

At the Supreme Court of the State of New York, County of Albany, at the Courthouse, 16 Eagle Street, in the County and City of Albany, State of New York, on the 9th day of January, 2014

P R E S E N T:

HON. RICHARD M. PLATKIN, A.J.S.C.

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In the Matter of

Index No.: 000097/2006

the Liquidation of

ORDER TO SHOW CAUSE

FRONTIER INSURANCE COMPANY.

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Based on the verified petition (the "Verified Petition") of John Pearson Kelly, Assistant Special Deputy Superintendent and Agent of Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York, as liquidator (the "Liquidator") of Frontier Insurance Company ("Frontier"), duly verified the 20th day of December, 2013, and the exhibits attached thereto, upon all other papers previously submitted and all proceedings heretofore had herein, and it appearing that the relief sought should 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 all interested in the affairs of Frontier show cause before this Court at the Courthouse located at 16 Eagle Street, Albany, New York, on the 10th day of March, 2014 (the "Return Date") at 1 o'clock P.m., or as soon thereafter as counsel can be heard, why an order should not be made, pursuant to Article 74 of the New York Insurance Law (the "Insurance Law"): (i) approving the Liquidator's Report on the Status of the Liquidation of Frontier Insurance Company (the "Liquidation Proceeding") and Request for Authority to



Distribute Assets and Establish a Final Bar Date (the "Report") and the financial transactions delineated therein; (ii) establishing December 31, 2014 as the final bar date, the final date by which the Liquidator must actually receive in respect of any claim presented prior to December 31, 2013 (the "Bar Date" established in this proceeding by order of this Court entered on September 23, 2013) any and all evidence demonstrating (a) that such claim has been liquidated and (b) that there has been actual loss and/or payment in respect of such claim; (iii) authorizing the continued payment of administrative expenses; (iv) authorizing the Liquidator to distribute Frontier's assets, consistent with this Court's orders and the priorities set forth in Insurance Law Section 7434, to those creditors of Frontier with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; and (v) 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 this Order to Show Cause and Verified Petition shall be substantially in the form attached as Exhibit 3 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 15 days prior to the Return Date; (ii) mailing same by United States first class mail to each of the following recipients within 15 days following the Liquidator's receipt of a signed copy of this Order to Show Cause: (a) Lancer Financial Group, Inc., 370 West Park Avenue, Long Beach, NY 11561; (b) Walther, Roark & Gay, PLC, Attorneys for Commonwealth of Kentucky Department of Workers' Claims and Kentucky Coal Employers' Self-Insurance Guaranty Fund (Jonathan L. Gay, of counsel), 163 East Main Street, Suite 200, P.O. Box 1598, Lexington, KY 40588-1598; (c) Hargraves McConnell & Costigan, P.C.,

Attorneys for Commonwealth of Kentucky Department of Workers' Claims and Kentucky Coal Employers' Self-Insurance Guaranty Fund (John McConnell, of counsel), The Helmsley Building, 230 Park Avenue, New York, NY 10169; (d) Frances M. McLaughlin, Esq., and Sharon Williams, Esq., Attorneys for the United States, United States Department of Justice, P.O. Box 875, Ben Franklin Station, Washington, DC 20044; (e) Ficara & Associates, P.C., Attorneys for Callon Petroleum, The Martin Family Charitable Trust and Logo Holdings, LLC (Donald J. Cayea, of counsel), 155 Pinelawn Road, Suite 240N, Melville, NY 11747; (f) Arnstein & Lehr, LLP, Attorneys for Logo Holdings, LLC (Mary Cannon Veed, of counsel), 120 South Riverside Plaza, Suite 120, Chicago, IL 60606; (g) Wharton Law Group, Attorneys for The Martin Family Charitable Trust (Margaret A. Wharton, of counsel), 456 South Central Avenue, P.O. Box 621172, Oviedo, FL 32762-1172; (h) Holland & Knight LLP (Richard G. Liskov, of counsel), 30 Rockefeller Plaza, New York, NY 10011; (i) Morrison & Cohen LLP, Attorneys for Unit 82 Joint Venture (Y. David Scharf, of counsel), 909 Third Avenue, New York, NY 10022; (j) Patrick F. Adams, P.L.L.C., Attorneys for St. John the Baptist Diocesan High School (Gary A. Pagliarello, of counsel), 3500 Sunrise Highway, Building 300, Great River, NY 11739; (k) Laszlo Komjathy, Jr., Attorney IV, California Department of Insurance, 45 Fremont Street, 24th Floor, San Francisco, CA 94105; (l) Locke Lord, LLP, Attorneys for Frontier Insurance Company Coordinating Committee (Thomas W. Jenkins, of counsel), 111 South Wacker Drive, Chicago, IL 60606; and (m) Frontier's known creditors with allowed or unadjudicated claims (to the extent not included in (a) through (l) above); and (iii) publication in *Business Insurance* or *Insurance Advocate*, or a publication of similar circulation, once per week for two consecutive publications as soon as practicable in light of the publication schedule of such publication; 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 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 Frontier Insurance Company
110 William Street
New York, New York 10038
Attention: General Counsel

and by submitting copies of the Answering Papers, with affidavit of service on the Liquidator as above, to this Court at the Courthouse located at 16 Eagle Street, New York, at least seven days prior to 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:


A.J.S.C.

 1/30/14