

RECEIVED NYSCEF: 11/14/2014

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, New York, on the 17 day of
November, 2014.

PRESENT:

HON. **SHLOMO HAGLER**
J.S.C., J.S.C.

In the Matter of

the Application of

Benjamin M. Lawskey, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of

UHAB MUTUAL INSURANCE COMPANY.

Index No. 452618/2014

ORDER TO SHOW CAUSE

Based on the verified petition ("Verified Petition") of Benjamin M. Lawskey,
Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified
on September 30, 2014, the supporting Affidavit of James Davis, dated September 26, 2014, and
the exhibits attached thereto, and it appearing that the relief sought should be granted;

NOW, on the 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 UHAB Mutual Insurance Company ("UHAB"), show cause before this Court at IAS
Part 17 Room 335, thereof, at the Courthouse located at 60 Centre St in the County, City
and State of New York, on the 15th day of December, 2014, at 10:00 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 his successors in office, as Liquidator of UHAB; (2) directing the Liquidator to take possession of UHAB's property and to liquidate UHAB's business and affairs; (3) vesting title to all of UHAB's property, contracts and rights of action and all of its books and records, wherever located, with the Liquidator and his successors; (4) permitting the Liquidator to deal with the property and business of UHAB in UHAB's name or in the name of the Liquidator; (5) granting the injunctions provided for in Insurance Law Section 7419(a), permanently enjoining and restraining all persons from wasting the assets of UHAB, and permanently enjoining and restraining all persons, except as authorized by the Liquidator, from transacting UHAB's business (including the issuance of insurance policies) or disposing of UHAB's property; (6) granting the injunctions provided for in Insurance Law Section 7419(b), permanently enjoining and restraining all parties from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against UHAB, its assets or any part thereof, or commencing or prosecuting any actions or proceedings against the Liquidator, UHAB, or 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 Article 74 in relation thereto; (7) vesting all rights in UHAB's contracts and agreements, however described, with the Liquidator, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination; (8) 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 UHAB'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/or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding; (9) 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 UHAB 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) 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 his discretion, he deems to be in the best interest of the creditors of UHAB, 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; (11) extending immunity to the Superintendent in his capacity as Liquidator of UHAB and his 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; and (12) granting such other and further relief as the Court may deem proper and just.

AND, sufficient cause having been shown therefor, let service of a copy of this order to show cause and the papers upon which it is granted be made by: (i) certified mail, return receipt

requested, upon Andrew Reicher, President, UHAB Mutual Insurance Company, 120 Wall Street, New York, New York 10005; and (2) 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: _____

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 ^{Room 335} at the Courthouse located at 100 Centre ^{December 10, 2014} New York, New York, on or before the ~~Return Date~~; 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 Petition 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; and it is further

ORDERED, that pending the ^{hearing}~~determination~~ of this motion, UHAB, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments or other liens, or making any levy or commencing or prosecuting any actions or proceedings against UHAB or its assets; and it is further

ORDERED, that pending the ^{hearing}~~determination~~ of this motion, all actions or proceedings against UHAB and all actions or proceedings in which UHAB is obligated to defend a party are stayed; and it is further

ORDERED, that pending the ^{hearing}~~determination~~ of this motion, UHAB, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons are restrained from wasting the assets of UHAB, or, except as authorized by the Superintendent, from transacting UHAB's business (including the issuance of new insurance policies) or disposing of UHAB's property.

ENTER

SHLOMO HAGLER
J.S.C.

SHLOMO HAGLER
J.S.C.

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

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

-----X

In the Matter of

Index No.

the Application of

VERIFIED PETITION

Benjamin M. Lawsky, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of

UHAB MUTUAL INSURANCE COMPANY.

