

EX PARTE MOTION OFFICE

APPROVED
FOR THE PAYMENT
OF MOTION FEE
BY
COURT

At IAS Part 48 of the Supreme Court of the State of New York, County of New York, at the courthouse at 60 Centre Street, in the County, City and State of New York, on the 4th day of March, 2014.

14M04680

M.S. #4
OTHER

P R E S E N T:

HON. JEFFREY K. OING, J.S.C.
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In the Matter of

the Ancillary Receivership of

ACCELERATION NATIONAL
INSURANCE COMPANY.
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Index No.: 402459/01

ORDER TO SHOW CAUSE

Based on the verified petition (the "Verified Petition") of Mary Jo Marchisello, Assistant Special Deputy Superintendent and Agent of Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York as ancillary receiver (the "Ancillary Receiver") of Acceleration National Insurance Company ("Acceleration National"), duly verified the 24th day of February, 2014, and the exhibits annexed thereto, upon all other papers previously submitted and all proceedings heretofore had herein, and it appearing that the relief sought be granted.

NOW, on motion of John Pearson Kelly, attorney for the Ancillary Receiver, and after due deliberation having been had thereon,

LET all claimants and all parties interested in the affairs of Acceleration National show cause before this Court at Submissions Post Room 130 IAS Part 48, Room 412, thereof, at the Courthouse located at 60 Centre Street in the City, County and State of New York, on the 11th day of April, 2014 (the "Return Date"), at 10 o'clock in the A.m., or as soon thereafter as counsel can be

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heard, why an order should not be made, pursuant to Article 74 of the New York Insurance Law (“Insurance Law”), *inter alia*: (1) approving the Ancillary Receiver’s report on the status of, and request to close, the ancillary receivership proceeding of Acceleration National (the “Ancillary Receivership”) and the financial transactions delineated therein; (2) authorizing the continued payment of administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership; (3) terminating and closing the Ancillary Receivership; (4) releasing and discharging the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Ancillary Receivership; (5) authorizing the New York Liquidation Bureau (the “NYLB”) to receive and disburse to (i) the New York Property/Casualty Insurance Security Fund (the “P/C Fund”) and/or (ii) the New York Public Motor Vehicle Liability Security Fund (the “PMV Fund” and, together with the P/C Fund, the “Security Funds”) (each established pursuant to Insurance Law Article 76), as applicable, any future distributions from the Superintendent of Insurance of the State of Ohio as domiciliary receiver of Acceleration National (the “Liquidator”) in payment of amounts owed to the Security Funds (a) without further application to this Court and (b) after deducting all administrative expenses in connection with such disbursements; (6) authorizing and directing the Ancillary Receiver in his discretion to destroy, transfer or otherwise dispose of any and all of the books, files, records and other property of Acceleration National in his possession, including by transferring them to the Liquidator, without further order of this Court; and (7) providing for such other and further relief as this Court deems appropriate and just.

AND, sufficient cause having been alleged therefor, let service of a copy of this order to show cause and the papers upon which it is granted be made on respondent, the Liquidator, by

serving a copy thereof by overnight mail upon Lynda G. Loomis, Chief Deputy Liquidator, Office of the Ohio Insurance Liquidator, Acceleration National Insurance Company, in Liquidation, 50 W. Town St., Suite 350, Columbus, OH 43215, on or before the 5th day of March, 2014, and such service shall be deemed good and sufficient service.

AND, sufficient cause having been alleged therefor, and this Court having found the form and method of notice specified herein to be the best notice practicable, it is hereby

ORDERED, that notice of the Verified Petition and this Order to Show Cause shall be substantially in the form attached as Exhibit 1 to the Verified Petition and service shall be made to Acceleration National's policyholders, claimants, creditors and all other interested parties (in each case, domiciled in the State of New York) by: (i) posting on the Internet web page maintained by the NYLB at <http://www.nylb.org> at least 15 days prior to the Return Date; and (ii) publication in *The New York Times – Local Edition*, or a newspaper of similar circulation, once per week for two consecutive weeks commencing within 30 days from the issuance of this Order to Show Cause; and it is further

ORDERED, that the form and methods of service of notice specified herein are hereby approved as in accordance with the law and as the best notice practicable and shall therefore constitute due and sufficient notice of this Order to Show Cause and scheduled Return Date herein and the Verified Petition and the relief sought therein to all persons and entities entitled to receive such notice; and it is further

ORDERED, that the approved form of notice shall direct that all answering papers and supporting documentation ("Answering Papers") be served on the Ancillary Receiver so as to be received at least seven days prior to the Return Date, and that service on the Ancillary Receiver shall be made by first class mail at the following address:

Superintendent of Financial Services of the State of New York
as Ancillary Receiver of Acceleration National Insurance Company
Attention: General Counsel
110 William Street
New York, New York 10038

and by submitting copies of the Answering Papers, with affidavit of service on the Ancillary Receiver as above, to this Court at IAS Part 48, Room 412 at the Courthouse located at 60 Centre Street in the County, City and State of New York, seven days before the Return Date; and it is further

ORDERED, that in the absence of Answering Papers filed pursuant to the previous paragraph on or prior to the date specified, the Court may enter relief without hearing and no party shall be entitled to be heard thereon; 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 Verified 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.

ENTER



J. S. C.
JEFFREY K. ONG
J.S.C.