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NEW YORK
COUNTY CLERK'S OFFICE

At IAS Part 32 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 13th day of MARCH, 2013.

P R E S E N T:

HON. CAROL E. HUFF, J.S.C.

In the Matter of

the Ancillary Receivership of

TRANSIT CASUALTY COMPANY.

Index No.: 43846/85

ORDER TO SHOW CAUSE

Based on the verified petition ("Verified Petition") of Mary Jo Marchisello, Assistant Special Deputy Superintendent and Agent of Benjamin M. Lawskey, Superintendent of Financial Services of the State of New York ("Superintendent") as Ancillary Receiver (Ancillary Receiver) of Transit Casualty Company ("Transit"), duly verified the 1st day of March, 2013, and the exhibit annexed 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 Ancillary Receiver, and after due deliberation having been had thereon,

LET all claimants and all parties interested in the affairs of Transit show cause before this Court at IAS Part 32, ^{Room 130} thereof, at the Courthouse located at 60 Centre Street in the County, City and State of New York, on the 1st day of May, 2013 ("Return Date") at 9:30 o'clock A.m., or as soon thereafter as counsel can be heard, why an order should not be made, pursuant

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appeared

to Article 74 of the New York Insurance Law (“Insurance Law”), *inter alia*: (1) approving the Ancillary Receiver’s report on the status of and request to close the ancillary receivership of Transit (“Ancillary Receivership”) and financial transactions delineated therein; (2) authorizing the continued payment of administrative expenses, including such expenses pertaining to the closing of the Ancillary Receivership; (3) terminating and closing the Ancillary Receivership; (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 and/or omissions in connection with the Ancillary Receivership; (5) authorizing the New York Liquidation Bureau (“NYLB”) to receive and disburse to: (i) the Workers’ Compensation Security Fund (“WC Fund”), established pursuant to New York Workers’ Compensation Law Article 6-A, (ii) the Property/Casualty Insurance Security Fund (“P/C Fund”), established pursuant to Insurance Law Article 76, and (iii) the Public Motor Vehicle Liability Security Fund (“PMV Fund”), also established pursuant to Insurance Law Article 76, as applicable, any future distributions from the Superintendent of Insurance of the State of Missouri as domiciliary receiver of Transit (“Liquidator”) in payment of amounts owed to the P/C Fund, PMV Fund and/or the WC Fund, as applicable, in each case (a) without further application to this Court and (b) after deducting all administrative expenses in connection with such disbursements; (6) authorizing the Ancillary Receiver, after termination of the Ancillary Receivership, to make an application directly to this Court on an as-needed basis for payment from the WC Fund of any closed workers’ compensation claims subsequently reopened by the Workers’ Compensation Board along with the payment of administrative expenses associated with the payment of such reopened workers’ compensation claims; (7) authorizing and directing the Ancillary Receiver, in his discretion, to destroy, transfer or otherwise dispose of any and all of the books, files, records

and other property of Transit, including transferring them to the Liquidator, without further order of this Court; and (8) providing for such other and further relief as this Court deems appropriate and just.

AND, sufficient cause having been alleged therefor, let service of a copy of this order to show cause and the papers upon which it is granted be made on respondent, the Liquidator, by serving a copy thereof by overnight mail upon John M. Huff, Director, on behalf of the Superintendent of Insurance of the State of Missouri as Liquidator of Transit at 301 W. High St., Jefferson City, Missouri, 65101, on or before the 19 day of March, 2013, and such service shall be deemed good and sufficient service.

AND, sufficient cause having been alleged therefor, 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 to Transit's policyholders, claimants, creditors and all other interested parties (in each case, domiciled in the State of New York) by: (i) posting on the Internet web page maintained by the NYLB at <http://www.nylb.org> at least 15 days prior to the Return Date; and (ii) publication in *The New York Times – Local Edition*, or a newspaper of similar circulation, once per week for two consecutive weeks commencing within thirty (30) days 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 Ancillary Receiver so as to be received at least seven business days prior to the Return Date, and that service on the Ancillary Receiver shall be made by first class mail at the following address:

Superintendent of Financial Services of the State of New York as
Ancillary Receiver of Transit Casualty Company
Attention: John Pearson Kelly, General Counsel
110 William Street
New York, New York 10038

and by submitting copies of the Answering Papers, with affidavit of service on the Ancillary Receiver as above, to this Court at IAS Part 32 at the Courthouse located at 60 Centre Street, in the County, City and State of New York, seven business 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



J. S. C.

CAROL E. HUFF