

At IAS Part ___ of the Supreme Court of the State of New York, County of Broome, at the courthouse located at 92 Court Street, Binghamton, New York, on the 16 day of July, 2024.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF BROOME

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In the Matter of

Index No. EFCA2024001871

the Application of

ORDER TO SHOW CAUSE

Adrienne A. Harris, Superintendent of Financial Services of the State of New York, for an order to take possession and rehabilitate the business and affairs of

COLUMBIAN MUTUAL LIFE INSURANCE COMPANY.
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Based on the verified petition ("Petition") of Adrienne A. Harris, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on June 20, 2024, the supporting affidavit of Mark McLeod, Deputy Chief Examiner in the Life Bureau at the New York State Department of Financial Services ("DFS"), sworn to on the 14th day of June 2024, and the exhibits attached thereto, and it appearing that the relief sought should be granted;

NOW, on motion of Letitia James, Attorney General of the State of New York, attorney for the Superintendent, and after due deliberation having been had thereon;

LET Columbian Mutual Life Insurance Company ("CML") and all creditors, claimants, and interested persons show cause before this Court at IAS Part ___ Room ___ thereof, at the Courthouse located at 92 Court Street, Binghamton, New York, on the 13 day of August, 2024, at 10 o'clock am., or remotely via Microsoft Teams or as soon thereafter as counsel can be heard ("Return Date"), why an order substantially in the form of the order annexed as

Exhibit 1 to the Petition (“Rehabilitation Order”) should not be made, pursuant to Article 74 of the New York Insurance Law (“Insurance Law”), *inter alia*: (1) placing CML into rehabilitation under Insurance Law Article 74; (2) appointing the Superintendent, and her successors in office, as rehabilitator of CML (“Rehabilitator”); (3) vesting the Rehabilitator with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Rehabilitation Order; (4) directing the Rehabilitator, subject to the Court’s oversight, to take exclusive possession and/or control of CML’s property, conduct its business, and take such steps as she deems necessary to remove the causes and conditions that made this proceeding necessary, and to deal with the property and business of CML in CML’s name or in the name of the Rehabilitator; (5) granting the injunctions provided for in Insurance Law § 7419(a), permanently enjoining and restraining all persons and entities from wasting the assets of CML, and permanently enjoining and restraining all persons and entities, except as authorized by the Rehabilitator, from transacting CML’s business (including the issuance of insurance policies) or disposing of CML’s property; (6) granting the injunctions provided for in Insurance Law § 7419(b), permanently enjoining and restraining all persons and entities from interfering with the Rehabilitator or this proceeding, obtaining any preferences, judgments, attachments or other liens, or making any levy against CML, its assets or any part thereof, and commencing, advancing or prosecuting any actions, claims, lawsuits, arbitrations, alternative dispute resolution proceedings, or other legal or administrative proceedings against the Rehabilitator, CML, the New York Liquidation Bureau (“NYLB), which serves as the staff for the Superintendent in her capacity as Rehabilitator, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto; (7) permanently enjoining and restraining all persons and entities from taking any steps to transfer, foreclose, sell,

assign, garnish, levy, encumber, attach, dispose of, or enforce purported rights in or against any claimed interest in any property or assets of CML; (8) permanently enjoining and restraining all persons and entities from exercising any contractual right that permits such persons and entities, including, but not limited to, any party to a reinsurance agreement, to withhold, fail to pay, set-off, accelerate payment, declare a default, recapture funds, or take similar action with respect to any obligation owed by or to CML; (9) permanently enjoining and restraining all persons and entities from commuting, terminating, accelerating or modifying any agreement of reinsurance, or asserting a default or event of default or otherwise exercising, asserting or relying upon any other right or remedy, based upon (a) application for or consent to the appointment of a receiver of property or assets; (b) a finding of impairment or insolvency; (c) the filing of or consent to filing of a petition for receivership; or (d) becoming the subject of an order of rehabilitation or liquidation; (10) temporarily staying all litigation matters in which CML is a party pending a determination on the Petition and then for an additional period of 90 days from the date an order of rehabilitation is signed; (11) vesting all rights in CML's contracts and agreements, including treaties and agreements of reinsurance, however described, in the Rehabilitator and permitting the Rehabilitator to, in her discretion, reject any executory contracts to which CML is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection; (12) requiring that any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of CML's funds, accounts (including escrow accounts), or assets, shall immediately, upon the Rehabilitator's request and direction, and without further order of the Court: (a) turn over custody and control of such funds, accounts or assets to the Rehabilitator; (b) transfer title of such funds, accounts, or assets to the Rehabilitator; (c) change the name of such accounts to the name of the Rehabilitator;

