

LONG FORM ORDER

At IAS Part 8 of the Supreme Court of the State of New York, County of Nassau, at the courthouse located at 100 Supreme Court Drive, Mineola, New York, on the 17 day of November, 2011.

PRESENT:

HON. ANTHONY L. PARGA, J.S.C

In the Matter of

Index No. 12070/2011

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

WASHINGTON TITLE INSURANCE COMPANY.

James J. Wrynn, the then-Superintendent of Insurance of the State of New York, having moved this Court by order to show cause ("Order to Show Cause") for an order appointing the Superintendent and his successors in office, which now includes Benjamin M. Lawsky, the Superintendent of the New York Department of Financial Services ("Superintendent"), as liquidator ("Liquidator") of Washington Title Insurance Company ("Washington Title") and directing the Liquidator to take possession of the property of Washington Title, to liquidate its business and affairs and to dissolve its corporate charter, and upon reading and filing the petition of the Superintendent, duly verified the 5th day of August, 2011, the affidavit of Eugene Bienskie, sworn to on August 4, 2011, and the exhibits annexed thereto, this Court finds that:

1. Washington Title was incorporated under the laws of the State of New York on or about October 14, 1992;

2. Washington Title is licensed to transact the business of title insurance in accordance with paragraph 18 of Section 1113(a) of the New York Insurance Law ("Insurance Law"). Washington Title is licensed to write business only in the State of New York;
3. Washington Title's principal place of business is located at 31 Stewart Street, Floral Park, New York 11001;
4. Washington Title commenced operations as a title insurance company on April 1, 1996;
5. Under Washington Title's charter and by-laws, management of the company is vested in a board of directors ("Board") consisting of not less than seven or more than twenty-one members;
6. On April 25, 2011, Washington Title's Board unanimously passed a resolution consenting to the entry of a rehabilitation or liquidation order pursuant to Insurance Law Article 74;
7. Washington Title is insolvent;
8. Washington Title is subject to the Insurance Law and, particularly, to Article 74 thereof;
9. Washington Title should be dissolved and its corporate charter annulled and forfeited;
10. 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 Washington Title, to liquidate its business and affairs, to dissolve its corporate charter, and be vested with title to all Washington Title's property, contracts and rights of action; and

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 is appointed Liquidator of Washington Title 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 Washington Title'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 Washington Title'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 Washington Title in its name or in the name of the Liquidator;
4. All persons are permanently enjoined and restrained from wasting the assets of Washington Title and permanently enjoined and restrained, except as authorized by the Liquidator, from disposing the property of Washington Title;
5. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of Washington Title and all other persons other than the Liquidator and his agents are permanently enjoined and restrained from:
(i) transacting Washington Title's business (including the issuance of new or renewal insurance policies), except as authorized by the Liquidator,
(ii) interfering with this proceeding or the Liquidator in the possession, control and management of Washington Title's property or in the discharge of his duties; and (iii) disclosing the name, address or contact information of Washington Title's policyholders, or any other information that is proprietary to Washington Title's or not in the public domain, except as may be authorized by the Liquidator;
6. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against Washington Title, the Liquidator or the New York Liquidation Bureau ("Bureau"), or their present or former its employees, attorneys or agents with respect to this proceeding or any claims against Washington Title;

7. All persons are permanently enjoined and restrained from obtaining any preferences, judgments, attachments or other liens, or making any levy against Washington Title, its assets or any part thereof;
8. ~~All parties to actions, lawsuits and special or other proceedings in which Washington Title, its policyholders or insureds are obligated to defend a party or to provide a defense of any matter insured against pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained 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 30 days from the date of entry of this Order;~~
9. All agents, agencies and brokers of Washington Title are directed to immediately cease issuing insurance policies, commitments, bonds and evidences and certificates of insurance on behalf of Washington Title;
10. All agents, agencies and brokers of Washington Title are enjoined and restrained from retaining or returning to policyholders/insureds, or premium finance companies, any premiums and any money collected for premiums due or to become due under insurance policies of Washington Title;
11. All agents, agencies and brokers and premium finance companies are directed to account for and turn over any premiums and any money collected for premiums due or to become due under insurance policies of Washington Title in their possession to the Liquidator without setoff or other deduction within thirty (30) days from the date of entry of this Order;
12. All persons or entities, including, but not limited to, agents, agencies, brokers and premium finance companies, are directed to account for and turn over to the Liquidator all other income and others sums due and owing Washington Title, without setoff or other deduction;
13. All persons or entities, including, but not limited to, current and former agents, agencies, brokers and premium finance companies, who issued insurance policies, commitments, bonds and evidences and certificates of insurance on behalf of Washington Title or who maintain records regarding Washington Title's insurance policies or policyholders are directed to provide the Liquidator, within thirty (30) days from the date of entry of this Order, with a complete listing and contract information of its respective clients who are Washington Title policyholders or otherwise Washington Title insureds;

14. The Liquidator is vested with all rights in Washington Title's contracts and agreements, including leases, tax agreements, insurance policies and employment contracts, 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. 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 Washington Title 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 Washington Title, 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;
16. Washington Title 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 Washington Title, 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;
17. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to Washington Title shall maintain and preserve all information in its possession relating in any way to Washington Title, 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 Washington Title and are directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees;
18. 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 Washington Title'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; or (v) take any other action necessary for the proper conduct of the liquidation proceeding;

19. In accordance with Insurance Law Section 7432(b), all claims against Washington Title must be presented to the Liquidator within four months of the date of entry of this Order;

20. The Liquidator is authorized to pay administrative costs and expenses out of the assets of Washington Title;

21. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;

22. The corporate charter of Washington Title is relinquished, forfeited, surrendered and annulled, and Washington Title is dissolved;

23. Immunity is extended to the Superintendent in his capacity as Liquidator of Washington Title and his successors in office 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;

24. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;

Handwritten initials and a squiggly line.

25. The Liquidator shall serve the copy of this Order upon: (i) David J. Gelbard, President, Washington Title Insurance Company, located at 31 Stewart Street, Floral Park, New York, 11001, by overnight delivery and regular mail; and (ii) all agents, agencies, ^{brokers} business and premium finance companies that are or were employed by Washington Title by certified mail.

26. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of the notice of this Order in *Newsday*, Long Island Edition, once a week for two consecutive weeks, commencing within four weeks of entry of this Order in a form substantially similar to the one attached hereto; 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;

27. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered;

28. The notice prescribed in decretal paragraphs 25 and 26 hereof is sufficient notice to all persons interested in Washington Title;

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~~29. This Court shall retain jurisdiction over this matter for all purposes.~~

30. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

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In the Matter of

the Liquidation of

WASHINGTON TITLE INSURANCE COMPANY.

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

ENTER

[Handwritten Signature]

J.S.C.

ENTERED
NOV 18 2011
NASSAU COUNTY
COUNTY CLERK'S OFFICE