-----X

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York (the "Superintendent") respectfully petitions this Court for an order in the form of Exhibit 1 annexed hereto, appointing the Superintendent and his successors in office as liquidator ("Liquidator") of UHAB Mutual Insurance Company ("UHAB"), and directing the Liquidator to liquidate the business and affairs of UHAB on the ground that UHAB's Board of Directors unanimously consented to the entry of an order of liquidation pursuant to New York Insurance Law ("Insurance Law") Article 74.

Background

1. As set forth in the affidavit of James Davis, Assistant Bureau Chief, Property and Casualty Insurance, sworn to on September 26, 2014 ("Davis Aff."), which is submitted herewith in support of this petition, UHAB was incorporated in the State of New York as a mutual property-casualty insurance company on or about October 13, 2004. Davis Aff. ¶ 2.

2. UHAB was founded by Urban Homesteading Assistance, Inc. d/b/a Urban Homesteading Assistance Board ("Urban Homesteading"), which is a not-for-profit corporation. Davis Aff. ¶ 3.

3. UHAB is licensed to transact the business of insurance in accordance with paragraphs (4)-(10), (12)-(14), and (19)-(20) of Insurance Law Section 1113(a). UHAB was not licensed in any other states. Davis Aff. ¶ 4.

4. UHAB's statutory office is located at 2023 Lexington Avenue, New York, NY 10035 and its main administrative office, mailing address, and the primary location of UHAB's books and records are at 120 Wall Street, 20th Floor, New York, New York 10005. Davis Aff. ¶ 5.

5. UHAB's assets consist entirely of a \$2,000,000 loan received from Urban Homesteading. In return for the loan, UHAB provided Urban Homesteading with a subordinated promissory note obligating UHAB to repay the loan with interest. Davis Aff. ¶ 6.

6. UHAB never wrote insurance policies in the State of New York or elsewhere. As such, it has no policyholders. Davis Aff. ¶ 7.

7. On January 30, 2013, UHAB's board of directors unanimously passed a resolution consenting to the entry of an order of liquidation pursuant to Insurance Law Article 74. Davis Aff., ¶ 8 and Exhibit A.

Grounds for Liquidation

8. Under Insurance Law Section 7404, the Superintendent may apply for an order directing the Superintendent to liquidate the business of an insurer if sufficient grounds exist pursuant to Insurance Law Section 7402.

9. Insurance Law Section 7402(l) provides that an insurer may be placed into liquidation if the majority of its directors, shareholders, or members consent to liquidation.

10. Based upon the unanimous consent of UHAB's Board of Directors to the entry of an order of liquidation through a resolution dated January 30, 2013, UHAB should be placed into liquidation.

11. As outlined above, sufficient grounds exist to place UHAB into liquidation.

Relief Requested

12. In light of the foregoing, I respectfully request that the Court issue an order of liquidation, *inter alia*: (a) appointing the Superintendent, and his successors in office, as Liquidator of UHAB; (b) directing the Liquidator to take possession of UHAB's property, to liquidate UHAB's business and affairs; and (c) vesting title to all of UHAB's property, contracts, rights of action and all of its books and records, wherever located, with the Liquidator and his successors.

13. I further respectfully request that the Court grant the injunctions provided for by Insurance Law Section 7419. Under Section 7419(a) the Court may issue an injunction permanently enjoining and restraining the insurer, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons from wasting the assets of UHAB, and, except as authorized by the Liquidator, from transacting UHAB's business (including the issuance of insurance policies) or disposing of UHAB's property. Under Section 7419(b), the Court may issue such other permanent injunctions or orders as it deems necessary to prevent interference with the Liquidator or this proceeding, or the commencement or prosecution of any actions or proceedings (a) against the Liquidator, UHAB, or the New York Liquidation Bureau, the organization that carries out the duties of the Liquidator, or their present or former employees, attorneys or agents, with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto or (b) to assert preferences, judgments, attachments, liens, or any levy against UHAB, its assets or any part thereof.

