

At ~~Part~~ Part 32 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 19th day
of ~~August~~ 2011.
September

PRESENT: **CAROL E. HUFF**

HON. CAROL E. HUFF, J.S.C
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In the Matter of

Index No. 402033/11

the Application of

ORDER OF LIQUIDATION

JAMES J. WRYNN, Superintendent of Insurance
of the State of New York, for an order to take
possession of and liquidate the business and affairs of
and dissolve the corporate charter of

FILED

SEP 21 2011

MADISON INSURANCE COMPANY, INC.
-----X

NEW YORK
COUNTY CLERK'S OFFICE

Petitioner, James J. Wrynn, Superintendent of Insurance of the State of New York
("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause")
for an order to take possession of the property of Madison Insurance Company, Inc.
("Madison"), liquidate its business and affairs and dissolve its corporate charter, and upon
reading and filing the petition of the Superintendent, duly verified the 12th day of July 2011, the
affidavit of Eugene Bienskie, sworn to on July 6, 2011 and the exhibits annexed thereto, this
Court finds that:

1. Madison was incorporated under the laws of the State of New York on or
about May 10, 2005;
2. Madison was licensed to conduct the business of insurance under the laws of
the State of New York on June 23, 2005. Madison is licensed under New York Insurance Law

("Insurance Law") to write property damage liability, professional liability and terrorism insurance;

3. Madison principal place of business is located at One Chase Manhattan Plaza, 30th Floor, New York, New York, 10005;

4. On June 28, 2010, The Bear Stearns Companies LLC ("Bear Stearns"), as the immediate parent and sole shareholder of Madison, has executed a written consent authorizing the dissolution and liquidation of Madison;

5. Madison's the Board of Directors ("Board") has executed a unanimous written consent surrendering Madison's license to transact insurance business in the State of New York, and declaring the Board's desire to dissolve and liquidate Madison.

6. Madison is subject to the Insurance Law and, particularly, to Article 74 thereof;

7. Madison should be dissolved and its corporate charter annulled and forfeited; and

8. It is in the best interest of all persons concerned that the Superintendent be vested with title to all Madison's property, contracts and rights of action and directed to liquidate its business and affairs, and dissolve its corporate charter;

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby ORDERED as follows:

1. The relief requested in the petition for an order of liquidation ("Order") is granted;
2. The Superintendent, and his successors in office, is appointed liquidator ("Liquidator") of Madison and is: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; (ii) vested with title to Madison's property, contracts, rights of action and all its books and records, wherever

located, as of the date of entry of this Order; and (iii) directed to liquidate Madison's business and affairs and dissolve its corporate charter in accordance with Insurance Law Article 74;

3. The Liquidator may deal with the property and business of Madison in its name or in the name of the Liquidator;
4. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of Madison and all other persons other than the Liquidator and his agents are enjoined and restrained from: (i) transacting Madison's business (including the issuance of new or renewal insurance policies), except as authorized by the Liquidator, (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of Madison's property; (iii) interfering with this proceeding or the Liquidator in the possession, control and management of Madison's property or in the discharge of his duties; and (iv) disclosing the name, address or contact information of Madison's policyholders, or any other information that is proprietary to Madison's or not in the public domain, except as may be authorized by the Liquidator;
5. All persons are enjoined and restrained from commencing or prosecuting any actions or proceedings against Madison, the Liquidator or the Bureau, or their present or former its employees, attorneys or agents with respect to this proceeding or any claims against Madison;
6. All persons are enjoined and restrained from obtaining any preferences, judgments, attachments or other liens, or making any levy against Madison's assets or any part thereof;
7. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or securities and any real property or other property of Madison 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 the creditors of Madison, 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;
8. All in-force contracts and agreements of Madison are terminated, unless otherwise expressly assumed by the Liquidator, and fixing liability thereunder as of the date of entry of this Order;
9. Madison and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property and/or information, including, but not

limited to, insurance policies, underwriting data, reinsurance contracts, claims files (electronic or paper), software programs, bank records and/or any tangible or intangible items of value, belonging to or relating to Madison, shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;

10. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to Madison shall maintain and preserve all information in its possession ("Information") relating in any way to Madison, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by Madison and are directed, upon the Liquidator's request, to promptly submit all such Information to the Liquidator or his designees;
11. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of any of Madison's funds, accounts or assets shall immediately, upon the Liquidator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Liquidator; (ii) transfer title of such funds, accounts or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; (iv) withdraw funds from such bank, savings and loan association or other financial institution; or (v) take any lesser action necessary for the proper conduct of the liquidation proceeding;
12. In accordance with Insurance Law Section 7432(b), all claims against Madison must be presented to the Liquidator within four months of the date of entry of this Order;
13. The Liquidator is authorized to pay administrative costs and expenses out of the assets of Madison;
14. The Liquidator is authorized to disburse assets, to the extent assets are available after payment of administrative costs, expenses and other obligations of Madison, to The Bear Stearns Companies LLC, as the immediate parent and sole shareholder of Madison;
15. The corporate charter of Madison is relinquished, forfeited, surrendered and annulled, and Madison is dissolved;
16. Immunity is extended to the Superintendent in his capacity as Liquidator of Madison and his successors in office and their agents and employees and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by any one or more of

them 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;

17. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
18. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (a) service of a copy of this Order upon Tushar Morzaria, President of The Bear Stearns Companies LLC located at 270 Park Avenue, New York, New York, 10017 by overnight delivery and regular mail; (b) Richard D. Wilder, President of Madison and a member of Madison's Board of Directors, at JPMorgan Chase Bank, N.A. Corporate Insurance Services 277 Park Ave., 12th Floor, New York, New York, 10172, by overnight delivery and regular mail; and (c) by posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
19. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered;
20. The notice prescribed in decretal paragraph 18 hereof is sufficient notice to all persons interested in Madison;
21. This Court shall retain jurisdiction over this matter for all purposes;
22. The caption for this proceeding is hereby amended as follows:

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

-----X

In the Matter of the Liquidation of

MADISON INSURANCE COMPANY, INC.

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23. All further papers in this proceeding shall bear the above amended caption.

ENTER

FILED



J.S.C.

CAROL E. HUFF

SEP 21 2011

NEW YORK
COUNTY CLERK'S OFFICE

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

PRESENT: **CAROL E. HUFF**
JusticePART 32*James Wynn*INDEX NO. 402033/4

MOTION DATE _____

MOTION SEQ. NO. _____

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

Cross-Motion: ☐ Yes ☐ No

Upon the foregoing papers, It is ordered that this _____

motion is decided in accordance
with accompanying memorandum order.**FILED**

SEP 21 2011

NEW YORK
COUNTY CLERK'S OFFICEDated: SEP 19 2011*[Signature]*
CAROL E. HUFF / S.C.Check one: ☐ FINAL DISPOSITION ☐ NON-FINAL DISPOSITIONCheck if appropriate: ☐ DO NOT POST ☐ REFERENCE☐ SUBMIT ORDER/ JUDG.☐ SETTLE ORDER/ JUDG.MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE
FOR THE FOLLOWING REASON(S):