SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: **HON. SHLOMO S. HAGLER** **PART** **IAS MOTION 17EFM**

Justice

----------X

INDEX NO. 452877/2017

MARIA VULLO,

MOTION DATE N/A

Petitioner,

MOTION SEQ. NO. 001

- v -

PARK INSURANCE COMPANY,

DECISION + ORDER ON MOTION

Respondent.

----------X

The following e-filed documents, listed by NYSCEF document number (Motion 001) 2, 6, 7, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 32, 33, 34, 35, 36, 37, 38, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 141, 149, 150, 167

were read on this motion to/for MISC. SPECIAL PROCEEDINGS.

Petitioner, the Superintendent of Department of Financial Services of the State of New York ("Petitioner" or "DFS"), moved by order to show cause dated October 19, 2017 ("Order to Show Cause" or "OTSC") and Petition for an order appointing the Superintendent and her successors[1] in office as liquidator ("Liquidator") of respondent Park Insurance Company ("Park" or "Respondent") and directing the Liquidator to take possession of the property of Park and to liquidate its business and affairs. Park opposed the requested relief in the Petition and asserted an affirmative defense that Park is solvent as of September 30, 2018.

This Court conducted a trial in this matter on December 4, 5, 6, and 11 of 2018, and February 14, March 5, 6, and 7, April 9, 10, and 11, and May 7, 8, 28 and 29 of 2019. Post-trial briefs were filed by the parties on July 19, 2019, and closing arguments from counsel for the parties occurred on September 5, 2019.

[1] Linda A. Lacewell is the successor superintendent to Maria Vullo.

Introduction

As will be demonstrated in great detail below, Park has engaged in a high-stakes gambit to intentionally suppress its reserves, utilized questionable means to improperly increase its admitted assets, failed to obtain the necessary regulatory approvals from DFS to offer various insurance products to the public, and either circumvented or even violated, at the very least, the intent and spirit of this Court's Temporary Restraining Order ("TRO") contained in the Order to Show Cause to limit its new business, except with DFS's express consent, in order to safeguard the public from further harm pending the outcome of this proceeding. Ultimately, Park's actions amount to a veiled attempt to conceal its insolvency in order to stave off liquidation of its company.

Background History

Park's Failure to Comply with DFS Orders Prior to this Liquidation Proceeding

Park has demonstrated a longstanding and continued failure to comply with DFS directives and Orders. Specifically, Park has failed to comply with DFS Orders directing it to repair its financial condition, including multiple orders that bar Park from issuing or renewing insurance policies. In addition, Park has failed to submit timely and accurate financial statements in response to DFS directives. Park has committed "systematic misconduct [ ] over the past decade[,] including misconduct committed during the pendency of this proceeding." Affirmation of Stephen Doody[2] in Opposition to Park's August 2, 2018 OTSC, dated August 27, 2018 [NYSCEF Doc. No. 106] (the "Doody Affirmation"), ¶ 6.

On March 19, 2013, a prior Superintendent of Financial Services issued an Order (the "March 2013 Order") directing Park to cure its insolvency and prohibited Park from issuing any new insurance policies until Park became and remained solvent. Park failed to comply with the

[2] Deputy Superintendent for Property and Casualty Insurance at DFS.

March 2013 Order and continued to issue new policies. Doody Affirmation, ¶¶ 8, 41; Exhibit "A" [NYSCEF Doc. No. 107].

On May 26, 2015, the Superintendent issued an Order (the "May 2015 Order") directing Park to cease writing new insurance policies and conditioning the renewal of existing policies until Park filed satisfactory audited financial statements reflecting a Risk-Based Capital ratio of at least 200%. Petition, ¶¶ 3, 29; Affidavit of Marc Allen[3], sworn to on September 8, 2017 (the "Allen Affidavit"), ¶ 3; Petition, Exhibit "2", Exhibit "A" to Exhibit "2". Park failed to comply with the May 2015 Order.

By letter, dated August 23, 2016 (the "August 2016 Letter"), Park was directed to submit, by September 15, 2016, an amended annual financial statement for the year ending December 31, 2015, and amended quarterly statements for the first two quarters of 2016. Petition, ¶¶ 4, 23; Allen Affidavit, ¶ 4, Exhibit "B". Park failed to comply with the requirements of the August 2016 Letter.

