

M. S. [unclear], [unclear]

EX PARTE MOTION OFFICE  
FOR THE JUDICIAL  
BRANCH  
CLERK'S OFFICE  
ONLY

At IAS Part 23 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 20<sup>th</sup> day of October, 2014.

PRESENT: **HON. RICHARD F. BRAUN**  
HON. RICHARD F. BRAUN, J.S.C.

**FILED**  
OCT 16 2014  
NEW YORK  
COUNTY CLERK'S OFFICE

In the Matter of  
the Liquidation of  
COLONIAL INDEMNITY INSURANCE COMPANY.  
-----X

Index No.: 405444/07

**ORDER TO SHOW CAUSE**

Based on the verified petition ("Verified Petition") of Scott D. Fischer, Acting Special Deputy Superintendent and Agent of Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York as liquidator ("Liquidator") of Colonial Indemnity Insurance Company ("Colonial"), duly verified the 16<sup>th</sup> day of October, 2014, and exhibits attached 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 Liquidator, and after due deliberation having been had thereon,

LET all claimants and parties interested in the affairs of Colonial appear and show cause before this Court at IAS Part 23, thereof, at the Courthouse located at 60 Centre Street, New York, New York, on the 4<sup>th</sup> day of December, 2014 ("Return Date") at 10:30 o'clock am, or as soon thereafter as counsel can be heard, why an order should not be made, pursuant

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[Signature]

**N O T I F I E D**

to Article 74 of the New York Insurance Law (“Insurance Law”), *inter alia*: (i) approving the Liquidator’s report on the status of and request to close the Colonial liquidation proceeding (“Liquidation Proceeding”) and the financial transactions delineated in such report; (ii) authorizing the continued payment of administrative expenses, including such expenses pertaining to the closing of the Liquidation Proceeding; (iii) terminating and closing the Liquidation Proceeding; (iv) authorizing the Liquidator, without further order of this Court, to receive and disburse assets of Colonial after the termination of the Liquidation Proceeding and to use such assets, first to pay administrative expenses incurred in connection with the collection and disbursement of such additional assets, and then to distribute the balance of such assets to those creditors of Colonial with allowed claims who are eligible to share in a *pro-rata* distribution; (v) approving the Liquidator’s recommendation to allow the claim of the New York Property/Casualty Insurance Security Fund for expenses and losses it paid, totaling \$24,627.16; (vi) releasing and discharging the Liquidator, 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 Liquidation Proceeding; (vii) authorizing and directing the Liquidator, in his discretion, to destroy or otherwise dispose of any and all of the books, files, records and other property of Colonial without further order of this Court; and (viii) providing for such other and further relief as this Court deems appropriate and just.

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

by: (i) posting on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least fifteen (15) days before the Return Date; and (ii) publication in *The New York Times*, National Edition, such publication to occur for two consecutive weeks commencing within the thirty (30) days following entry 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 Liquidator so as to be received at least seven (7) business days prior to the Return Date, and that service on the Liquidator shall be made by first class mail at the following address:

Superintendent of Financial Services of the State of New York  
as Liquidator of Colonial Indemnity Insurance Company  
110 William Street  
New York, New York 10038  
Attention: John Pearson Kelly  
General Counsel

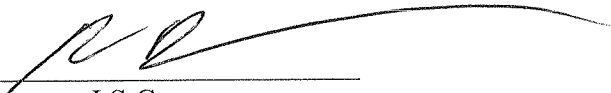
and by submitting copies of the Answering Papers, with affidavit of service on the Liquidator as above, to this Court at IAS Part 23 at the Courthouse located at 60 Centre Street, New York, New York, seven (7) business days before the Return Date; and it is further

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.

**HON. RICHARD F. BRAUN**  
J.S.C.