14. I further respectfully request that, in accordance with Insurance Law Section 7405, the Court vest all rights in UHAB's contracts and agreements, however described, with the Liquidator, unless the Liquidator expressly terminates such contracts or agreements, in which

case all liability under such contracts or agreements shall cease and be fixed as of the date of termination.

15. I further respectfully request that this Court order 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 UHAB'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; or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding.

16. I further respectfully request that the Court order 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 UHAB shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such information to the Liquidator.

17. I further respectfully request that in accordance with Insurance Law Section 7405, the Court authorize, permit and allow 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 his discretion, he deems to be in the best interest of the creditors of UHAB, and further authorize 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.

18. I further respectfully request that the Court order that the Superintendent as Liquidator of UHAB, and his successors in office, the New York Liquidation Bureau and their agents and employees, be granted immunity from 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. The Liquidator acts in a “judicial and private” capacity under the supervision of the Court pursuant to Article 74 of the Insurance Law. *See Dinallo v. DiNapoli*, 9 N.Y.3d 94, 103 (2007).

19. In accordance with Insurance Law Section 7417, this proceeding is being commenced by order to show cause.


20. There has been no previous application for the relief requested herein.

WHEREFORE, it is respectfully requested that an order be made and entered pursuant to Article 74 of the Insurance Law: (1) appointing the Superintendent, and his successors in office, as Liquidator of UHAB; (2) directing the Liquidator to take possession of UHAB’s property and to liquidate UHAB’s business and affairs; (3) vesting title to all of UHAB’s property, contracts and rights of action with the Liquidator and his successors; (4) permitting the Liquidator to deal with the property and business of UHAB in UHAB’s name or in the name of the Liquidator; (5) granting the injunctions provided for in Insurance Law Section 7419(a), permanently enjoining and restraining all persons from wasting the assets of UHAB, and permanently enjoining and restraining all persons, except as authorized by the Liquidator, from transacting UHAB’s business (including the issuance of insurance policies) or disposing of UHAB’s property; (6) granting the injunctions provided for in Insurance Law Section 7419(b), permanently enjoining and restraining all parties from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against UHAB, its assets or any part thereof, or commencing or prosecuting any actions or proceedings against the Liquidator, UHAB, or 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 Article 74 in relation thereto; (7) vesting all rights in UHAB's contracts and agreements, however described, with the Liquidator, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination; (8) 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 UHAB'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/or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding; (9) 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 UHAB 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) 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 his discretion, he deems to be in the best interest of the creditors of UHAB, 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; (11) extending immunity to the Superintendent in his capacity as Liquidator of UHAB and his

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; (12) granting such other and further relief as the Court may deem proper and just.

Dated: New York, New York
September 30, 2014



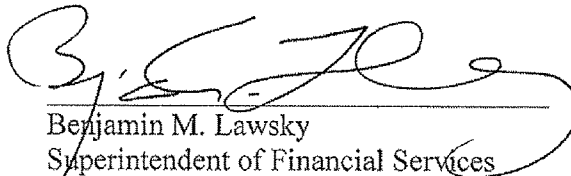
Benjamin M. Lawskey
Superintendent of Financial Services
of the State of New York

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


Benjamin M. Lawsky, being duly sworn, deposes and says:

That he is the Superintendent of Financial Services of the State of New York and that he executed the foregoing petition; that he is acquainted with the facts therein stated; that he knows the contents of the petition and that the same is true to his own knowledge, except as to the matters therein stated to be alleged upon information and belief and that as to those matters he believes them to be true.

Deponent says that the sources of information and the grounds of his belief as to the matters stated in said petition to be alleged upon information and belief are the records of the New York State Department of Financial Services and the affidavit of James Davis, Assistant Bureau Chief, Property and Casualty Insurance, sworn to on September 26, 2014, in support of the verified petition.