By letter, dated October 13, 2016 (the "October 2016 Letter"), DFS directed Park to cease and desist from writing new or renewal business immediately and not to resume writing any business without prior written notification from DFS. Petition, ¶¶ 5, 30; Allen Affidavit, ¶ 5, Exhibit "D". The October 2016 Letter stated grounds for the directive, namely that Park had continued to write new business and renew existing business in violation of the May 2015 Order, and failed to submit amended financials in violation of the August 2016 Letter. Park violated the October 2016 Letter by continuing to write new policies and to renew existing policies.

On January 4, 2017 (the "January 2017 Letter"), DFS issued a letter which again directed Park to submit an amended annual statement for 2015 and amended quarterly statements for 2016,

[3] DFS Assistant Chief, Property Bureau.

and to cease and desist from writing any new or renewal business without permission from DFS. The January 2017 Letter stated, *inter alia*:

> "You [Park] have indicated that you are currently writing new and renewal business without limitation. At the meeting [DFS meeting with Park on December 22, 2016], you acknowledged you are aware that this is in direct violation of certain provisions of an Order issued by this Department dated May 26, 2015 and our letter dated October 13, 2016. Your blatant disregard for the authority of this Department, the New York Insurance Law, Regulations and Statutory Accounting Principles is unacceptable. **You are again directed to cease and desist from writing any new or renewal business immediately and may not resume writing any business without written notification from this Department.** Note however, that this Department reserves all its rights and authority in connection with your violation of this Order" (emphasis in original). Petition, ¶¶ 6, 25; Allen Affidavit, ¶ 6, Exhibit "E".

Park has continued to violate the foregoing directives. Petition, ¶¶ 5-6, 24, 26-27, 29-31; Allen Affidavit, ¶¶ 5-6; Doody Affirmation, ¶¶ 8-13, 41-45.

Liquidation Proceeding

On October 19, 2017, the Superintendent commenced the within liquidation proceeding under Insurance Law, Article 74 by Order to Show Cause. The Order to Show Cause included a TRO which directed "that pursuant to Insurance Law 7419, pending the hearing of this application, Park [et al] are hereby restrained, except as authorized by the Superintendent, from transacting Park's business (including the issuance of new insurance policies) or disposing of Park's property, and all persons are restrained from wasting any of Park's property," (in addition to TROs staying or restraining actions or proceedings against Park or its insureds). NYSCEF Doc. No. 6.

On November 27, 2017, the Superintendent and Park entered into a Stipulation (the "November 2017 Stipulation") [NYSEF Doc. Nos. 28 (original) and 30 (corrected version)]. The November 2017 Stipulation provided, *inter alia* that "the parties do not intend or purport to modify the [Order to Show Cause], which shall remain in full force and effect," and Park is authorized "to transact business [only] as specifically limited and enumerated" in the Stipulation. The November

2017 Stipulation does not include authorization for Park to write either new or renewal policies without the Superintendent's agreement. *See also* Doody Affirmation, ¶ 15.

Park Violates the TRO

DFS alleges that Park has committed egregious misconduct during the pendency of this liquidation proceeding. Subsequent to the issuance of the TRO, Park has violated, at the very least, the spirit of the TRO, by issuing certificates of insurance to thousands of new vehicles through its Program Business without securing DFS approval despite being enjoined from transacting new business. Doody Affirmation, dated March 28, 2019, in Support of DFS's Motion to hold Park in Contempt, ¶¶ 4-5, 8-11 [NYSCEF Doc. No. 229]; *see also* Notice of Violation, dated March 8, 2018 [NYSCEF Doc. No. 38]; Doody Supplemental Affirmation, dated March 7, 2018 [NYSEF Doc. No. 37]. In fact, DFS determined that all Program Business engaged in by Park was unlawful in the first instance. Doody March 28, 2019 Affirmation at footnotes 2, 5. According to the Doody Affirmation, dated August 27, 2018, "Park put into place its so-called High Deductible Program without having obtained DFS approval" in violation of Insurance Law 2307(b). Doody Affirmation, ¶ 49.[4] [NYSCEF Doc. No. 106].

