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At IAS Part 58 of the Supreme Court of the State of New York, County of New York, at the courthouse, 111 Centre Street, in the County, City and State of New York, on the 26th day of April, 2012.

PRESENT:

HON. DONNA M. MILLS, J.S.C.

In the Matter of

the Liquidation of

ATLANTIC AMERICAN HEALTH INSURANCE COMPANY, AUSTIN LIBERTY INSURANCE COMPANY, AXEL INSURANCE COMPANY OF NEW YORK, MAJESTIC INSURANCE COMPANY OF NEW YORK, MBL PROPERTY AND CASUALTY INSURANCE COMPANY, AND NATIONAL HERITAGE TITLE INSURANCE COMPANY, INC.

009607
Index No.: 401643/11
ORDER TO SHOW CAUSE

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NEW YORK
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Based on the verified petition ("Verified Petition") of Jonathan L. Bing, Special Deputy Superintendent and Agent of Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent") as liquidator ("Liquidator") of Atlantic American Health Insurance Company, Austin Liberty Insurance Company, Axel Insurance Company of New York, Majestic Insurance Company of New York, MBL Property and Casualty Insurance Company and National Heritage Insurance Company, Inc. (collectively, the "Companies"), duly verified the 16th day of April, 2012, and exhibit attached thereto, upon all other papers previously submitted and all proceedings heretofore had herein, and it appearing that the relief sought be granted;

NOW, on motion of John Pearson Kelly, attorney for the Liquidator, and after due deliberation having been had thereon,

appear and

LET all claimants and parties interested in the affairs of the Companies show cause before this Court at IAS Part 58 thereof, at the Courthouse located at 111 Centre Street, in the County, City and State of New York, on the 15th day of June, 2012 ("Return Date") at 10:00 clock A.m., or as soon thereafter as counsel can be heard, why an order should not be made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*: (i) approving the Liquidator's report on the status of the Companies' liquidation proceeding ("Liquidation Proceeding"); (ii) terminating and closing the Liquidation Proceeding; (iii) releasing and discharging the Liquidator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts and omissions in connection with the Liquidation Proceeding; (iv); authorizing and directing the Liquidator, in his discretion, to destroy or otherwise dispose of any and all of the books, files, records and other property of the Companies without further order of this Court; and (v) providing for such other and further relief as this Court may deem just and proper.

AND, sufficient cause having been alleged therefore, and this Court having found the form and method 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) regular mail upon the respective members of the Companies' initial Boards of Directors, at their last known address; (ii) posting on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least 15 business days prior to the return date, and such service shall be deemed good and sufficient service; and (iii) publication in *Business Insurance* once a week in two consecutive publication weeks, commencing within four weeks from the issuance of this Order to Show Cause, and it is further

ORDERED, that the form and methods of service 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 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 Return Date, and that service on the Superintendent shall be made by first class mail at the following address:

Superintendent of Financial Services of the State of New York as
Liquidator of Atlantic American Health Insurance Company,
Austin Liberty Insurance Company, Axel Insurance Company
of New York, Majestic Insurance Company of New York,
MBL Property and Casualty Insurance Company and
National Heritage Insurance Company, Inc.
110 William Street
New York, New York 10038
Attention: John Pearson Kelly
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 58 at the Courthouse located at 111 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 Verified 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

Donna M. Mills

J. S.C.

DONNA M. MILLS. J.S.C.