Benjamin M. Lawsky
Superintendent of Financial Services
of the State of New York

Sworn to before me this
30th day of September, 2014


Notary Public

ROBERT H. EASTON
Notary Public, State of New York
No. 02EA6010957
Qualified in New York County
Commission Expires July 27, 2018

EXHIBIT 1

[Form of Liquidation Order]

At IAS Part ____ of the Supreme Court of the State of New York, County of New York, at the courthouse located at _____, New York, New York, on the ____ day of _____, 2014.

P R E S E N T:

HON. _____, J.S.C

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In the Matter of

Index No.

the Application of

ORDER OF LIQUIDATION

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

UHAB MUTUAL INSURANCE COMPANY.

-----X

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause (“Order to Show Cause”) for an order appointing the Superintendent and his successors in office as liquidator (“Liquidator”) of UHAB Mutual Insurance Company (“UHAB”) and directing the Liquidator to take possession of the property of UHAB and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on September 30, 2014, the affidavit of James Davis, sworn to on September 26, 2014, and the exhibits annexed thereto, this Court finds that:

1. UHAB was incorporated under the laws of the State of New York on or about October 13, 2004;

2. UHAB is licensed to transact the business of insurance in accordance with paragraphs (4)-(10), (12)-(14), and (19)-(20) of New York Insurance Law Section 1113(a) (“Insurance Law”);

3. UHAB’s statutory office is located at 2023 Lexington Avenue, New York, NY 10035 and its main administrative office, mailing address and the primary location of UHAB’s books and records are at 120 Wall Street, 20th Floor, New York, New York 10005;

4. On January 30, 2013, UHAB’s board of directors unanimously passed a resolution consenting to the entry of a liquidation order pursuant to Insurance Law Article 74;

5. UHAB is subject to the Insurance Law and, particularly, to Article 74 thereof;

6. It is in the best interest of all persons concerned that, based upon Article 74 of the Insurance Law, the Superintendent should be appointed Liquidator and directed to take possession of the property of UHAB, to liquidate its business and affairs, and be vested with title to all of UHAB’s property, contracts and rights of action; and

NOW, on the 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 are appointed Liquidator of UHAB;
3. The Liquidator is directed to take possession of UHAB’s property and liquidate UHAB’s business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is 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 and with title to UHAB’s property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of this Order;

5. The Liquidator may deal with the property and business of UHAB in UHAB's name or in the name of the Liquidator;
6. All persons are permanently enjoined and restrained from wasting the assets of UHAB and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting UHAB's business (including the issuance of insurance policies) or disposing of UHAB's property;
7. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining preferences, judgments, attachments or other liens, making any levy against UHAB, its assets or any part thereof, or commencing or prosecuting any actions or proceedings against the Liquidator, UHAB, or 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 Article 74 in relation thereto;
8. The Liquidator is vested with all rights in UHAB's contracts and agreements, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination;
9. 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 UHAB's funds, accounts (including escrow 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) transfer funds from such bank, savings and loan association or other financial institution; and/or (v) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
10. 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 UHAB 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;
11. The Liquidator is authorized, permitted and allowed 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 his discretion, he deems to be in the best interest of the creditors of UHAB, and 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, without the further approval of this Court;

12. Immunity is extended to the Superintendent in his capacity as Liquidator of UHAB and his 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;
13. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
14. In accordance with Insurance Law Section 7432(b), all claims against UHAB must be presented to the Liquidator within four months of the date of entry of this Order;
15. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
16. The Liquidator shall serve a copy of this Order upon: Marc Tract, Katten Muchin Roseman LLP, 575 Madison Ave, New York, NY 10022, attorneys for UHAB Mutual Insurance Company, by overnight delivery or by certified mail;
17. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publishing the notice of this Order in *The New York Post*, once a week for two consecutive weeks, commencing within thirty days of entry of this Order in a form substantially similar to the one attached hereto as Exhibit A; and (ii) posting this Order on the Internet web page maintained by the Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
18. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered;
19. The notice prescribed in decretal paragraphs 16 and 17 hereof is sufficient notice to all persons interested in UHAB;
20. This Court shall retain jurisdiction over this matter for all purposes;

21. 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

UHAB MUTUAL INSURANCE COMPANY.

