

At IAS Part 21, of the Supreme Court of the State of New York, County of Nassau, at the Courthouse, 100 Supreme Court Drive, Mineola, New York, on the 24<sup>th</sup> day of February, 2009.

P R E S E N T :

HON. ANGELA G. IANNACCI, JUSTICE.

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In the Matter of

Index No. 1165/09

the Application of

**ORDER**

ERIC R. DINALLO, Superintendent of Insurance of the State of New York, for an Order of Appointment as Ancillary Receiver of

EAGLE INSURANCE COMPANY.


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Petitioner, Eric R. Dinallo, Superintendent of Insurance of the State of New York ("Superintendent"), having moved this Court for an order appointing him ancillary receiver of Eagle Insurance Company ("Eagle") and its subsidiary, Newark Insurance Company ("Newark"), and directing him to take possession of the property and recover such other assets of Eagle and Newark that are located in the State of New York, and upon reading and filing the petition of the Superintendent, duly verified the 13<sup>th</sup> day of January, 2009, and the exhibits annexed thereto this Court finds that:

1. Eagle and Newark were incorporated in the State of New Jersey and were licensed to do business in the State of New York;
2. The principal office of Eagle and Newark is located at 901 Stewart Avenue, Bethpage, New York 11714;
3. Eagle and Newark were authorized pursuant to New York Insurance Law ("Insurance Law") Section 1113 to transact insurance business in the State of New York;

4. On August 9, 2007, Eagle and Newark were declared insolvent by a court of competent jurisdiction of the State of New Jersey and placed into liquidation;
5. The Commissioner of Insurance of the Department of Banking and Insurance of the State of New Jersey was appointed Liquidator of Eagle and Newark ("New Jersey Liquidator");
6. Eagle and Newark are subject to the Insurance Law and, in particular, to Article 74 thereof;
7. New Jersey is a reciprocal state within the meaning of Insurance Law Section 7408(b)(6);
8. The New Jersey Liquidator requested the appointment of the Superintendent as Ancillary Receiver of Eagle and Newark;
9. It is in the best interests of all policyholders, claimants, creditors and other interested persons located in the State of New York that the Superintendent be appointed ancillary receiver of Eagle and Newark.

NOW, on motion of the Honorable Andrew M. Cuomo, Attorney General of the State of New York, it is ORDERED as follows:

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1. The petition is granted *without opposition*;
  2. The Superintendent, and his successors in office, are hereby appointed ancillary receiver of Eagle and Newark ("Ancillary Receiver") and are: (i) authorized and directed to immediately take possession of the property and such other assets of Eagle and Newark that are located in the State of New York; (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; (iii) authorized to pay such claims against Eagle and Newark, or their policyholders, that are covered by the New York Property/Casualty Insurance Security Fund and Public Motor Vehicle Liability Security Fund, established pursuant to Insurance Law Article 76, and the Workers' Compensation Security Fund, established pursuant to New York Workers' Compensation Law Article 6-A;
  3. The Ancillary Receiver may deal with the property and business of Eagle and Newark in their names or in the name of the Ancillary Receiver;

4. Eagle and Newark, and each of their officers, directors, shareholders, members, depositories, trustees, policyholders, attorneys, agents, servants, employees, managers and affiliates, and all other persons having any property or records belonging to or relating to Eagle or Newark that are located in the State of New York, including but not limited to insurance policy, loss claim and legal files, shall preserve them and are directed to assign, transfer, turn over and deliver to the Ancillary Receiver, all such property and records;
5. Any persons, firms, corporations or associations having any books, papers or records relating to the business of Eagle or Newark shall preserve the same and submit them to the Ancillary Receiver for copying at all reasonable times;
6. The officers, directors, shareholders, trustees, depositories, policyholders, agents, servants, attorneys, managers and employees of Eagle or Newark and all other persons are permanently enjoined and restrained from: (i) transacting the business of Eagle or Newark in the State of New York; (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of the property or assets of Eagle or Newark that are located in the State of New York; (iii) interfering with the Ancillary Receiver in the possession, control and management of such property and in the discharge of his duties;
7. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against Eagle, Newark, the Ancillary Receiver or the New York Liquidation Bureau, its employees, attorneys or agents, with respect to any claims against Eagle or Newark;
8. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against the assets of Eagle or Newark that are located in the State of New York;
9. All parties to actions, lawsuits or special or other proceedings in which Eagle or Newark are obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including but not limited to conferences, trials, applications for judgment and proceedings on defaults, settlements or judgments, for a period of 180 days from the date of entry of this Order;
10. All persons who have first-party policyholder no-fault loss claims pursuant to Article 51 of the Insurance Law against Eagle or Newark are enjoined from presenting and filing claims with the Ancillary Receiver for a period of 180 days from the date of entry of this Order;

11. The Ancillary Receiver shall provide notice that this Order has been entered to all creditors, claimants and interested persons located in the State of New York by publishing such notice in the New York Post or Newsday, Long Island Edition, or a publication of similar circulation, once a week for two consecutive weeks, commencing within four weeks of entry of this Order.
12. The notice prescribed in Paragraph Eleven above is good and sufficient notice to all persons interested in Eagle or Newark;
13. The Ancillary Receiver, his successors in office and their agents and employees are relieved of any liability for any cause of action of any nature against them for any action or omission of any one or more of them when acting in good faith, in accordance with this Order, or in the performance of their duties pursuant to Article 74;
14. The licenses of Eagle and Newark to do business in the State of New York are hereby revoked;
15. All further papers in this proceeding shall bear the caption

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

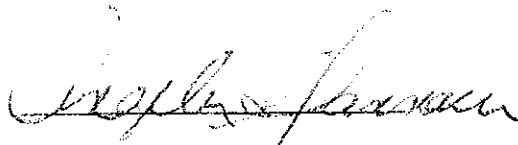
In the Matter of

the Ancillary Receivership of

Eagle Insurance Company and Newark Insurance Company”

16. The Ancillary Receiver shall serve a conformed copy of this Order upon the county clerk and the clerk of the trial support office for amendment of the court and computer records.

ENTER



J. S. C.

**ENTERED**  
FEB 27 2009  
NASSAU COUNTY  
COUNTY CLERK'S OFFICE

Application

Matter

notice that the within is a true

of Nassau County entered in the office of the clerk of the Court of the County, on day of 20

Yours, etc.,  
ANDREW M. CUOMO  
Attorney General,

Office and Post Office Address  
120 Broadway, New York, N.Y. 10271  
To  
Attorney for  
, Esq.

Sir  
Please take notice that the within

will be presented for settlement and signature herein to the Hon. one of the judges of the within named Court, at

in the Borough of  
City of New York, on the  
Date, N.Y.,  
, 20, at M.

Yours, etc.,  
ANDREW M. CUOMO  
Attorney General,

Attorney for  
Office and Post Office Address  
120 Broadway, New York, N.Y. 10271

To  
Attorney for  
, Esq.

Index No.: 1169/05

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NASSAU

09-00111-5

In the Matter of

the Application of

ERIC R. DINALLO, Superintendent of Insurance of the State of New York,  
Order of Appointment as Ancillary Receiver of  
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EAGLE INSURANCE COMPANY.

ORDER OF ANCILLARY RECEIVERSHIP

ANDREW M. CUOMO  
Attorney General

Attorney for the Superintendent of Insurance

Office and Post Office Address  
120 Broadway, New York, N.Y. 10271  
Tel. (212) 416-8658

Personal service of a copy of

within

is admitted this

day of  
20

NASSAU INDEX  
FEB 27 2009  
COUNTY CLERK OF NASSAU COUNTY