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At IAS Part 35 of the Supreme Court of the State of New York, held in and for the County of Nassau, at the Courthouse, 100 Supreme Court Drive, Mineola, New York, on the 16th day of April, 2012

PRESENT:
HON. JOHN M. GALASSO, J.S.C.

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:
In the Matter of the Rehabilitation of
EXECUTIVE LIFE INSURANCE
COMPANY OF NEW YORK.
:
----- X

Index No. 8023/91

Motion Sequence #s 109 and 111

**ORDER OF LIQUIDATION
AND APPROVAL OF THE ELNY
RESTRUCTURING AGREEMENT**

The Superintendent of Financial Services (successor to the Superintendent of Insurance) of the State of New York (the "Superintendent"), through Eric T. Schneiderman, Attorney General of the State of New York, having moved this Court by order to show cause ("Order to Show Cause") for an order to convert the rehabilitation proceeding of Executive Life Insurance Company of New York ("ELNY") to a liquidation proceeding and having sought approval of the Agreement of Restructuring in Connection with the Liquidation of ELNY, and the Superintendent having provided ELNY claimants, creditors, policyholders, and other interested parties with notice of the relief sought, and upon reading the Superintendent's Verified Petition, duly verified on August 31, 2011 (the "Liquidation Petition"); the Memorandum of Law in Support of the Liquidation Petition; the Affidavit of Ivy Chang, sworn to on August 30, 2011, and the exhibits attached thereto; all answering and reply papers; all prior proceedings and papers in this proceeding; and said Liquidation Petition having duly come on to be ^{submitted} heard on the

29th day of March, 2012, this Court finds that:

A. ELNY was placed into rehabilitation and the Superintendent, and his successors in office, were appointed rehabilitator ("Rehabilitator") by order of this Court entered April 23, 1991 (the "Rehabilitation Order");

B. The Rehabilitation Order found that ELNY was in such condition that its further transaction of business would be hazardous to its policyholders, its creditors, and to the public;

C. ELNY is insolvent;

D. Further efforts to rehabilitate ELNY would be futile;

E. ELNY is subject to the New York Insurance Law (the "Insurance Law") and, particularly, to Article 74 thereof; and

F. It is in the best interest of all persons concerned that the Superintendent be vested with title to all of ELNY's property, contracts, and rights of action and directed to liquidate its business and affairs substantially in the manner provided in the Agreement of Restructuring in Connection with the Liquidation of ELNY, by and among the Superintendent, as Receiver of ELNY, the National Organization of Life and Health Insurance Guaranty Associations, and the Participating Guaranty Associations, and joined by NEWCO and The Life Insurance Guaranty Corporation existing under Insurance Law Article 75, and the Exhibits and Schedules attached thereto, as filed with the Court on March 6, 2012 (the "Restructuring Agreement").

NOW, THEREFORE, on motion of Eric T. Schneiderman, Attorney General of the State of New York, and after carefully considering the Restructuring Agreement, the applicable law, comments, suggestions, and/or objections to the Liquidation and the Restructuring Agreement, and the testimony, evidence, and arguments related thereto, it is hereby ORDERED as follows:

- (1) The relief requested in the Liquidation Petition is granted and ELNY is found to be insolvent;

- (2) The Rehabilitation of ELNY is hereby converted to a Liquidation effective as of the closing date of the Restructuring Agreement (which date shall also be the "Liquidation Date" under the Restructuring Agreement) and pending such effectiveness, the Rehabilitation Plan, as that term is defined in the Restructuring Agreement, and all prior orders of this Court remain in full force and effect;
- (3) The Superintendent, and his successors in office, are hereby appointed, effective as of the Liquidation Date, liquidator ("Liquidator") of ELNY and are: (i) 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; (ii) vested with title to ELNY's property, contracts, rights of action and all its books and records, wherever located; (iii) authorized and permitted to conduct the business of ELNY as the Liquidator deems wise and expedient; and (iv) directed to liquidate ELNY's business and affairs in accordance with Insurance Law Article 74 and substantially in the manner provided in the Restructuring Agreement;
- (4) The rights and liabilities of ELNY and of its creditors, policyholders, and all other persons interested in the estate of ELNY shall be fixed as of the Liquidation Date;
- (5) All persons, other than the Receiver (as defined in the Restructuring Agreement) and his agents, are enjoined and restrained from: (i) dealing with, disposing of, or doing or permitting any act or thing that might waste ELNY's assets; (ii) transacting ELNY's business; (iii) interfering with this proceeding or with the Receiver in his possession, control, and management of ELNY's property, or in the discharge of his duties under Insurance Law Article 74; and (iv) obtaining any preferences, judgments, attachments, or other liens, and from making any levy against ELNY, its assets, or any part thereof;
- (6) All persons are enjoined and restrained from commencing or further prosecuting any actions at law or other proceedings against ELNY or its assets, the Receiver or the New York Liquidation Bureau, or their present or former employees, attorneys, or agents, with respect to this proceeding or the discharge of their duties under Insurance Law Article 74;
- (7) All parties to actions, lawsuits, and special or other proceedings in which ELNY is 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, until further order of this Court;