-----X

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

E N T E R

J.S.C.

EXHIBIT A

[Form of Notice]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6755
To all persons or entities
interested in the affairs of
UHAB MUTUAL INSURANCE COMPANY
Notice is Hereby Given:

Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, New York County ("Court"), entered on _____, 2014, as the liquidator (the "Liquidator") of UHAB Mutual Insurance Company ("UHAB") and, as such, has been: (i) directed to take possession of UHAB's property and liquidate UHAB's business and affairs in accordance with New York Insurance Law ("Insurance Law") Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to UHAB's property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed Scott D. Fischer, Acting Special Deputy Superintendent (the "Acting Special Deputy") as his agent to carry out his duties as Liquidator. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides:

- I. The Liquidator may deal with the property and business of UHAB in UHAB's name or in the name of the Liquidator;
- II. All persons are permanently enjoined and restrained from wasting the assets of UHAB and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting UHAB's business (including the issuance of insurance policies) or disposing of UHAB's property;
- III. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining preferences, judgments, attachments or other liens, making any levy against UHAB, its assets or any part thereof, or commencing or prosecuting any actions or proceedings against the Liquidator, UHAB, or 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 Article 74 in relation thereto;
- IV. The Liquidator is vested with all rights in UHAB's contracts and agreements, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination;
- V. 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 UHAB's funds, accounts (including escrow 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) transfer funds from such bank, savings and loan association or other financial institution; and/or (v) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;

- VI. 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 UHAB 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;
- VII. The Liquidator is authorized, permitted and allowed 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 his discretion, he deems to be in the best interest of the creditors of UHAB, and 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, without the further approval of the Court;
- VIII. Immunity is extended to the Superintendent in his capacity as Liquidator of UHAB and his 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 the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- IX. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
- X. In accordance with Insurance Law Section 7432(b), all claims against UHAB must be presented to the Liquidator within four months of the date of entry of the Order;
- XI. The Liquidator may at any time make further application to the Court for such further and different relief as he sees fit;
- XII. The court shall retain jurisdiction over this matter for all purposes.
- XIII. All communications relating to UHAB and to the Liquidation Proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
New York, New York 10038
(212) 341-6400

BENJAMIN M. LAWSKY
Superintendent of Financial Services of
the State of New York as Liquidator
of UHAB Mutual Insurance Company

SCOTT D. FISCHER
Acting Special Deputy Superintendent
and Agent for the Superintendent as
Liquidator of UHAB Mutual Insurance Company

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

-----X

In the Matter of

Index No.

the Application of

AFFIDAVIT

Benjamin M. Lawsky, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of

UHAB MUTUAL INSURANCE COMPANY.

-----X

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

James Davis, being duly sworn, deposes and says:

1. I am employed at the New York State Department of Financial Services ("DFS") as Assistant Bureau Chief, Property and Casualty Insurance. I submit this affidavit in support of the petition of the Superintendent of Financial Services of the State of New York ("Superintendent") for an order appointing the Superintendent and his successors in office as liquidator of UHAB Mutual Insurance Company ("UHAB") as authorized by Article 74 of the New York Insurance Law ("Insurance Law"). This affidavit is based upon personal knowledge, the sources of which are the records maintained by DFS.

2. UHAB was incorporated in the State of New York as a mutual property-casualty insurance company on or about October 13, 2004.

3. UHAB was founded by Urban Homesteading Assistance, Inc. d/b/a Urban Homesteading Assistance Board ("Urban Homesteading"), which is a not-for-profit corporation.

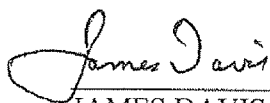
4. UHAB is licensed to transact the business of insurance in accordance with paragraphs (4)-(10), (12)-(14), and (19)-(20) of Insurance Law Section 1113(a). UHAB was not licensed in any other states.