Standard

Petitioner must prove by a preponderance of the credible evidence that Respondent is insolvent. Insurance Law § 7417 states that "after a full hearing . . . [the] court shall either deny the application or grant it together with such other relief as the nature of the case and the interests

[4] According to the Doody Affirmation, dated August 27, 2018, Park has violated other Insurance Law provisions and DFS regulations. For example, DFS alleges Park replaced its actuary several times without providing notice to DFS, failed to disclose disagreements between Park's management and the actuary, entered into surplus note agreements without DFS consent in violation of Insurance Law 1307, and failed to obtain the Superintendent's approval before entering into reinsurance contracts in violation of Insurance Law 1308. DFS also alleges that Park utilized the services of an unlicensed agent in the provision of its High Deductible Program and that Park illegally cancelled certain policies for improper reasons and without following appropriate procedures. Doody Affirmation, dated August 27, 2018, ¶¶ 46, 52-54 [NYSCEF Doc. No. 106].

of policyholders, creditors, shareholders, members, or the public may require." Petitioner has the burden of proof and "the judicial rule that the court will accept the administrative act if found to be supported by a rational basis in the record . . . has no place." *Stewart v Citizens Cas. Co. of New York*, 23 NY2d 407, 419 [1968]. Accordingly, this Court reached its determination only after a lengthy trial in which both parties elicited testimony and submitted evidence into the record. This Court credits the testimony of Petitioner's witnesses over Respondent's witnesses. As set forth below, Petitioner proved its entitlement to the requested relief by a preponderance of credible evidence based on the following findings of fact and conclusions of law.

Findings of Fact and Conclusions of Law

Grounds for Liquidation

Insurance Law § 7404 states that "[t]he superintendent may apply. . . for an order directing the superintendent to liquidate the business of a domestic insurer . . . upon any of the grounds specified in subsections (a) through (o) of section seven thousand four hundred two of this article." One of those grounds is if the insurer "[i]s insolvent within the meaning of section one thousand three hundred nine of this chapter." Insurance Law § 7402 (a)

A domestic insurer is considered insolvent pursuant to Insurance Law § 1309 when, *inter alia*, "the superintendent finds from a financial statement . . . that an authorized insurer is unable to pay its outstanding lawful obligations . . . as shown by an excess of required reserves and other liabilities over admitted assets." Insurance Law § 1309 (a). An insurer's reserves must include the "aggregate estimated amounts due or to become due on account of all known losses and claims and loss expenses incurred but not paid" under all of its policies. Insurance Law § 4117(b). If the insurer's available assets exceed its total liabilities, then policyholder surplus is positive and the

insurer is solvent. If the insurer's total liabilities exceed its available assets, then policy surplus is negative and the insurer is insolvent.

Park is Insolvent Based on its 2017 Annual Financial Statements

Park's 2017 Annual Financial Statement ("AFS") shows a policy surplus of $4,037,755. P40 at 4 line 39. Park conceded that its policy surplus was overstated by $726,388. 5/7 Tr. At 102:25-103:4. The revised surplus on the 2017 AFS is therefore $3,311,367. DFS then performed a review of the adequacy of Park's reserves calculations and conducted reserve analyses supervised by Deputy Chief Actuary Gloria Huberman ("Huberman"), a highly experienced and credentialed actuary of the Casualty Actuarial Society.

Huberman conducted a thorough and objective analysis of the year end 2017 reserves using five different methods. All of these are commonly accepted actuarial methods, as conceded by Park's appointed actuary. P92; 3/5 Tr. At 48:23-49:14; 3/7 Tr. At 90:5-9. These methods, while using different inputs and formulae, all produced similar results. P92. Based on Huberman's analyses, DFS properly determined that Park's booked reserves as of year end 2017 were actually deficient by $15.8 million, rendering Park insolvent by approximately $12.5 million.

Respondent incorrectly claims that DFS failed to comply with Insurance Law § 1309, which requires a finding of insolvency to be based on "a financial statement or report on examination." Respondent argues that since the 2017 AFS shows a surplus, it cannot be used to show insolvency based on DFS's analyses. However, this Court rejects that argument because the finding of insolvency is based on the 2017 annual financial statements, albeit with necessary and proper adjustments, and is therefore in compliance with Section 1309 of the Insurance Law.

Park's 2017 reserve analyses are fundamentally flawed primarily because it inappropriately utilized nationwide industry data as opposed to peer data from New York insurers. New York City

is a unique market in the commercial motor vehicle insurance industry and, therefore, the claims experience of an insurer operating elsewhere cannot be expected to accurately predict that of an insurer operating in New York City. Park's inappropriate use of nationwide industry data significantly understated and suppressed its reserve projections. Therefore, Park's reserve analyses lack credibility and are inherently unreliable. DFS's analysis, performed by Huberman, properly utilized peer data from New York City companies rather then nationwide industry data which this Court finds more predictive of what Park's own experience will be and is more reliable. Accordingly, DFS has met its *prima facie* burden of showing that Park is insolvent based on its 2017 AFS.

