

Special Term

At ~~IAS Part~~ of the Supreme Court of the State of New York, County of Suffolk, at the Courthouse located at 1 Court Street, Riverhead, New York, on the 17 day of September, 2021.

Present: **HON. THOMAS F. WHELAN** JSC

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

In the Matter of

the Application of

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

Index No. 617717/2021

ORDER TO SHOW CAUSE

Amandado
[Signature]

GLOBAL LIBERTY INSURANCE COMPANY OF NEW YORK.

Based on the verified petition ("Verified Petition") of Adrienne A. Harris, Acting Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on September 14, 2021, the supporting Affidavit of Marc Allen, Assistant Chief Examiner, dated September 1, 2021, and the exhibits and schedules 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 Global Liberty Insurance Company of New York ("Global Liberty") show cause before this Court at the Courthouse located at 1 Court Street, Riverhead, New York, on the 8 day of October, 2021, at 9:30 clock AM, or as soon thereafter as counsel can be heard ("Return Date"), why an order substantially in the form of the proposed order annexed as Exhibit "1" to the Verified Petition (the "Liquidation Order") should not be made, pursuant to Article 74

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of the New York Insurance Law ("Insurance Law"), *inter alia*: (1) placing Global Liberty into liquidation under Insurance Law Article 74; (2) appointing the Superintendent, and her successors in office, as liquidator of Global Liberty (the "Liquidator"); (3) directing the Liquidator to take possession of Global Liberty's property and to liquidate Global Liberty's business and affairs; (4) vesting title to all of Global Liberty's property, contracts, and rights of action and all of its books and records, wherever located, in the Liquidator and her successors; (5) permitting the Liquidator to deal with the property and business of Global Liberty in Global Liberty's name or in the name of the Liquidator; (6) granting the injunctions provided for in Insurance Law § 7419(a), permanently enjoining and restraining all persons and entities from wasting the assets of Global Liberty, and permanently enjoining and restraining all persons and entities, except as authorized by the Liquidator, from transacting Global Liberty's business or disposing of Global Liberty's property; (7) granting the injunctions provided for in Insurance Law § 7419(b), permanently enjoining and restraining all persons and entities from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, or making any levy against Global Liberty, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Global Liberty, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Articles 74 and 76 in relation thereto; (8) enjoining and restraining all parties to actions, lawsuits, and special or other proceedings in which Global Liberty's policyholders or insureds are a party or are obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise, from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from

the date an order of liquidation is signed; (9) enjoining and restraining all persons who have first party policyholder loss claims, from presenting and filing claims with the Liquidator for a period of 90 days from the date an order of liquidation is signed, except that the Liquidator may, in her discretion, waive such period in order to process new claims and resolve outstanding balances in respect of policies still in-force; (10) (a) enjoining and restraining, for a period of 90 days from the date an order of liquidation is signed, all owners and operators of garages where motor vehicles owned or operated by Global Liberty's policyholders or its third-party claimants are being repaired, maintained, or stored from selling such vehicles or otherwise satisfying any lien held by such garage owners or operators in respect of such vehicles, and (b) providing that any fees charged by such garage owners or operators to Global Liberty, its policyholders, or its third-party claimants during this 90-day period shall be reasonable in the ordinary course of business and may, at the Liquidator's discretion, be submitted to this Court for review and approval; (11) vesting all rights in Global Liberty's contracts and agreements, however described, in the Liquidator and permitting the Liquidator to, in her discretion, reject any contracts to which Global Liberty 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 Global Liberty's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts, or assets to the Liquidator; (b) transfer title of such funds, accounts, or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association, or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding; (13) requiring that all

