



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 Street, New York, New York, on the 15<sup>th</sup> day of December, 2014.

P R E S E N T:

HON. SHLOMO HAGLER, J.S.C

In the Matter of

Index No. 452618/2014

the Application of

**ORDER OF LIQUIDATION**

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.

Benjamin M. Lawsky, 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, 20<sup>th</sup> Floor, New York, New York 10005;

4. On August 26, 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

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In the Matter of

the Liquidation of

UHAB MUTUAL INSURANCE COMPANY.

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

ENTER ~~SO ORDERED~~

*Shlomo Hagler*

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J.S.C.

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J.S.C.