Park is Insolvent because its Admitted Assets are Overstated by $7.7 Million

Even notwithstanding Huberman's review, Park is still insolvent because, as shown below, Park's admitted assets are overstated on the 2017 AFS by $7.7 million. There are two categories of assets on an insurer's balance sheet. Non-admitted assets are assets which cannot be used to fulfill policyholder obligations or are unavailable due to encumbrances or third party interests. Admitted assets are assets that are available to pay claims. Admitted assets are included in the calculation of policyholder surplus while non-admitted assets are excluded. All non-admitted assets and assets of doubtful value or character incorrectly included on an insurer's balance sheet as an admitted asset should be deducted from the insurer's policyholder surplus. Insurance Law § 1302(b). As set forth below, DFS has properly determined that Park erroneously included $7.7 million as admitted assets which must be deducted from its surplus. With these proper reductions, DFS has again met its *prima facie* burden of showing that Park is insolvent by approximately $4.4 million as of year end 2017.

$2.55 Million Note from Polsinelli is a Non-Admitted Asset

In December 2017, Park sold a real estate partnership interest valued at $3 million to Polsinelli Management ("PM"), an affiliate with common ownership. P94 at note 7; P40 at 14.3 note 10.B. In exchange, Park received $450,000 in cash and a promissory note in the amount of $2.55 million at 3.5% interest payable quarterly over 30 years. *Id.* In effect, Park loaned $2.55 million in investment funds to its affiliate secured by a 30 year promissory note.

Park was required to notify DFS of its intention of entering into this transaction with a related party at least thirty days prior to entering into this transaction. Insurance Law 1505(d)(1). DFS subsequently disapproved the transaction. The disapproval was communicated to Park at some point prior to May 9, 2018. Nevertheless, Park went forward with the transaction. Park contends that the disapproval was based on a misunderstanding of the facts of the transaction and a misapplication of the law and should therefore be rejected.

The proper forum for Park to challenge DFS's administrative decision is by the commencement of an Article 78 proceeding. The four-month time-limit to commence such proceeding has long elapsed, and therefore any challenge to the proceeding is time-barred.

Even assuming, *arguendo*, that Park can still challenge DFS's decision, this Court finds the transaction was not fair to Park's policyholders as it enabled Park to transfer $2.55 million in marketable assets (available to pay policyholder claims) to an affiliate in exchange for a 30 year note of questionable value. Park did not provide DFS with a credit risk analysis demonstrating the ability of PM to repay the note. DFS therefore reasonably concluded that the note is of doubtful value and disapproved the transaction. Therefore, DFS's decision to disallow Park's treatment of the note as an admitted asset was proper under the circumstances.

Park's Pledged Bonds of $1 Million are Non-Admitted Assets

DFS also acted properly when it required Park to remove $1 million in bonds, that were pledged as collateral for another obligation, from its policyholder surplus. In December 2017, Park entered into a sales/leaseback transaction in which it sold furniture, fixtures, and software to a third party for $1 million and leased back those same items over a five-year term for quarterly payments of $60,030. Park then pledged certain bonds as collateral under the lease. Despite pledging the bonds as collateral, Park recorded the bonds as admitted assets. DFS properly reduced Park's admitted assets by $1 million to account for the pledged bonds, which are unavailable to pay outstanding claims, and do not qualify as admitted assets.

Park's Surplus Reduced by $1.75 Million for Unapproved Reinsurance with a Related Entity

DFS properly reduced Park's surplus by $1.75 million because Park knew at the time of filing its 2017 AFS that DFS approval for the Rosa Re reinsurance agreement was neither sought nor obtained. Park improperly inflated its policyholder surplus by taking credit for quota share and excess of loss reinsurance that it purchased from Rosa Re, Ltd. a Bermuda based reinsurer. As Rosa Re and Park share common ownership, any reinsurance transaction between them required prior DFS approval under the Holding Company Act. Insurance Law § 1505(d)(2). Park did not provide DFS with the required notice seeking regulatory approval prior to entering into the reinsurance agreement with Rosa Re, and therefore did not comply with the Holding Company Act. DFS acted properly when it reversed the entries made in Park's 2017 AFS relating to the Rosa Re reinsurance agreements, which resulted in a decrease to Park's surplus of approximately $1.75 million.