- (8) All persons or entities having property and/or information, including, but not limited to, insurance policies, claims files (electronic or paper), software programs, and/or bank records owned by or belonging to ELNY shall preserve such property and/or information and immediately, upon the Receiver's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Receiver;
- (9) The provisions, terms, and conditions of the Restructuring Agreement, filed with the Court on March 6, 2012, including all Exhibits and Schedules attached thereto, are hereby approved and the Restructuring Agreement is confirmed in such form and incorporated herein by reference (provided that such approval and confirmation shall not be deemed to preclude updating, adjustment and amendment of Schedule 1.15 prior to, contemporaneously with and subsequent to closing of the Restructuring Agreement, as provided in Section 1.15 of the Restructuring Agreement), including, but not limited to:
- a. ELNY's restructuring of its liabilities in respect of the ELNY Contracts, as that term is defined in the Restructuring Agreement, pursuant to the terms of the Restructuring Agreement;
 - b. NEWCO's assumption of the obligation to pay ELNY benefit payments in accordance with the terms of the Restructuring Agreement;
 - c. The delivery, transfer and assignment to NEWCO of all of ELNY's right, title and interest in and to the Transferred Assets and the retention by ELNY of the Retained Assets as provided under the Restructuring Agreement, as those terms are defined in the Restructuring Agreement;
 - d. The form of the Assumption Certificates in substantially the form attached as Exhibit 1.6 to the Restructuring Agreement;
 - e. The terms and conditions of the ELNY Restructured Contracts;
 - f. The preservation of Retained Liabilities and priority of distribution of the Net Proceeds Transfer, as those terms are defined in the Restructuring Agreement; and
 - g. The requirement that all Contracts, as that term is defined in the Restructuring Agreement, shall remain in full force pending effectiveness of the Reinsurance and Assumption Agreement, and shall upon such effectiveness be fully discharged as obligations of ELNY other than to the

extent of the value of such obligations that are included in the Retained Liabilities, as that term is defined in the Restructuring Agreement;

- (10) To the extent any comment, suggestion, and/or objection that was presented regarding the Liquidation Petition or the Restructuring Agreement, and/or any related document, is inconsistent with the Restructuring Agreement and/or any related document, that comment, suggestion, and/or objection is overruled and any relief requested therein is denied;
- (11) The Receiver shall continue to direct the full payment of all benefits in respect of ELNY Contracts, in accordance with the terms of each ELNY Contract, until the closing of the Restructuring Agreement;
- (12) Judicial immunity is extended to the Receiver and his successors in office, the New York Liquidation Bureau, and their respective attorneys, agents, and employees, and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by 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 Insurance Law Article 74;
- (13) This Court shall retain subject matter jurisdiction over the Restructuring Agreement;
- (14) The Receiver may at any time make further application to this Court for such further and different relief as he sees fit;
- (15) In accordance with Insurance Law Section 7432(b), all claims against ELNY must be presented to the Receiver within four months of the Liquidation Date; however, in accordance with Insurance Law Section 7433(b)(1), all policyholders and holders of Claim-Overs (as defined in the Restructuring Agreement) who appear on ELNY's books and records as of the Liquidation Date are deemed to have duly filed proofs of claim;
- (16) The Receiver shall provide notice of this Order to all creditors, policyholders and other interested parties by: (i) posting this Order on the Internet webpage maintained by the New York Liquidation Bureau at <http://www.elny.org> within thirty (30) days after the Liquidation Date; and (ii) publishing notice of this Order in the New York Times and the Wall Street Journal, once a week for two consecutive publication weeks, commencing within two weeks after the Liquidation Date, in a form substantially similar to the one attached hereto as Exhibit 1;

