

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

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In the Matter of

the Ancillary Receivership of

ARROWOOD INDEMNITY COMPANY

Index No.: 450124/2024

**AFFIRMATION
IN SUPPORT OF THE
APPLICATION TO INCREASE
THE HOURLY FEE OF THE
REFEREE**

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Melissa A. Pisapia, an attorney at law, duly admitted to practice before the Courts of the State of New York, hereby affirms under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that the following is true, and that I understand that this document may be filed in an action or proceeding in a court of law.

1. I am an attorney employed by the New York Liquidation Bureau (“NYLB”), which serves as the staff of Adrienne A. Harris, Superintendent of Financial Services of the State of New York (“Superintendent”), in her capacity as ancillary receiver (“Ancillary Receiver”) of Arrowood Indemnity Company (“Arrowood”) and administrator of the New York Property/Casualty Insurance Security Fund (“P/C Fund”). I submit this affirmation upon information and belief, the sources of which are the Arrowood files maintained by the NYLB and conversations I have had with staff of the Ancillary Receiver, in support of the Ancillary Receiver’s application for an order amending paragraph 4 of the order establishing adjudication procedures and appointing a referee, NYSCEF Doc. No. 109, to increase the referee’s hourly fee from \$200 per hour to \$450 per hour paid as a loss adjustment expense from the P/C Fund. A copy of the proposed order is annexed hereto as Exhibit A.

2. By order entered September 30, 2024, this Court placed Arrowood into ancillary receivership and appointed the Superintendent as Ancillary Receiver (NYSCEF Doc. No. 95). Thereafter, this Court granted the Ancillary Receiver’s application to establish adjudication

procedures to resolve disputes within the proceeding, subject to judicial review by this Court. The Court appointed the Honorable Anthony J. Carpinello as referee at a rate of \$200 per hour paid as a loss adjustment expense from the P/C Fund. NYSCEF Doc. No. 109.

3. As is customary, the NYLB contacted the referee to advise of the Court Order, and Judge Carpinello agreed to serve as referee for the hourly rate of \$450 per hour, which rate is below his customary rate. The NYLB has reviewed Judge Carpinello's credentials, including his service as an appellate judge on over 12,000 reported cases (<https://www.jamsadr.com/carpinello>), and believes an increase in the hourly rate is reasonable in this case.


4. As the Ancillary Receiver previously advised, it is possible that thousands of Child Victim Act cases potentially covered by the P/C Fund will be transferred from Delaware (where Arrowood is in liquidation) to New York for handling in this ancillary proceeding. NYSCEF Doc. No. 45 ¶ 8; NYSCEF Doc. No. 46 ¶ 7; NYSCEF Doc. No. 47, ¶ 7. While the Ancillary Receiver prefers to resolve cases, it may be that complex tort, insurance, and fund coverage disputes will arise and a referee with Judge Carpinello's experience is in the best interests of the estate.

5. The Ancillary Receiver proposes that notice be given to claimants and creditors by posting this application, its exhibits, and the accompanying Order to Show cause on the NYLB website at www.nylb.org.

6. There has been no previous application for the relief requested herein.

WHEREFORE, it is respectfully requested that this Court enter an order amending NYSCEF Doc. No. 109 to provide that the referee's hourly rate will be \$450 per hour paid as a loss adjustment expense from the P/C Fund and otherwise leaving the Order intact and granting the Ancillary Receiver such other and further relief as this Court may deem just and proper.

Dated: New York, New York
December 13, 2024



Melissa A. Pisapia

Exhibit A – Proposed Order

At IAS Part 16 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 ___ day of _____, 2024.

P R E S E N T:

HON. SHAHABUDEEN A. ALLY, J.S.C.

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

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In the Matter of

the Ancillary Receivership of

ARROWOOD INDEMNITY COMPANY.

Index No.: 450124/2024

**ORDER AMENDING NYSCEF
DOC. NO. 109 TO INCREASE
HOURLY RATE OF
REFEREE TO \$450**

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Upon the December 10, 2024, affirmation of Melissa A. Pisapia to amend paragraph 4 of NYSCEF Doc. No. 109 to increase the referee’s hourly rate from \$200 to \$450 per hour and otherwise leave the provisions of the order intact, and upon all other papers previously submitted and all proceedings heretofore had herein;

NOW, on motion of the Ancillary Receiver, and after due deliberation having been had thereon, it is

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

1. Paragraph 4 of NYSCEF Doc. No. 109 is hereby amended to read that “The Referee shall be paid a fee based on an hourly rate of \$450 as a loss adjustment expense of the P/C Fund.”

E N T E R:

J. S. C.