

At IAS Part 3 of the Supreme Court of the State of New York, County of Nassau, 100 Supreme Court Drive, Mineola, New York, on the 7 day of July, 1998.

PRESENT:

HON. JOHN W. BURKE

JUSTICE.

-----x Index No.: 98-002306

In the Matter of
the Liquidation of

FIRST CENTRAL INSURANCE COMPANY
-----x

**ORDER APPROVING THE
PROCEDURE FOR JUDICIAL
REVIEW OF THE LIQUIDATOR'S
ADJUDICATION OF CLAIMS**

RICHARD S. KARPIN, Assistant Special Deputy Superintendent and Agent of NEIL D. LEVIN, Superintendent of Insurance of the State of New York as Liquidator of FIRST CENTRAL INSURANCE COMPANY (the "Liquidator"), having moved this Court by Petition dated July 1, 1998, for approval of a procedure (the "Procedure") for judicial review of the Liquidator's adjudication of claims in this proceeding, and it appearing from the Petition that the Procedure will best serve the interests of FIRST CENTRAL INSURANCE COMPANY ("FCIC"), its creditors, all other interested persons and that it should be approved and implemented;

IT IS HEREBY ORDERED:

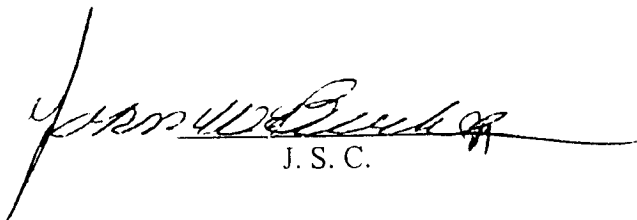
1. The Procedure is approved.
2. The Court finds that the Procedure is required for the orderly administration of the FCIC estate. The Procedure will enable the Liquidator to dispose of claims on an ongoing basis while offering due process to all claimants who object to his recommendations.

3. The Procedure is as follows:

- a) The Liquidator shall, on a periodic basis, prepare a list of claims that have been examined in that period which sets forth the claimant's name, the claim number and the amount, if any, recommended for allowance.
- b) The Liquidator shall serve each claimant with a "Notice of Determination" for each claim on the list. Service shall be made by first class mail to the claimant's last known address.
- c) The Notice of Determination shall advise the claimant:
 - i) of the amount, if any, recommended for allowance by the Liquidator;
 - ii) that, in the event that the amount recommended for allowance is zero, the claim is recommended for disallowance and the reason therefore;
 - iii) that no further action by the claimant is required if the claimant accepts the Liquidator's recommendation;
 - iv) that the claimant may object to the Notice of Determination by serving a written objection on the Liquidator which must be received by the Liquidator within sixty (60) days of the date of the Notice of Determination;
 - v) that the Liquidator's recommendation will be approved by the Court and that the claimant's right to share in distribution of assets will be fully and finally determined unless the claimant objects as set forth therein;
 - vi) in the event the claimant makes a timely objection, the Liquidator will contact the claimant to attempt to resolve the objection and/or move, on notice, for an order approving his recommendation or scheduling a hearing to resolve disputed issues of fact.

- d) The Liquidator shall move, ex parte, no earlier than seventy-five days after the date of the Notice of Determination for an order approving and confirming the Liquidator's adjudications of all claims for which no objections are received.

ENTER


J. S. C.

ENTERED

'JUL 09 1998'

COUNTY CLERK OF NASSAU COUNTY