

At IAS Part 17 of the Supreme Court of the State of New York, County of New York, at the courthouse located at 60 Centre St New York City, New York, on the 19 day of October, 2017.

PRESENT:
SHLOMO HAGLER
HON. _____ **J.S.C.**, J.S.C.

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

In the Matter of

Index No. 452877/17

the Application of

ORDER TO SHOW CAUSE

Maria T. Vullo, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

PARK INSURANCE COMPANY.

Based on the verified petition ("Verified Petition") of Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on September 22, 2017, the supporting Affidavit of Marc Allen, dated September 8, 2017, and the exhibits and schedules attached thereto, and it appearing that the relief sought should be granted;

NOW, on motion of Eric T. Schneiderman, Attorney General of the State of New York, attorney for the Superintendent, and after due deliberation having been had thereon;

LET Park Insurance Company ("Park") ^{of counsel appear and} show cause before this Court at IAS Part 17 Room 335 thereof, at the Courthouse located at 60 CENTRE ST., New York City in the County of New York, State of New York, on the 20 day of NOVEMBER, 2017, at 10 o'clock A.m., or as soon thereafter as counsel can be heard ("Return Date"), why an order in the form

of Exhibit 1 to the Verified Petition should not be made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*: (1) appointing the Superintendent, and her successors in office, as liquidator of Park (the "Liquidator"); (2) directing the Liquidator to take possession of Park's property and to liquidate Park's business and affairs; (3) vesting title to all of Park's property, contracts, and rights of action and all of its books and records, wherever located, in the Liquidator and her successors; (4) permitting the Liquidator to deal with the property and business of Park in Park's name or in the name of the Liquidator; (5) permanently enjoining and restraining all persons, except as authorized by the Liquidator, from transacting Park's business (including the issuance of insurance policies) or the waste or disposition of Park's property; (6) granting injunctions permanently enjoining and restraining all parties from interfering with the Liquidator or this proceeding, or wasting assets of Park or obtaining any preferences, judgments, attachments or other liens, or making any levy against Park, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against Park, the Superintendent as Liquidator of Park, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Articles 74 and 76 in relation thereto; (7) enjoining and restraining all parties to actions, lawsuits, and special or other proceedings in which Park's policyholders or insureds are a party or are obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise, from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date an order of liquidation is signed; (8) enjoining and restraining all persons who have first party policyholder loss claims, from presenting and filing claims with the Liquidator or with the Administrator of

the New York Property/Casualty Insurance Security Fund or the New York Public Motor Vehicle Liability Security Fund for a period of 90 days from the date an order of liquidation is signed; (9) vesting all rights in Park's contracts and agreements, however described, with the Liquidator and permitting the Liquidator, in her discretion, to reject any executory contracts to which Park is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection; (10) requiring that any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Park's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding; (11) requiring that all persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Park 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; (12) authorizing, permitting and allowing the Liquidator to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Park, and further authorizing the Liquidator 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, without the further approval of this Court; (13) cancelling all existing insurance policies of Park at 12:01 A.M. local time on the earlier of: (i) the expiration date of the policy; or (ii) the date that is 60 days after an order of liquidation is signed; (14) authorizing the Liquidator, in her discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (Insurance Law § 7434(a)(1)(iii)–(ix)) unless and until she reasonably believes that adjudication of such claims would be in the best interests of the estate; (15) extending immunity to the Superintendent in her capacity as Liquidator of Park, her successors in office, the New York Liquidation Bureau 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; (16) declaring that Park: (i) is insolvent within the meaning of Insurance Law § 1309(a); (ii) has refused to submit required reports to the Superintendent under Insurance Law § 7402(b); (iii) has failed or refused to comply with an order of the Superintendent to make good an impairment of its minimum surplus to policyholders under Insurance Law § 7402(c); (iv) has willfully violated one or more state laws under Insurance Law § 7402(f); and (v) has been found, after examination to be in such condition that its further transaction of business will be hazardous to its policyholders, creditors or the public under Insurance Law § 7402(e), all of which are separate and discrete grounds to place Park into liquidation; and (17) granting such other and further relief as the Court may deem proper and just.

alleged

AND, sufficient cause having been ~~shown~~ therefor, pursuant to New York Insurance Law § 7418(a)(1), let service of a copy of this order to show cause and its supporting papers be made:

Personal Service

(i) by ~~certified mail, return receipt requested~~, upon Thomas Polsinelli, President, Park Insurance Company, 475 Park Avenue South, 23rd Floor, New York, New York 10016; and (ii) by posting on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org>; and let such service be made at least 15 days prior to the Return Date, and such service shall be deemed good and sufficient service; and it is hereby

ORDERED, that all answering papers and supporting documentation ("Answering Papers") be served on the Superintendent so as to be received at least seven days prior to the Return Date, and that service on the Superintendent shall be made by first class mail or overnight carrier at the following addresses:

Office of the Attorney General
120 Broadway
New York, NY 10271
Attention: AAG D. Stan O'Loughlin

New York Liquidation Bureau
110 William Street
New York, New York 10038
Attention: General Counsel

and Answering Papers shall be submitted to this Court at IAS Part 17 at the Courthouse located at 60 CENTRE ST, Rm 335 New York, New York, on or before the Return Date; and it is further

ORDERED, that pursuant to Insurance Law § 7419, pending the ^{hearings}~~determination~~ of this application, Park, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, and managers, and all other persons, are hereby restrained, except as authorized by the Superintendent, from transacting Park's business (including the issuance of new insurance policies) or disposing of Park's property, and all persons are restrained from wasting any of Park's property; and it is further

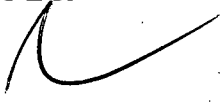
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S.C.*

ORDERED, that pursuant to Insurance Law § 7419 pending the ^{hearing}~~determination~~ of this motion, all actions or proceedings against Park and its insureds, and all actions or proceedings in which Park is obligated to defend a party, are stayed; and it is further

ORDERED, that pursuant to Insurance Law § 7419 pending the ^{hearing}~~determination~~ of this motion, all persons are restrained from obtaining preferences, judgments, attachments or other liens, or making any levy or commencing or prosecuting any actions or proceedings against Park or its assets.

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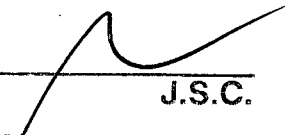
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J. S. C.

SHLOMO HAGLER
J.S.C.

ORAL ARGUMENT REQUIRED.


J.S.C.
SHLOMO HAGLER
J.S.C.