

At IAS Part 10 of the Supreme Court of the State of New York, County of New York, at the courthouse, 60 Centre Street, in the County, City and State of New York, on the 28 day of February, 2010.

P R E S E N T:

HON. JUDITH J. GISCHE, J.S.C.

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In the Matter of

the Application of

James J. Wrynn, Superintendent of Insurance of the State of New York, for an order to take possession of the property of and rehabilitate

Index No.: 400236/10

ORDER OF REHABILITATION

COLONIAL COOPERATIVE INSURANCE COMPANY.

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Petitioner, James J. Wrynn, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order to rehabilitate and take possession of the property of Colonial Cooperative Insurance Company ("CCIC"), and upon reading and filing the petition of the Superintendent, duly verified the 28th day of January, 2010, and the exhibits annexed thereto; this Court finds that:

1. CCIC was licensed under the laws of the State of New York on May 14, 1896, to transact business as a cooperative fire insurance corporation;
2. CCIC's principal office is located at 130 North Front Street, Kingston, New York 12402;
3. CCIC is subject to the New York Insurance Law ("Insurance Law") and, in particular, to Article 74 thereof;
4. A Mandatory Control Event under Insurance Law Section 1327(g) has occurred with regard to CCIC;
5. CCIC has consented to the entry of an order of rehabilitation; and

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NEW YORK COUNTY CLERKS OFFICE

6. It is in the best interest of CCIC's policyholders, creditors and the general public that the Superintendent be directed to take possession of CCIC's property and to rehabilitate its business and affairs;

NOW, on motion of the Honorable Andrew M. Cuomo, Attorney General of the State of New York, it is ORDERED as follows:

1. The petition is granted;
2. The Superintendent, and his successors in office, are appointed rehabilitator ("Rehabilitator") of CCIC and are: (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; and (ii) authorized and directed to immediately take possession of CCIC's property, conduct CCIC's business and take such steps toward the removal of the causes and conditions which made this proceeding necessary as they shall deem wise and expedient;
3. The Rehabilitator may deal with the property and business of CCIC in its name or in the name of the Rehabilitator;
4. Notice directing all persons having claims against CCIC to file or present their claims to the Rehabilitator is deferred until further order of this Court;
5. CCIC, 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, records, books or papers belonging to or relating to CCIC, including but not limited to insurance policy, claims files (electronic or paper), software programs and/or bank records, shall preserve all of them and are directed, upon the Rehabilitator's request, to promptly assign, transfer, turn over and deliver them to the Rehabilitator;
6. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to CCIC shall maintain and preserve all information in its possession ("Information") relating in any way to CCIC, 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 by CCIC, and are directed, upon the Rehabilitator's request, to promptly submit all such Information to the Rehabilitator for examination and copying;

7. 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 CCIC's funds, accounts or assets shall immediately upon the Rehabilitator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Rehabilitator; (ii) transfer title of such funds, accounts or assets to the Rehabilitator; (iii) change the name of such accounts to the name of the Rehabilitator; (iv) withdraw funds from such bank, savings and loan association or other financial institution, or (v) take any lesser action necessary for the proper conduct of the rehabilitation proceeding;
8. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of CCIC and all other persons other than the Superintendent and his agents are permanently enjoined and restrained, except as authorized by the Superintendent, from: (i) transacting the business of CCIC; (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of CCIC's property; (iii) interfering with the Rehabilitator in the possession, control and management of CCIC's property or in the discharge of his duties; and (iv) disclosing the name, address or contact information of CCIC's policyholders, or any other information that is proprietary to CCIC or not in the public domain;
9. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against CCIC, the Rehabilitator or the New York Liquidation Bureau, its employees, attorneys or agents, with respect to any claims against CCIC;
10. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against CCIC's assets or any part thereof;
11. All parties to actions, lawsuits or special or other proceedings ("Litigation") in which CCIC is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings, conferences or other court proceedings, applications or other requests to the court of any nature, proceedings on defaults, settlements or judgments, service of documents, motions, discovery or any other litigation tasks or procedures for a period of 180 days from the date of entry of this Order;

12. All persons who have first-party or New York Comprehensive Automobile Insurance Reparations Act (No Fault) policyholder loss claims pursuant to Article 51 of the Insurance Law against CCIC are enjoined from presenting and filing claims with Rehabilitator for a period of 90 days from the date of entry of this Order;
13. Judicial immunity is extended to the Superintendent in his capacity as rehabilitator and his successors in office and their agents and employees and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by any one or more of them when acting in good faith, in accordance with this Order, or in the performance of their duties pursuant to Insurance Law Article 74;
14. The Rehabilitator may at any time make further application to this Court for such further and different relief as he sees fit;
15. A copy of this Order shall be served forthwith upon CCIC or its attorney;
16. This Court shall retain jurisdiction over this matter for all purposes;
17. All further papers in this proceeding shall bear the caption:

In the Matter of

the Rehabilitation of

COLONIAL COOPERATIVE INSURANCE COMPANY.

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J.S.C.

JUDITH J. GISCHE, J.S.C.

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NEW YORK
COUNTY CLERKS OFFICE

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Sir: Please take notice that the within is a true copy of duly filed and entered in the office of the clerk of the County, on the day of 20

Yours, etc.,
ANDREW M. CUOMO
Attorney General,

Attorney for
Office and Post Office Address
120 Broadway, New York, N.Y. 10271
To
, Esq.

Attorney for

Sir
Please take notice that the within

will be presented for settlement and signature herein to the Hon. one of the judges of the within named Court, at

in the Borough of
City of New York, on the day of
, 20, at M.
Date, N.Y.,
Yours, etc.,
ANDREW M. CUOMO
Attorney General,

Attorney for
Office and Post Office Address
120 Broadway, New York, N.Y. 10271

To
Attorney for
, Esq.

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

In the Matter of
the Application of

James J. Wrynn, Superintendent of Insurance
of the State of New York, for an order to take possession
of the property of and rehabilitate

COLONIAL COOPERATIVE INSURANCE COMPANY

ORDER OF REHABILITATION

ANDREW M. CUOMO
Attorney General
Attorney for the Superintendent of
Insurance
Office and Post Office Address
120 Broadway, New York, N.Y. 10271
Tel. (212) 416-8658
Personal service of a copy of

within day of
is admitted this day of
..... 20

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

PRESENT: J. G. GISCHE
JUDITH J. GISCHE, J.S.C. Justice

PART 10

Wryna
- v -
COLONIA / Group INSUR

INDEX NO. 400236/10
MOTION DATE _____
MOTION SEQ. NO. 001
MOTION CAL. NO. _____

The following papers, numbered 1 to _____ were read on this motion to/for _____

	PAPERS NUMBERED
Notice of Motion/ Order to Show Cause – Affidavits – Exhibits ...	_____
Answering Affidavits – Exhibits _____	_____
Replying Affidavits _____	_____

Cross-Motion: Yes No

Upon the foregoing papers, it is ordered that this motion

despite due proof of service- no one has interposed opposition either in writing or in person (12:20 pm).
~~Motion~~ Petition is granted on default.
Separate order of Rehabilitation signed.

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MAR 01 2010

NEW YORK COUNTY CLERK'S OFFICE

Dated: 2/25/10

J. G. GISCHE
JUDITH J. GISCHE, J.S.C. J.S.C.

Check one: FINAL DISPOSITION NON-FINAL DISPOSITION

Check if appropriate: DO NOT POST REFERENCE

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):