(d) transfer funds from such bank, savings and loan association, or other financial institution; and

(e) take any other action requested by the Rehabilitator that is reasonably necessary for the proper conduct of the rehabilitation proceeding; (13) requiring that all persons and entities, including CML, its directors, officers, managers and employees, Columbian Financial Services Corporation, Production Partners, LLC, Administrative Partners, Inc., New Vision Service Corporation of New York, or any other affiliate of CML, having property, papers (including attorney work product and documents held by attorneys) and/or information (whether in electronic or paper form), including, but not limited to, insurance policies, underwriting data, annuity, reinsurance policies, claims files, actuarial reports, audit reports, financial statements, emails or other communications related to each of the reports and financial statements discussed in the Petition, computer equipment, software programs and licenses, and/or bank records or any other documents, property or information owned by, belonging to, or relating to CML, shall preserve such property and/or information and immediately, upon the Rehabilitator's request and direction, and without further order of the Court, assign, transfer, turn over, and deliver such property, documents, and/or information to the Rehabilitator; (14) authorizing, permitting and allowing the Rehabilitator to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of CML, and further authorizing the Rehabilitator to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments, without the further approval of this Court; (15) authorizing the Rehabilitator, in her discretion, to refrain from adjudicating claims of any class other than administrative claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is

certain that the CML estate will have sufficient assets to pay claims of such class; (16) extending immunity to the Superintendent in her capacity as Rehabilitator of CML, the NYLB, their successors in office, 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; and (17) granting such other and further relief as the Court may deem proper and just.

AND, sufficient cause having been shown therefor, pursuant to Insurance Law § 7418(a)(1), let service of a copy of this order to show cause and its supporting papers be made by (i) overnight delivery upon (a) Columbian Mutual Life Insurance Company, c/o Michael C.S. Fosbury, President and Chief Executive Officer, 4704 Vestal Parkway East, Vestal, New York 13850; (ii) publication of notice of this application, in a form substantially similar to the notice attached as Exhibit 3 to the Petition, in *USA Today* once a week for two consecutive weeks, commencing within 30 days after the entered Order to Show Cause is posted to the New York State Courts Electronic Filing (“NYSCEF”) system; and (iii) posting on the Internet web page for Legal and Estates Notices maintained by the NYLB at <http://www.nylb.org> within five (5) days after the entered Order to Show Cause is posted to the NYSCEF system; and such service shall be deemed good and sufficient service; and it is hereby

ORDERED, that any answering papers in support of or in opposition to this application (“Answering Papers”) be served so as to be received by the Superintendent at least seven (7) days prior to the Return Date; that such service shall be made at the following addresses:

Office of the Attorney General
State Office Building, 17th Floor
44 Hawley Street
Binghamton NY 13901
Att’n: Michael Danaher
Michael.Danaher@ag.ny.gov

With a copy to:

New York Liquidation Bureau
legal@nylb.org

and that any such Answering Papers be e-filed with the Court on or before the Return Date; and it is further

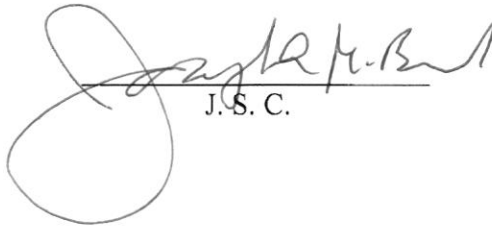
ORDERED, that pursuant to Insurance Law § 7419(a), CML, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons are restrained from wasting the assets of CML, or, except as authorized by the Superintendent, from transacting CML's business (including the issuance of new insurance policies) or disposing of CML's property; and it is further

ORDERED, that that pursuant to Insurance Law § 7419(a), pending the determination of this Petition, all persons and entities, including Columbian Financial Services Corporation, Production Partners, LLC, Administrative Partners, Inc., New Vision Service Corporation of New York, and CML, and their directors, officers, managers and employees, are hereby directed to (a) preserve all computer software and hardware, financial and business documents (whether in paper or electronic form), including but not limited to any emails or other communications, related to each of the reports and financial statements discussed in the Petition; and (b) cooperate with reasonable requests from the Superintendent or DFS for information, documents, or assistance; and it is further

ORDERED, that pursuant to Insurance Law § 7419(b), pending the determination of this
Petition, all actions or proceedings against CML are stayed.

ENTER

7/18/24


J. S. C.