$530,000 in Unapproved Surplus Notes should be Disallowed

A surplus note is a type of financial instrument which may be normally included in an insurer's surplus because it is subordinate to the insurer's obligations under its insurance policies. However, pursuant to Insurance Law § 1307, an insurer may issue a surplus note only if approved by DFS. In 2016 and 2017, Park issued $530,000 in surplus notes to a group of investors. Park sought DFS approval, but DFS did not approve the notes. Park ignored the DFS disapproval and issued the surplus notes which were included in its policyholder surplus on its 2017 AFS. DFS therefore acted properly when it reduced Park's policyholder surplus by $530,000.

Park's Reserve Credit for its Program Business should be Reduced by $1.9 Million

Park took a reserve credit of approximately $8.9 million for its Program Business in 2017. In taking this credit, Park relied on language in Statements of Statutory Accounting Principles ("SSAP") 65 that states that reserves for claims arising under high deductible policies "shall be established net of the deductible." According to Park, since 100% of the policy limit is subject to the deductible, there is no amount "net of the deductible," and there was no need to deduct any potential claims from the reserve credit.

However, SSAP 65 also states that "no reserve credit shall be permitted for any claim where any amount due from the insured has been determined to be uncollectible." According to this provision, Park was required to conduct an analysis of whether any claims would be uncollectible from each insured before taking any reserve credit. Park has not conducted any such analysis.

As of September 30, 2018, three of the eleven Program Business accounts, ARI, 24Six, and NYC Hudson, had already stopped paying on a timely basis and exhausted their collateral, requiring Park to include the estimated losses for those accounts in its reserves. R22 at 7 and Exhibit 1. Inasmuch as there were six Program Business accounts with insufficient collateral in

the amount of approximately $1.9 million as of the end of 2017 (see 3/7 Tr. At 156:3-8, 159:20-23, P96 at Exhibit I, Page 1) and no analysis done by Park pursuant to SSAP 65 to determine whether the shortfall was uncollectible, DFS acted properly when it reduced Park's policyholder surplus on the 2017 AFS by the $1.9 million deficiency.

Park's Affirmative Defense

Park Claims it was Solvent as of September 30, 2018

In order to refute petitioner's *prima facie* evidence that they were insolvent as of the 2017 AFS, Park asserts an affirmative defense of solvency based on its 2018 third quarter statements ("2018 3QS"). However, while annual financial statements are required by law to be audited, quarterly statements are not. In fact, Park's 2018 3QS was not audited. 5/7 Tr. At 108:21; 12/6 Tr. At 310:23-25, 312:5-13. This Court rejects utilizing the unaudited 2018 3QS as the basis for any finding of solvency as an insurer may not rely on unaudited financial statements to prove solvency. *Stewart v. Citizens Casualty Co.*, 34 AD2d 525, 526 (1st Dept 1970), *aff'd* 27 NY2d 685 (1970).

Even notwithstanding the above precedent, this Court would not rely on the unaudited 2018 reports to show solvency as the audit process is necessary to establish the integrity of the reports. This is especially true for Park where, every year from 2011 to 2017, the auditor either issued an adverse opinion or disclaimer of opinion. Without an audit, there is no determination as to whether any adjustments would have to be made to the statements. Given Park's audit history, there is no basis to infer that a favorable opinion would have been issued on the 2018 3QS. Therefore, it would be improper to rely on unaudited statements to establish solvency.

Even if the Court were to consider the unaudited 2018 3QS, Park's actuarial reports estimating reserves based on the statements are unreliable. For Park's entire existence, it has

severely underestimated its reserves. Every year, since 2010, subsequent adverse developments has shown that Park's reserves were underestimated by millions of dollars. Moreover, the actuarial reports of the 2018 3QS were not based on a new analysis of the data. Rather, they are roll-forward reports based on the 2017 year end reports. As stated above, the 2017 reports were heavily flawed because they used nationwide data as opposed to peer data from New York insurers. DFS's analysis of the 2017 AFS using New York data instead of nationwide data rendered Park's 2017 reserves deficient by $15.8 million. As such, all the flaws contained in the 2017 year end reports would also be present in the 2018 3QS and the amount in the reverses are similarly distorted. Therefore, Park cannot show solvency based on the 2018 3QS reports.