persons or entities, including Atlas Financial Holdings, Inc., Anchor Group Management, Inc. and American Insurance Acquisition Inc., having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, any reinsurance or other insurance policies, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to, or relating to Global Liberty shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Liquidator; (14) authorizing, permitting and allowing the Liquidator 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 Global Liberty, and further authorizing the Liquidator 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) cancelling any and all existing insurance policies of Global Liberty at 12:01 A.M. local time on the earlier of the expiration date of the policy or the date that is 60 days after an order of liquidation against Global Liberty is signed; (16) establishing the date that is one (1) year from the date the Liquidation Order sought in this petition is signed as the date by which all claims against Global Liberty, and all evidence supporting such claims, must be submitted to the Liquidator ("Bar Date"), and providing that all claims submitted after the Bar Date are barred and discharged, except for the Liquidator's claims for administrative expenses and claims for reimbursement submitted by the New York Property/Casualty Insurance Security Fund, the New York Public Motor Vehicle Liability Security Fund, the New York Workers' Compensation Security Fund, and guaranty funds in other states that cover claims under Global Liberty policies; (17) requiring that all claims submitted after the

issuance of the Liquidation Order, and all evidence supporting such claims, be filed using the electronic portal for the submission of claims located on the website www.nylibpoc.org on or before the Bar Date; (18) authorizing the Liquidator, in her discretion, to refrain from adjudicating claims of any class 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 likely that the Global Liberty estate will have sufficient assets to pay claims of such class; (19) extending immunity to the Superintendent in her capacity as Liquidator of Global Liberty, her successors in office, the New York Liquidation Bureau 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; (20) declaring Global Liberty to be insolvent pursuant to Insurance Law § 7402(a); and (21) 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 overnight delivery within five (5) days after the entry of this Order to Show Cause upon (i) Global Liberty Insurance Company of New York, Att'n: Scott David Wollney, President and CEO, 68 South Service Road, Suite 450, Melville, NY 11747; DLA Piper, L.L.P., Att'n: Scott Fischer, Esq., 1251 6th Avenue, New York, NY 10022; and DLA Piper L.L.P., Att'n: Stephen W. Schwab, Esq., 444 West Lake Street, 9th Fl., Chicago, IL 60606, attorneys for Global Liberty; and (ii) by posting on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylib.org> at least 15 days prior to the Return Date; and such service shall be deemed good and sufficient service; and it is hereby

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ORDERED, that all answering papers and supporting documentation ("Answering Papers") be served on the Superintendent so as to be received at ~~least seven days prior~~ ^{by} to the Return Date, and that service on the Superintendent shall be made by first class mail or overnight carrier at the following addresses:

Office of the Attorney General
300 Motor Parkway, Suite 230
Hauppauge, NY 11788
Att'n: Lori Pack

with a copy to

New York Liquidation Bureau
180 Maiden Lane, 15th Floor
New York, New York 10038
Att'n: General Counsel

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

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~~ORDERED, that pursuant to Insurance Law § 7419(a), pending the determination of this application, Global Liberty, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, and managers, and all other persons, are hereby restrained, except as authorized by the Superintendent, from transacting Global Liberty's business or disposing of Global Liberty's property, and all persons and entities are restrained from wasting any of Global Liberty's assets; and it is further~~

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~~ORDERED, that pursuant to Insurance Law § 7419(b), pending a determination on this application, Global Liberty, its officers, directors, shareholders, members, trustees, agents, servants, employees, attorneys, and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments, or other liens, or making any levy or commencing or prosecuting any actions or proceedings against Global Liberty or its assets; and it is further~~

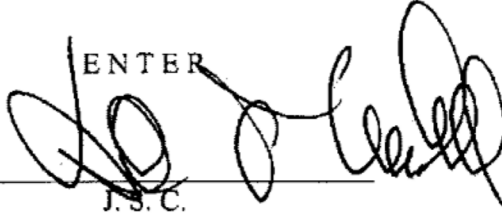
~~ORDERED, that pursuant to Insurance Law § 7419, pending the determination of this application, all actions or proceedings against Global Liberty and its insureds, and all actions or proceedings in which Global Liberty is obligated to defend a party, are stayed.~~

GRANTED

SEP 17 2021

JUDITH A. PASCALE
Clerk of Suffolk County

ENTER



J.S.C.

Thomas F. Whelan

RON. THOMAS F. WHELAN