

At IAS Part 11, 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 7 day of October 2014.

FILED

OCT 14 2014

P R E S E N T:

HON. JOAN A. MADDEN, J.S.C.

In the Matter of

**COUNTY CLERK'S OFFICE
NEW YORK**

Index No.: 403171/2006

the Ancillary Receivership of

ORDER

SHELBY CASUALTY INSURANCE COMPANY.

-----X

Mary Jo Marchisello, Assistant Special Deputy Superintendent and agent of the Superintendent of Financial Services of the State of New York as ancillary receiver ("Ancillary Receiver") of Shelby Casualty Insurance Company ("Shelby"), having moved this Court for an order: (1) approving the Ancillary Receiver's report ("Closing Report") on the status of and request to close Shelby's ancillary receivership ("Ancillary Receivership Proceeding") and the financial transactions delineated in such Closing Report; (2) authorizing the continued payment of administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership Proceeding; (3) terminating and closing the Ancillary Receivership Proceeding; (4) releasing and discharging the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Ancillary Receivership Proceeding; (5) authorizing the New York Liquidation Bureau ("NYLB") to receive and disburse to the Property/Casualty Insurance Security Fund ("P/C Fund"), established pursuant to Insurance Law Article 76, any future distributions from the Commissioner of Insurance of the State of Texas as domiciliary receiver of Shelby ("Liquidator") in payment of amounts owed to the P/C Fund, as applicable, in each case

(a) without further application to this Court and (b) after deducting all administrative expenses incurred in connection with such receipt and disbursement; (6) authorizing and directing the Ancillary Receiver, in his discretion, to destroy or otherwise dispose of any and all of the books, files, records and other property of Shelby, including transferring them to the Liquidator, without further order of this Court; and (7) providing for such other and further relief as this Court deems appropriate and just.

NOW, upon reading the Verified Petition, dated August 15, 2014, due proof of service thereof upon Shelby's policyholders, creditors and other interested parties (in each case, domiciled in the State of New York), and due deliberation having been had thereon, and upon the decision of this Court;

NOW, on application of John Pearson Kelly, attorney for the Liquidator, it is

ORDERED, that the application is granted; and it is further

ORDERED, that the Closing Report on the status of and request to close the Ancillary Receivership Proceeding and the financial transactions delineated in such Closing Report are approved; and it is further

ORDERED, that the Ancillary Receiver is authorized to continue the payment of administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership Proceeding; and it is further

or person authorized to act on his behalf
and the Ancillary Receiver shall file with the Clerk of the Court an affidavit with supporting documentation stating the amount of administrative expenses paid pursuant to this paragraph

ORDERED, that the Ancillary Receivership Proceeding is terminated and closed; and it is further

ORDERED, that the Ancillary Receiver, his predecessors and successors in office, and their agents, attorneys and employees, are released and discharged from any and all liability,

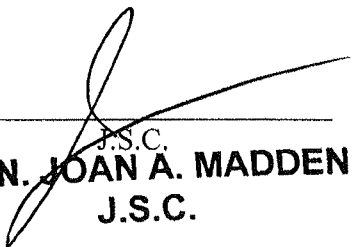
other than for intentional acts of malfeasance or omission, arising from their acts or omissions in connection with the Ancillary Receivership Proceeding; and it is further

ORDERED, that the NYLB is authorized to receive and disburse to the P/C Fund, established pursuant to Insurance Law Article 76, any future distributions from the Liquidator in payment of amounts owed to the P/C Fund, in each case (a) without further application to this Court and (b) after deducting all administrative expenses incurred in connection with such receipt and disbursement; and it is further

ORDERED, that the Ancillary Receiver is authorized and directed to maintain all of the books, files, records and other property of Shelby in accordance with New York State law with respect to the retention of such records, to the extent applicable, and otherwise for a period of three (3) years from the date of this Order; and it is further

ORDERED, that upon closure, or at such time as the Liquidator may require, the Ancillary Receiver is authorized to transfer to the Liquidator, without further order of this Court, all of the books, files and records or other property of Shelby.

ENTER



J.S.C.
HON. JOAN A. MADDEN
J.S.C.

FILED

OCT 14 2014

COUNTY CLERK'S OFFICE
NEW YORK

Index No. 403171 Year 2006

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

In the Matter of

the Ancillary Receivership of

SHELBY CASUALTY INSURANCE COMPANY.

ORDER

JOHN PEARSON KELLY

Attorney for the Superintendent of Financial Services of the State of New York as Ancillary Receiver

Office and Post Office Address, Telephone

New York Liquidation Bureau
110 William Street - 15TH Floor
New York, NY 10038
(212) 341-6755
Fax (212) 608-3398

ATTORNEY CERTIFICATION

The undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information, belief and reasonable inquiry, the contentions in the above referenced document(s) are not frivolous.

Dated: October 7, 2014
New York, New York

Handwritten signature of Lauren M. Reber
Lauren M. Reber

[] NOTICE OF ENTRY

that the within is a (certified) true copy of a
duly entered in the office of the clerk of the within named court on the day of 20

[] NOTICE OF SETTLEMENT

that an order of which the within is a true copy will be presented for
settlement to the HON. one of the judges of the within named court, at
20 at

Dated:

, on

Yours, etc.

JOHN PEARSON KELLY

Attorney for the Superintendent of Financial
Services of the State of New York as Ancillary
Receiver

Office and Post Office Address, Telephone
New York Liquidation Bureau
110 William Street - 15th Floor
New York, NY 10038
(212) 341-6755
Fax (212) 608-3398