

At IAS Part 55 of the Supreme Court of the State of New York, County of New York at the Courthouse, 60 Centre Street, New York, New York on the 14th day of March, 2002.

PRESENT:

HON. JANE S. SOLOMON

JUSTICE

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In the Matter of

Index No.: 400592/02

the Application of

LIQUIDATION ORDER

GREGORY V. SERIO, as Superintendent of Insurance of the State of New York, for an order to take possession of the property of and liquidate

GROUP COUNCIL MUTUAL INSURANCE COMPANY

FILED
MAR 19 2002
NEW YORK
COUNTY CLERK'S OFFICE

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Petitioner, Gregory V. Serio, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this Court for an order to take possession of the property of and liquidate GROUP COUNCIL MUTUAL INSURANCE COMPANY ("GROUP COUNCIL");

NOW, upon reading and filing the petition of the Superintendent Gregory V. Serio, by Kevin Rampe, First Deputy Superintendent of Insurance, duly verified on the 6th day of February, 2002, the exhibits annexed thereto; the emergency affidavit of Kevin Rampe, dated February 6, 2002; the Affirmation in Partial Opposition of Norman L. Cousins, dated February 16, 2002; the Affirmation in Partial Opposition of Susan M. Karten, dated February 18, 2002; the Notice of Cross-Motion by Gersowitz Libo & Korek, P.C., dated

February 14, 2002 (the "Cross-Motion"); the Affirmation of Michael A. Fruhling in support of the Cross-Motion, dated February 14, 2002; the Affirmation in Opposition of Mark Bower dated February 13, 2002; and the Affirmation in Opposition of Gary Zucker dated February 8, 2002; and it appearing to my satisfaction that:

1. GROUP COUNCIL is a New York corporation, with its principal office in New York County;
2. GROUP COUNCIL is insolvent;
3. GROUP COUNCIL has consented to an order of liquidation being entered against it in the Supreme Court, County of New York;
4. It is in the best interest of all persons concerned that the Superintendent be directed to take possession of the property and liquidate the business and affairs and dissolve the corporate charter of GROUP COUNCIL.

And the matter having come to be heard on February 8 and February 19, 2002, and the Superintendent having appeared by the Honorable Eliot Spitzer, Attorney General of the State of New York, by Michael E. Peeples, Assistant Attorney General, and the attorneys listed in the Notice of Settlement having appeared; and GROUP COUNCIL having consented to the relief sought herein, and due deliberation having been had; and this Court having orally rendered a decision on February 19, 2002 granting the petition, and denying the Cross-motion as premature;

NOW, on motion of the Honorable Eliot Spitzer, Attorney General of the State of New York, it is hereby

ORDERED that:

1. The petition is granted and the Cross-motion is denied;

2. GROUP COUNCIL is insolvent;
3. Gregory V. Serio, Superintendent, and his successors in office as superintendent, are appointed liquidator of GROUP COUNCIL, authorized and directed to immediately take possession of its property, vested with title to its property, contracts and rights of action and directed to liquidate its business and affairs in accordance with Article 74 of the Insurance Law. The Superintendent may deal with the property and business of GROUP COUNCIL in its name or in the name of the Superintendent, as liquidator;
4. In accordance with Insurance Law § 7432 (b), all claims against GROUP COUNCIL must be presented to the Superintendent, as liquidator, within four months of the date of entry of this order;
5. In accordance with Insurance Law § 7433 (b)(2), all persons who appear on GROUP COUNCIL's books and records as policyholders, obligees, or claimants as of the date of entry of this order shall be deemed to have duly filed proofs of claim prior to the last day set for filing claims;
6. The Superintendent shall provide notice, by publication in the New York Times and the New York Law Journal once a week for two consecutive weeks commencing within three weeks of entry of this order, of the foregoing paragraph, and that all other creditors, claimants and interested persons to must present claims within four months of the date of entry of this order;
7. The notice provided for herein is sufficient notice to all persons interested in GROUP COUNCIL;
8. In accordance with Insurance Law § 7405, insurance policies, bonds, and other insurance obligations, if any, issued and undertaken by GROUP COUNCIL shall terminate and all liability thereunder shall be fixed as of 12:01 a.m. on the thirtieth day after entry of this order or upon termination or cancellation under the terms of same, or upon procurement of replacement policies, bonds or insurance coverage, whichever is earlier;
9. In accordance with Insurance Law § 7405, all other contracts, leases, tax sharing agreements, employment contracts, and obligations of GROUP COUNCIL, however described, shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this order unless ratified by the Superintendent, as liquidator;

10. The Superintendent, as liquidator, is authorized to sell, assign, or transfer any and all real or personal property, stocks, bonds or securities of GROUP COUNCIL at market price or better, or if there is no market price, at the best price obtainable at private sale at such times and upon such terms and conditions as in his discretion he deems is in the best interest of GROUP COUNCIL's creditors, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments;
11. GROUP COUNCIL, its officers, directors, depositories, trustees, agents, servants, employees, attorneys, and all other persons, having any property or records belonging or relating to GROUP COUNCIL, including, but not limited to insurance policies, loss, claim or legal files are directed, upon request of the Superintendent, as liquidator, to assign, transfer, set over and deliver to him all such property or records;
12. Any persons, firms, corporations, or associations having any books, papers or records relating to the business of GROUP COUNCIL shall preserve them and submit them to the Superintendent, as liquidator, for examination and copying at all reasonable times;
13. The officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of GROUP COUNCIL, and all other persons are permanently enjoined and restrained from the transaction of GROUP COUNCIL's business, the waste or disposition of its property, interfering with the Superintendent, as liquidator, in the possession, control and management of GROUP COUNCIL's property or in the discharge of his duties;
14. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against GROUP COUNCIL, the Superintendent, as liquidator of GROUP COUNCIL, or the New York State Insurance Department Liquidation Bureau its employees, and agents with respect to claims against GROUP COUNCIL;
15. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against GROUP COUNCIL's assets or any part thereof;

16. All parties to lawsuits, in which GROUP COUNCIL is obligated to defend a party pursuant to or by virtue of an insurance policy or in which GROUP COUNCIL is the excess or umbrella layer of insurance and the primary or other underlying insurer has tendered or offered its full policy limits or where said policy limits have been exhausted by payment of the underlying insurer's aggregate, are enjoined and restrained from proceeding in all actions at law, suits in equity, special, or other proceeding for 180 days from the date of entry of this order, including, but not limited to, proceedings with any discovery, pre-trial conference, trial, application for judgment, or proceedings on judgment or settlement.
17. Those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against GROUP COUNCIL coming within the purview of Article 76 of the Insurance Law are enjoined from presenting and filing such claims in this proceeding for 90 days from the date of entry of this order.
18. The corporate charter of GROUP COUNCIL is relinquished, forfeited, surrendered and annulled, and GROUP COUNCIL is dissolved;
19. That the Superintendent of Insurance as Liquidator, may at any time make further application to this Court for such further and different relief as he sees fit.
20. All further papers in this proceeding shall bear the caption:

“In the Matter of

the Liquidation of

GROUP COUNCIL MUTUAL INSURANCE COMPANY”

21. The Superintendent, as liquidator, shall serve a conformed copy of this order upon the county clerk and the clerk of the trial support office for amendment of the court and computer records.

ENTER



J.S.C.
JANE S. SOLOMON

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