

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: WRIGHT
Justice

PART 47

LAWSKY, BENJAMIN M.

INDEX NO. 451197/15

Red Rock Insurance Company

MOTION DATE

MOTION SEQ. NO. 01

The following papers, numbered 1 to , were read on this motion to/for

Notice of Motion/Order to Show Cause — Affidavits — Exhibits No(s).

Answering Affidavits — Exhibits No(s).

Replying Affidavits No(s).

Upon the foregoing papers, it is ordered that this motion is

Granted without opposition.
Order signed.

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

GEOFFREY D. WRIGHT
AJSC

Dated: 5/28/15

, J.S.C.

- 1. CHECK ONE: CASE DISPOSED (checked) NON-FINAL DISPOSITION
2. CHECK AS APPROPRIATE: MOTION IS: GRANTED (checked) DENIED GRANTED IN PART OTHER
3. CHECK IF APPROPRIATE: SETTLE ORDER SUBMIT ORDER DO NOT POST FIDUCIARY APPOINTMENT REFERENCE

At IAS Part 47 of the Supreme Court of the State of New York, County of New York, at the courthouse located at 80 Centre Street, New York, New York, on the 26th day of May, 2015.

P R E S E N T :

HON. GEOFFREY D. WRIGHT, J.S.C.
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In the Matter of

Index No.: 451197/2015

the Application of

**ORDER OF ANCILLARY
RECEIVERSHIP**

Benjamin M. Lawsky, Superintendent of
Financial Services of the State of New York, for an
Order of Appointment as Ancillary Receiver of

RED ROCK INSURANCE COMPANY.
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Benjamin M. Lawsky, 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 his successors in office as ancillary receiver (“Ancillary Receiver”) of Red Rock Insurance Company (“Red Rock”) with all the rights and obligations granted to and imposed upon him pursuant to Insurance Law Article 74, and upon reading and filing the petition of the Superintendent, duly verified on March 17, 2015, the affidavit of James Davis, Assistant Chief Examiner, Property Bureau at the New York State Department of Financial Services, sworn to on March 17, 2015, and the exhibits annexed thereto, this Court finds that:

1. Red Rock, formerly known as BancInsure, Inc., was a licensed insurer organized under the laws of the State of Oklahoma authorized to transact Property, Casualty, Marine,

Surety, Workers' Compensation, and Accident and Health insurance. Red Rock's headquarters was located in Oklahoma City, Oklahoma;

2. Red Rock became licensed to do business as an authorized foreign insurer in the State of New York on December 24, 2001;

3. Red Rock is authorized in the State of New York to transact the kinds of insurance specified in Insurance Law Section 1113(a)(3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), (19), (20), and (21);

4. On August 21, 2014, the District Court of Oklahoma County issued an order ("Liquidation Order"), which placed Red Rock into receivership and liquidation, appointed John D. Doak, Insurance Commissioner of the State of Oklahoma, as receiver ("Domiciliary Receiver"), and provided for permanent injunctions. The Liquidation Order directed the Domiciliary Receiver to liquidate the business and affairs of Red Rock;

5. Red Rock is subject to the Insurance Law and, in particular, to Article 74 thereof;

6. Red Rock is insolvent;

7. It is in the best interest of all persons concerned that, based upon Article 74 of the Insurance Law, the Superintendent should be appointed Ancillary Receiver; and

NOW, on motion of the Honorable Eric T. Schneiderman, 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 ancillary receivership ("Order") is granted.
2. The Superintendent and his successors in office are appointed Ancillary Receiver of Red Rock with all the rights and obligations granted to and imposed upon him pursuant to Insurance Law Article 74.

3. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against Red Rock, the Superintendent as Ancillary Receiver, or the New York Liquidation Bureau, its employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties under Insurance Law Article 74;
4. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments, or other liens, or making any levy against Red Rock's property located in the State of New York or any part thereof;
5. All persons or entities having property, papers (including attorney work product and documents held by attorneys), and/or information located in the State of New York, including, but not limited to, insurance policies, underwriting data, claims files (electronic or paper), and/or software programs owned by, belonging to, or relating to Red Rock, shall preserve such property and/or such information and, upon the Ancillary Receiver's request and direction, immediately assign, transfer, turn over, and deliver such property and/or information to the Ancillary Receiver;
6. This proceeding shall terminate once the workers' compensation claim(s) of Red Rock's one known New York claimant is/are adjudicated, without further application to this Court;
7. Immunity is extended to the Superintendent in his capacity as Ancillary Receiver of Red Rock, and his 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;
8. The Ancillary Receiver may at any time make further application to this Court for such further and different relief as he sees fit.
9. The Ancillary Receiver shall serve a copy of this Order upon: John D. Doak, Domestic Receiver c/o Nestor Romero, Assistant Receiver, Regulatory Consultants, Inc., 10433 Montgomery Parkway Loop, NE, Albuquerque, NM 87111, by overnight delivery or by certified mail.
10. The Ancillary Receiver shall provide notice of this Order to all creditors, claimants, and interested persons located in the State of New York by: (i) publication of the notice of this Order in *Business Insurance*, or a publication of similar circulation, once a week for two consecutive publications, commencing within four weeks of entry of this Order in a form substantially similar to the one attached hereto as Exhibit A; and (ii) posting this Order on the internet web page maintained by the Bureau at <http://www.nylb.org> within 15 days after the entry of this Order.

11. Such notice shall inform all creditors, claimants, and other interested persons that this Order has been entered.
12. The notice prescribed in decretal paragraphs 9 and 10 hereof is sufficient notice to all persons interested in Red Rock.
13. This Court shall retain jurisdiction over this matter for all purposes.
14. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the Matter of

the Ancillary Receivership of

RED ROCK INSURANCE COMPANY

-----X

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

ENTER



GEOFFREY D. WRIGHT

J.S.C. **AISC**

EXHIBIT A

[Form of Notice]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6755

To all persons or entities
interested in the affairs of
RED ROCK INSURANCE COMPANY
Notice is Hereby Given:

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, New York County ("Court"), entered on _____, 2015, as the ancillary receiver (the "Ancillary Receiver") of Red Rock Insurance Company ("Red Rock") with all the rights and obligations granted to and imposed upon him pursuant to New York Insurance Law ("Insurance Law") Article 74. The Ancillary Receiver has, pursuant to Insurance Law Article 74, appointed Scott D. Fischer, Acting Special Deputy Superintendent (the "Acting Special Deputy"), as his agent to carry out his duties as Ancillary Receiver. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau, 110 William Street, New York, New York 10038. The Order provides:

- I. All persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits, or proceedings against Red Rock, the Superintendent as Ancillary Receiver, or the New York Liquidation Bureau, its employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties under Insurance Law Article 74;
- II. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments, or other liens, or making any levy against Red Rock's property located in the State of New York or any part thereof;
- III. All persons or entities having property, papers (including attorney work product and documents held by attorneys), and/or information located in the State of New York, including, but not limited to, insurance policies, underwriting data, claims files (electronic or paper), and/or software programs owned by, belonging to, or relating to Red Rock, shall preserve such property and/or such information and, upon the Ancillary Receiver's request and direction, immediately assign, transfer, turn over, and deliver such property and/or information to the Ancillary Receiver;
- IV. This proceeding shall terminate once the workers' compensation claim(s) of Red Rock's one known New York claimant is/are adjudicated, without further application to this Court;
- V. Immunity is extended to the Superintendent in his capacity as Ancillary Receiver of Red Rock, and his 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 .
- VI. The Ancillary Receiver may at any time make further application to the Court for such further and different relief as he sees fit.
- VII. The court shall retain jurisdiction over this matter for all purposes.

VIII. All communications relating to Red Rock and to the Ancillary Receivership Proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
New York, New York 10038
(212) 341-6400

BENJAMIN M. LAWSKY
Superintendent of Financial Services of
the State of New York as Ancillary Receiver
of Red Rock Insurance Company

SCOTT D. FISCHER
Acting Special Deputy Superintendent
and Agent for the Superintendent as
Ancillary Receiver of Red Rock Insurance
Company