- a. Such notice shall inform all creditors, claimants, and other interested persons that this Order has been entered; and
 - b. Such notice is sufficient notice to all persons interested in ELNY;
- (17) Any distribution of assets shall be in accordance with the priorities applicable to life insurance companies set forth in Section 7435(a) of Insurance Law Article 74 and substantially in accordance with the terms of the Restructuring Agreement;
- (18) Notwithstanding anything to the contrary contained in this Order or the Restructuring Agreement, neither this Order nor the Restructuring Agreement shall in any way limit, impair, prejudice or adjudicate any right or claim of any owner of or payee or beneficiary under any ELNY Contract, as that term is defined in the Restructuring Agreement, with respect to any coverage or benefits provided for under any Guaranty Association Act, as that term is defined in the Restructuring Agreement, or under Article 75 of the New York Insurance Law;
- (19) Except as expressly set forth in this Order and in the Restructuring Agreement approved by this Order, nothing in this Order shall limit, impair, prejudice or adjudicate any rights or obligations of the Participating Guaranty Associations, as that term is defined in the Restructuring Agreement;
- (20) At least two weeks prior to the proposed closing of the Restructuring Agreement, the Receiver will file a notice of the proposed closing date with the Court, and post a copy of such notice on the Internet webpage maintained by the New York Liquidation Bureau at <http://www.elny.org>. Within one business day of the closing of the Restructuring Agreement the Receiver will file a notice of the closing of the Restructuring Agreement with the Court and post a copy of such notice on the webpage <http://www.elny.org>; and
- (21) The caption to this proceeding is hereby amended, effective as of the closing date of the Restructuring Agreement, as follows:

SUPREME COURT OF THE STATE OF NEW YORK
 COUNTY OF NASSAU

-----X
 In the Matter of
 the Liquidation of

EXECUTIVE LIFE INSURANCE COMPANY OF NEW YORK.
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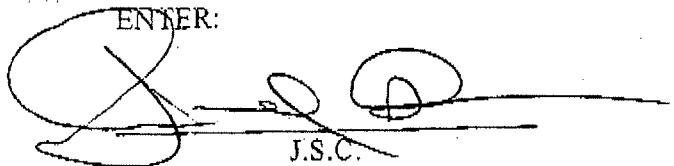

 J.S.C.

EXHIBIT 1

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038

To all persons or entities
Interested in the affairs of
EXECUTIVE LIFE INSURANCE COMPANY OF NEW YORK
Notice is Hereby Given:

- I. By an order of the Supreme Court of the State of New York, Nassau County (the "Court"), entered on [____], 2012 (the "Liquidation Order"), Executive Life Insurance Company of New York ("ELNY") was found to be insolvent. The Rehabilitation of ELNY was converted to a Liquidation effective as of the closing date of the Restructuring Agreement (defined below) (the "Liquidation Date").
- II. Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, and his successors in office, have been appointed, effective as of the Liquidation Date, as the liquidator of ELNY (the "Liquidator"), and, as such, has been (i) vested with all powers and authority expressed or implied under New York Insurance Law ("Insurance Law") Article 74, in addition to the powers and authority set forth in the Liquidation Order; (ii) vested with title to ELNY's property, contracts, rights of action, and all its books and records, wherever located; (iii) authorized and permitted to conduct the business of ELNY as the Liquidator deems wise and expedient; and (iv) directed to liquidate ELNY's business and affairs in accordance with Insurance Law Article 74 and substantially in the manner provided in the Agreement of Restructuring in Connection with the Liquidation of ELNY, and the Exhibits and Schedules attached thereto (the "Restructuring Agreement"). A copy of the Restructuring Agreement can be found on the dedicated ELNY Internet webpage maintained by the New York Liquidation Bureau at <http://www.elny.org>.
- III. The Liquidator will, pursuant to Insurance Law Article 74, appoint Jonathan L. Bing, Special Deputy Superintendent for the New York Liquidation Bureau (the "Special Deputy"), as his agent to liquidate the business of ELNY. The Special Deputy carries out his duty through the New York Liquidation Bureau, 110 William Street, New York, New York 10038-3901.
- IV. The rights and liabilities of ELNY and of its creditors, policyholders, and all other persons interested in the estate of ELNY will be fixed as of the Liquidation Date.
- V. All persons, other than the Receiver (as defined in the Restructuring Agreement) and his agents, are enjoined and restrained from: (i) dealing with, disposing of, or doing or permitting any act or thing that might waste ELNY's assets; (ii) transacting ELNY's business; (iii) interfering with this proceeding or with the Receiver in his possession, control, and management of ELNY's property, or in the discharge of his duties under Insurance Law Article 74; and (iv) obtaining any preferences, judgments, attachments, or other liens, and from making any levy against ELNY, its assets, or any part thereof.

