

At IAS Part 27 of the Supreme Court of the State of New York, County of Nassau, at the courthouse located at 100 SC Ave, Mineola, New York, on the 13 day of February 2020.

P R E S E N T:

HON. **HON. DICCIA PINEDA-KIRWAN**
J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

Part 27-----x

In the Matter of
the Application of

Index No. 600620/20

ORDER OF LIQUIDATION

Linda A. Lacewell, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

MAIDSTONE INSURANCE COMPANY.

-----x

Linda A. Lacewell, Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause (“Order to Show Cause”) for an order appointing the Superintendent and her successors in office as liquidator (“Liquidator”) of Maidstone Insurance Company (“Maidstone”) and directing the Liquidator to take possession of the property of Maidstone and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on January 7, 2020 (the “Petition”), the affidavit of Marc Allen, sworn to on December 11, 2019, and the exhibits and schedules annexed thereto, this Court finds that Maidstone should be placed into liquidation under Article 74 of the New York Insurance Law (“Insurance Law”) because: (i) it consented to the entry of an order of liquidation; and (ii) it is insolvent within the meaning of Insurance Law § 1309(a); and

NOW, on motion of the Honorable Letitia James, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Petition for an order of liquidation (“Order”) is granted;
2. The Superintendent and her successors in office are appointed Liquidator of Maidstone;
3. The Liquidator is directed to take possession of Maidstone’s property and liquidate Maidstone’s business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is 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 with title to Maidstone’s property, contracts, rights of action and all of its books and records, wherever located, as of the date this Order is signed;
5. The Liquidator may deal with the property and business of Maidstone in Maidstone’s name or in the name of the Liquidator;
6. All persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Maidstone’s business (including the issuance of insurance policies) or from the waste or disposition of Maidstone’s property;
7. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Maidstone, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against Maidstone, the Superintendent as Liquidator of Maidstone, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Articles 74 and 76 in relation thereto;
8. All parties to actions, lawsuits, and special or other proceedings in which Maidstone’s policyholders or insureds are a party or are obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;
9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date this Order is signed;

2 of 5

10. (i) All owners and operators of garages where motor vehicles owned or operated by Maidstone's policyholders or its third-party claimants are being repaired, maintained or stored are enjoined and restrained, for a period of 90 days from the date this Order is signed, from selling such vehicles or otherwise satisfying any lien held by such garage owners or operators in respect of such vehicles; and (ii) any fees charged by such garage owners or operators to Maidstone, its policyholders or its third-party claimants during this 90-day period shall be reasonable in the ordinary course of business and may, at the Liquidator's discretion, be submitted to this Court for review and approval;
11. The Liquidator is vested with all rights in Maidstone's contracts and agreements, however described, and is permitted, in her discretion, to reject any executory contracts to which Maidstone is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
12. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Maidstone's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
13. All persons or entities (including, without limitation, Standard Diversified Inc., Pillar General Inc. and Interboro Management, Inc.) having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Maidstone shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
14. The Liquidator is authorized, permitted, and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Maidstone, and 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, without the further approval of this Court;

3 08 5

15. All existing insurance policies of Maidstone are cancelled at 12:01 a.m. local time on the earlier of: (i) the expiration date of the policy; or (ii) the date that is 60 days after this Order is signed;
16. All claims, with all supporting evidence to establish the existence of an actual loss for which Maidstone is liable, must be presented to the Liquidator by the date that is one (1) year after the date this Order is signed (the "Bar Date"), except that the Bar Date shall not apply to the Liquidator's claims for administrative expenses or to claims for reimbursement submitted by the New York Property/Casualty Insurance Security Fund, the New York Public Motor Vehicle Liability Security Fund or a guaranty fund in another state that covers claims against Maidstone policyholders;
17. All persons or entities filing claims, and supporting evidence of claims, against Maidstone for the first time shall file the same on or before the Bar Date using the electronic portal for the submission of claims located on the website www.nylbpoc.org;
18. The Liquidator is authorized, in her discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law § 7434(a)(1)(iii)–(ix)) unless and until she reasonably believes that adjudication of such claims may reasonably lead to a distribution or is otherwise in the best interests of the estate;
19. Immunity is extended to the Superintendent in her capacity as Liquidator of Maidstone, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
20. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
21. The Liquidator may at any time make further application to this Court for such further and different relief as she sees fit;
22. The Liquidator shall serve a copy of this Order upon Maidstone Insurance Company, Attention: Chantal Lecorps, Chief Financial Officer and Secretary, 155 Mineola Boulevard, Mineola, New York 10016, by overnight delivery;
23. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached hereto as Annex A, in *USA Today* within 30 days after this Order; and (ii) posting this Order on the Internet web page maintained by the

4 95

New York Liquidation Bureau at <http://www.nylb.org> within 15 days after this Order is signed;

- 24. This Court shall retain jurisdiction over this matter for all purposes;
- 25. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

-----X

In the Matter of

the Liquidation of

MAIDSTONE INSURANCE COMPANY.

-----X

- 26. All further papers in this proceeding shall bear the above amended caption.

ENTER

J.S.C.

HON. DICCIA PINEDA-KIRWAN
J.S.C.

ENTERED
FEB 19 2020
NASSAU COUNTY
COUNTY CLERK'S OFFICE

5 of 5