

MS# 35
OTHER

EX PARTE MOTION OFFICE

APPROVED
FOR THE PAYMENT
OF MOTION FEE

003117

ONLY

At IAS Part 35 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 10 day of FEBRUARY, 2011.

PRESENT:

HON. CAROL EDMEAD, J.S.C.

In the Matter of
the Liquidation of

GALAXY INSURANCE COMPANY.

N O F F E E

Index No.: 407611/94

**ORDER TO
SHOW CAUSE**

Upon reading the annexed verified petition ("Verified Petition") of Dennis J. Hayes, Agent of James J. Wrynn, Superintendent of Insurance of the State of New York, as liquidator (the "Liquidator") of Galaxy Insurance Company ("Galaxy"), duly verified the 31st day of January, 2011 and the exhibits attached thereto, and 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 parties interested in the affairs of Galaxy show cause before this Court at IAS Part 35, thereof, at the Courthouse located at 60 Centre Street in the County, City and State of New York, on the 15 day of MARCH, 2011 (the "Return Date") at 11:00 o'clock

9.m., or as soon thereafter as counsel can be heard, why an order to should not be made,

pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*:

- (i) approving the Liquidator's initial report on the status of the Galaxy liquidation proceeding (the "Initial Report") and the financial transactions delineated therein;
- (ii) authorizing the

[Signature]
HON. CAROL EDMEAD

continued payment of administrative costs and expenses; (iii) authorizing the Liquidator to distribute Galaxy's assets, consistent with this Court's orders and the priorities of Insurance Law Section 7434, to those creditors of Galaxy with allowed claims, to the extent that, in the Liquidator's discretion, sufficient funds are available; (iv) releasing and discharging the Liquidator, his predecessors and successors in office, their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the liquidation proceeding; and (v) granting such other and further relief as this Court deems appropriate and just;

AND, sufficient cause having been alleged therefore, and the Court having found the form and methods 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 hereto 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 before the Return Date; and (ii) publication in *New York Times, National Edition* and *Journal of Commerce* once per week for two consecutive publications commencing within three weeks of the issuance of this Order to Show Cause; and it is further

ORDERED, that the form and methods 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 the 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 Superintendent so as to be

received at least seven days prior to the above-scheduled Return Date, and that service on the Superintendent shall be made by first class mail at the following address:

Superintendent of Insurance of the State of New York as
Liquidator of Galaxy Insurance Company
110 William Street
New York, New York 10038
Attention: John Pearson Kelly, Esq.
General Counsel

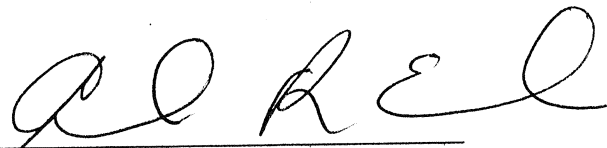
and by submitting copies of the Answering Papers, with affidavit of service on the Superintendent as above, to this Court at IAS Part 35 at the Courthouse located at 60 Centre Street in the County, City and State of New York, seven days before the Return Date; and it is further

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 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. CAROL EDMED