- VI. All persons are enjoined and restrained from commencing or further prosecuting any actions at law or other proceedings against ELNY or its assets, the Receiver or the New York Liquidation Bureau, or their present or former employees, attorneys, or agents, with respect to this proceeding or the discharge of their duties under Insurance Law Article 74.
- VII. All parties to actions, lawsuits, and special or other proceedings in which ELNY is 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, until further order of the Court.
- VIII. All persons or entities having property and/or information, including, but not limited to, insurance policies, claims files (electronic or paper), software programs, and/or bank records owned by or belonging to ELNY shall preserve such property and/or information and immediately, upon the Receiver's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Receiver.
- IX. The provisions, terms, and conditions of the Restructuring Agreement, and the Exhibits and Schedules attached thereto, have been approved and confirmed as of the date of the Liquidation Order (provided that such approval and confirmation shall not be deemed to preclude updating, adjustment and amendment of Schedule 1.15 prior to, contemporaneously with and subsequent to closing of the Restructuring Agreement, as provided in Section 1.15 of the Restructuring Agreement).
- X. To the extent any comment, suggestion, and/or objection that was presented regarding the Liquidation Petition or the Restructuring Agreement, and/or any related document, is inconsistent with the Restructuring Agreement and/or any related document, that comment, suggestion, and/or objection is overruled and any relief requested therein is denied.
- XI. Judicial immunity is extended to the Receiver and his successors in office, the New York Liquidation Bureau, and their respective attorneys, agents, and employees, and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by any one or more of them when acting in good faith, in accordance with the Liquidation Order, or in the performance of their duties pursuant to Insurance Law Article 74.
- XII. The Court shall retain subject matter jurisdiction over the Restructuring Agreement.
- XIII. The Receiver may at any time make further application to the Court for such further and different relief as he sees fit.
- XIV. In accordance with Insurance Law Section 7432(b), all claims against ELNY must be presented to the Receiver, on or before [] (the "Claims Bar Date"). However, in accordance with Insurance Law Section 7433(b)(1), all policyholders and holders of Claim-Overs (as defined in the Restructuring Agreement) who appear on ELNY's books and records as of the Liquidation Date are deemed to have duly filed proofs of claim. Schedule 1.15 to the Restructuring Agreement sets forth a list of all ELNY Contracts of policyholders that appear on ELNY's books and records as of the Liquidation Date. Policyholders can determine whether

their ELNY Contract is listed on Schedule 1.15 by visiting <http://www.elny.org> or by calling the toll-free information line at 1-888-398-8213. All policyholders of ELNY Contracts set forth on Schedule 1.15 and all holders of Claim-Overs do **not** need to file a Proof of Claim form. However, all policyholders who wish to dispute any information set forth on Schedule 1.15 with respect to their ELNY Contract and any other parties wishing to assert claims against ELNY must complete and return a Proof of Claim form so that it is **received** by the Receiver on or before the Claims Bar Date or they may not be considered. Proof of Claim forms and instructions are available at <http://www.elny.org> or may be requested by calling the toll-free information line at 1-888-398-8213.

XV. Any distribution of assets shall be in accordance with the priorities applicable to life insurance companies set forth in Section 7435(a) of Insurance Law Article 74 and substantially in accordance with the terms of the Restructuring Agreement.

XVI. Notwithstanding anything to the contrary contained in the Liquidation Order or the Restructuring Agreement, neither the Liquidation Order nor the Restructuring Agreement shall in any way limit, impair, prejudice or adjudicate any right or claim of any owner of or payee or beneficiary under any ELNY Contract, as that term is defined in the Restructuring Agreement, with respect to any coverage or benefits provided for under any Guaranty Association Act, as that term is defined in the Restructuring Agreement, or under Article 75 of the New York Insurance Law.

XVII. Except as expressly set forth in the Liquidation Order and in the Restructuring Agreement approved by the Liquidation Order, nothing in the Liquidation Order shall limit, impair, prejudice or adjudicate any rights or obligations of the Participating Guaranty Associations, as that term is defined in the Restructuring Agreement.

XVIII. If you have any questions regarding this Notice, other matters related to ELNY or the liquidation proceeding, please call the toll-free information line at 1-888-398-8213 or write to the address set forth below:

New York Liquidation Bureau
Superintendent of Financial Services of the State of New York
As Receiver of ELNY
110 William Street
New York, New York 10038