5. UHAB's statutory office is located at 2023 Lexington Avenue, New York, NY 10035 and its main administrative office, mailing address, and the primary location of UHAB's books and records are at 120 Wall Street, 20th Floor, New York, New York 10005.

6. UHAB's assets consist entirely of a \$2,000,000 loan received from Urban Homesteading. In return for the loan, UHAB provided Urban Homesteading with a subordinated promissory note obligating UHAB to repay the loan with interest.

7. UHAB never wrote insurance policies in the State of New York or elsewhere. As such, it has no policyholders.

8. On January 30, 2013, UHAB's board of directors unanimously passed a resolution consenting to the entry of an order of liquidation pursuant to Insurance Law Article 74, which is attached hereto as Exhibit A.



JAMES DAVIS
Assistant Bureau Chief
Property and Casualty Insurance

Sworn to before me this
26th day of September, 2014



Notary Public

MARTHA A. LEES
Notary Public, State of New York
No. 02LE8129105
Qualified in Kings County
Commission Expires 06/2017

EXHIBIT A

UHAB MUTUAL INSURANCE COMPANY

CERTIFICATE OF SECRETARY

AUGUST 26, 2013

The undersigned, Marc M. Tract, Secretary of UHAB Mutual Insurance Company, a corporation organized and existing under the laws of the State of New York and having its principal place of business at 2023 Lexington Avenue, New York, New York 10035 (the "Corporation"), does hereby certify that the following are true and correct copies of the resolutions duly adopted by unanimous consent of the Board of Directors on January 30, 2013 (the "Resolutions"), which Resolutions have not been altered, amended or revoked. The Resolutions set forth the unanimous resolutions of the Board of Directors authorizing the Corporation to apply to the New York Department of Financial Services for voluntary liquidation.

RESOLVED, that, due to continuing "soft market" conditions which have prevented the Corporation from commencing to do business as either an insurer or reinsurer, the officers of the Corporation be and hereby are authorized and directed to wind-up the Corporation's affairs and apply to the New York Department of Financial Services ("Department") for voluntary liquidation, and to effect and deliver any and all applications, documents, certificates and instruments as may be prescribed or requested by the Department to effectuate the purposes and intent of this resolution, including the certification of the adoption of any resolution in any form prescribed by the Department;

RESOLVED, that any and all acts of any officer of the Corporation and of any person or persons designated and authorized to act by any officer of the Corporation taken since the last Board of Directors' meeting on September 13, 2011 be and each such act hereby is ratified, confirmed and approved in all respects; and

RESOLVED, that the appropriate officers of the Corporation be, and each of them hereby is, authorized and directed to take all such further action and to execute, deliver, certify and file all such further instruments and documents, in the name and on behalf of the Corporation, under its corporate seal or otherwise, and to pay all such costs and expenses as such officers shall approve as necessary or advisable to carry out the intent and accomplish the purpose of the foregoing resolutions and the transactions contemplated thereby, the taking of such actions and the execution, delivery, certification and filing of such documents to be conclusive evidence of such approval.

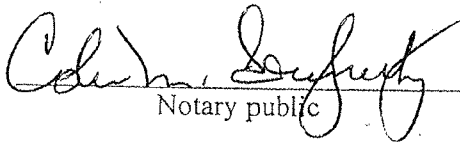
IN WITNESS WHEREOF, the undersigned has caused this Certificate to be signed, and the corporate seal affixed hereto, as of the above date.

[SEAL]

UHAB MUTUAL INSURANCE
COMPANY

By: 
Marc M. Tract, Secretary

Sworn to before me this
26th day of August, 2013


Notary public

COLIN M DOUGHERTY
Notary Public State of New York
No. 02DO6032451
Qualified in New York County
Commission Expires November 1, 2013