Furthermore, the 2018 3Q actuarial report did not include an updated reserve analysis of Park's program business. Park would book reserves only for the program accounts that were paying too slowly and had depleted their collateral. 4/9 Tr. At 149. By not doing an updated analysis of the program business, Park failed to review whether any additional accounts had depleted their reserves during the first three quarters of 2018. Without this analysis, the reports are unreliable because they omit analysis of a significant component of Park's reserve obligations. For all these reasons, this Court rejects any showing of solvency based on the 2018 3QS.

Ancillary Relief

Inasmuch as this Court finds that Park is insolvent pursuant to Insurance Law § 7402(a), it is unnecessary for this Court to consider the other grounds for liquidation.

CONCLUSION

Based on the preponderance of the credible evidence, this Court finds that Park should be placed into liquidation under Article 74 of the Insurance Law because Park has been deemed insolvent within the meaning of Insurance Law § 1309(a) under Insurance Law § 7402(a) and it is

ORDERED AND ADJUDGED as follows:

1. The relief requested in the Petition for an order of liquidation ("Order") is granted;
2. The Superintendent and her successors in office are appointed Liquidator of Park;
3. The Liquidator is directed to take possession of Park's property and liquidate Park's business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is 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 and with title to Park's property, contracts, rights of action and all of its books and records, wherever located, as of the date this Order is signed;
5. The Liquidator may deal with the property and business of Park in Park's name or in the name of the Liquidator;
6. All persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Park's business (including the issuance of insurance policies) or from the waste or disposition of Park's property;
7. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Park, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against Park, the Superintendent as Liquidator of Park, or 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. All parties to actions, lawsuits, and special or other proceedings in which Park's policyholders or insureds are a party or 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 or proceedings on settlement or judgment, for a period of 180 days from the date this Order is signed;

9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator or with the Administrator of the New York Property/Casualty Insurance Security Fund or the New York Public Motor Vehicle Liability Security Fund for a period of 90 days from the date this Order is signed;

10. The Liquidator is vested with all rights in Park's contracts and agreements, however described, and is permitted, in her discretion, to reject any executory contracts to which Park is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;

11. 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 Park'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;

12. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software

programs and/or bank records owned by, belonging to or relating to Park 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;

13. The Liquidator is authorized, permitted, and allowed 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 Park, and is further authorized 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;

14. All existing insurance policies of Park are cancelled at 12:01 a.m. local time on the earlier of: (i) the expiration date of the policy; or (ii) the date that is 60 days after this Order is signed;

15. The Liquidator is authorized, in her discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law §7434(a)(1) (iii)-(ix)) unless and until she reasonably believes that adjudication of such claims would be in the best interests of the estate;

16. Immunity is extended to the Superintendent in her capacity as Liquidator of Park, 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;

17. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;

18. The Liquidator may at any time make further application to this Court for such further and different relief as she sees fit;

19. The Liquidator shall serve a copy of this Order upon Thomas Polsinelli, President, Park Insurance Company, 475 Park Avenue South, 23rd Floor, New York, New York 10016, by overnight delivery or by certified mail;

20. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached as Annex A of Exhibit 1 to the Petition, in the New York Post once a week for two consecutive weeks, commencing within 30 days after this Order; and (ii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at http://www.nylb.org within 15 days after this Order is signed;

21. This Court shall retain jurisdiction over this matter for all purposes;

22. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK
----------x
In the Matter of

the Liquidation of

PARK INSURANCE COMPANY.
----------x

23. All further papers in this proceeding shall bear the above amended caption.

The Clerk shall enter judgment accordingly.

9/22/2020
DATE

SHLOMO S. HAGLER, J.S.C.

CHECK ONE:	[X]	CASE DISPOSED		[ ]	NON-FINAL DISPOSITION		
	[X]	GRANTED	[ ] DENIED	[ ]	GRANTED IN PART	[ ]	OTHER
APPLICATION:	[ ]	SETTLE ORDER		[ ]	SUBMIT ORDER		
CHECK IF APPROPRIATE:	[ ]	INCLUDES TRANSFER/REASSIGN		[ ]	FIDUCIARY APPOINTMENT	[ ]	REFERENCE