIVED  
OCT 10 2013  
NEW YORK  
COUNTY CLERK'S OFFICE

Based on the affirmation (Affirmation) of Jack A. Franceschetti, an attorney associated with John Pearson Kelly, Esq., Attorney for Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York as conservator ("Conservator") of a certain trust fund ("Trust Fund") of Legion Indemnity Company ("Legion Indemnity"), dated October 9, 2013 and exhibit attached thereto, and upon all other papers previously submitted and all proceedings heretofore had herein, and it appearing that the relief sought should be granted;

NOW, on application of the Conservator, and after due deliberation having been had thereon,

LET all claimants and all other parties interested in the affairs of Legion Indemnity show cause before this Court at an IAS Part 36, Room 428, to be held in the Courthouse, located at 60 Centre Street, in the County, City and State of New York on the 18 day of Dec, 2013, at 2:30 o'clock P. m., or as soon thereafter as counsel can be heard, why an order should not be made, pursuant to Article 74 of the New York Insurance Law

NO FEE

("Insurance Law"), *inter alia*, (a) approving the conservation agreement ("Conservation Agreement") dated December 4, 2008, between Michael T. McRaith, the then Director of Insurance of the State of Illinois as liquidator of Legion Indemnity ("Liquidator") and the Conservator; (b) authorizing the Conservator to distribute the Trust Fund to the Liquidator in accordance with the terms of the Conservation Agreement; (c) terminating this conservation proceeding upon distribution of the Trust Fund to the Liquidator without further order of this Court (d) upon distribution of the assets in accordance with the terms of the Conservation Agreement, the Conservator, his predecessors and successors in office, his agents, attorneys and employees will be discharged and released from any and all further liability arising out of this proceeding; and (e) authorizing and directing the Conservator, in his discretion, to destroy or otherwise dispose of any and all of the books, files, records and other property of Legion Indemnity in his possession without further order of this Court; and (e) providing for such other and further relief as this Court deems just and proper.

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

AND, sufficient cause having been alleged therefore, it is hereby

ORDERED, that service of a copy of this Order to Show Cause and the papers upon which it is granted, be made by ~~first class mail~~ <sup>overnight express mail or certified mail</sup> upon: (i) Dale A. Coonrod, Deputy General Counsel, Legion Indemnity Insurance Company (in liquidation), 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654 and (ii) Andrew Boron, the present Director of Insurance, Legion Indemnity Insurance Company (in liquidation), 222 Merchandise Mart Plaza, Chicago, Illinois 60654, on or before the 24 day of Oct, 2013, and such service shall be deemed good and sufficient service; and it is further

ORDERED, that notice of the Affirmation and this Order to Show Cause shall be substantially in the form attached hereto and service shall be made by: (i) publication in *Business Insurance*, or a publication of similar circulation; and (ii) posting on the Internet web page maintained by New York Liquidation Bureau at <http://www.nylb.org>; all commencing at least 15 days before the Return Date; and it is hereby

ORDERED, that the form and methods of service 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 Affirmation and the relief sought therein to all persons and entities entitled to receive such notice; and it is further

ORDERED, that all answering papers and supporting documentation ("Answering Papers") be served on the Conservator so as to be received at least 7 days prior to the Return Date, and that service on the Conservator shall be made by first class mail at the following address

Superintendent of Financial Services of the State of New York  
as Conservator of Legion Indemnity Company  
110 William Street  
New York, New York 10038  
Attention: John Pearson Kelly  
General Counsel

and by submitting copies of the Answering Papers, with affidavit of service on the

Superintendent as above, to this Court at IAS Part 36 at the Courthouse located at 60  
Centre Street, Room 428 in the County, City and State of New York, seven days before the Return Date and it is further  
Att'y: Monica Cheng, Assistant Law Clerk

Date: \_\_\_\_\_

NOTE

Such Answering Papers to be submitted in envelope w/ copy of page 1 of this order attached to envelope.

Note

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 Affirmation 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.

(646) 386-3733  
① Demand to call Monica Cheng, Assistant Law Clerk,  
2 days before to advise whether Answering papers  
were ~~filed~~ served,  
necessitating a  
hearing.

ENTER  
J.S.C.  
DORIS LING-COHAN  
10/17/13