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By: Emerald Erickson Kuepper
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Anne Kuepper

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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION,
GENERAL EQUITY PART-MERCER COUNTY
DOCKET NO.: MER-C-60-06

I/M/O THE REHABILITATION
OF NJ EXCHANGE

Civil Action

ORDER TO SHOW CAUSE
WITH IMMEDIATE RESTRAINTS

THIS matter having been opened to the Court by Anne Milgram, Attorney General of New Jersey, by Emerald Erickson Kuepper, Deputy Attorney General, as attorney for plaintiff, Commissioner of the Department of Banking and Insurance of the State of New Jersey ("Commissioner"), on a Petition for Liquidation of NJ Exchange, for an Order directing all persons having an interest in or claim against NJ Exchange to appear and show cause why an Order should not be entered, pursuant to N.J.S.A. 17:30C-8 and -9, providing for the liquidation of NJ Exchange, termination of the Order of Rehabilitation of NJ Exchange entered on July 10, 2006, and imposing injunctive relief pursuant to N.J.S.A. 17:30C-5, and the

Court having considered the Letter Brief, and the Certifications of Raymond Conover, Assistant Commissioner of the Office of Solvency Regulation, and Michelina A. Lombardo, Deputy Rehabilitator, and good cause appearing,

IT IS on this 2nd day of NOVEMBER 2007;

ORDERED that:

(1) Any person having an interest in or claim against NJ Exchange appear and show cause before the Honorable Neil H. Shuster, Presiding Judge, Chancery Division, Superior Court of New Jersey, 210 S. Broad Street, 5th Floor, Trenton, New Jersey on

P.O. Box 8068 08650

JANUARY 4 2008, at 2 p.m., or as soon thereafter as counsel may be heard, why an Order should not be entered.:

(a) Appointing the Commissioner as Liquidator of NJ Exchange with all the powers and authority expressed or implied by N.J.S.A. 17:30C-1, et seq.;

(b) Directing the Commissioner to liquidate NJ Exchange;

(c) Terminating the Order of Rehabilitation of NJ Exchange entered on July 10, 2006;

(d) Permanently enjoining all persons and entities from pursuing litigation against NJ Exchange, or from interfering with the Commissioner's efforts to liquidate NJ Exchange;

(e) Halting all further payment of claims by NJ Exchange;

(f) Providing that all claims must be asserted against

NJ Exchange no later than one year from date of the Order of Liquidation, in the form established by the Commissioner, or such claims will be forever barred;

(g) Establishing procedures governing the payment of claims by NJ Exchange;

(h) Granting the Commissioner such other injunctive and equitable relief as may be necessary to protect the policyholders and creditors of NJ Exchange and the public, as the Court may deem just and proper; and

(2) Effective immediately on entry of this Order, and until further Order of this Court, NJ Exchange is declared to be insolvent. This declaration is without prejudice, and shall not preclude the shareholders of NJ Exchange, if any, who deny that NJ Exchange is insolvent, from contesting the Commissioner's Petition for Liquidation or Declaration of Insolvency on the return date of this Order to Show Cause, or at a subsequent hearing.

(3) In continuation of the prior Court Order dated July 10, 2006, effective immediately and pending the return date of this Order to Show Cause, all court actions, arbitrations and mediations currently or hereafter pending in which NJ Exchange is a party in the State of New Jersey or elsewhere, are hereby stayed; and

(4) A copy of this executed Order to Show Cause, ~~the~~ the Petition for Liquidation, supporting certifications, and Letter Brief ~~having been served on October _____, 2007~~ shall be served within 5 days of

the date hereof on all parties listed on the Petition for Liquidation, said service to be made by regular mail, or by personal service, either of which means of service shall be deemed sufficient service of process upon the defendants; and

(5) Notice of this application to any other interested parties shall be accomplished by publishing a copy of this Order in a newspaper of general circulation in the county within which NJ Exchange's corporate offices were previously located, specifically, The Newark Star Ledger, The Trenton Times, The Courier-Post, The New Jersey Lawyer, and The New Jersey Law Journal on or before November 16, 2007; and that such Notice shall constitute good and sufficient notice of this application to all persons having an interest in or claim against NJ Exchange subject to the requirements of due process of law; and

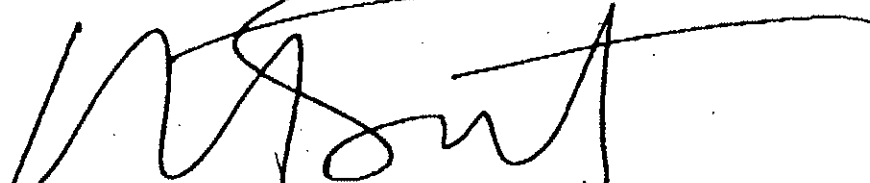
(6) If any interested party intends to file answering affidavits or briefs or seek other relief in the present matter, such papers shall be filed with the Court and served upon Deputy Attorney General Emerald Erickson Kuepper, attorney for the Commissioner, on or before DECEMBER 14, 2007; and the Commissioner may file reply papers on or before DECEMBER 24, 2007; and

(7) A copy of this Order to Show Cause and all supporting materials, filed herewith, shall be available for public inspection during regular business hours beginning 2 days after the date of this Order and until the return date of the Order to Show Cause at

the following locations:

- (a) NJ Exchange in Rehabilitation
3 Wing Drive, Suite 260
Cedar Knolls, N.J. 07927
- (b) N.J. Department of Banking and Insurance
Office of Solvency Regulation, 8th Floor
20 West State Street
Trenton, N.J. 08625-0325
- (c) Superior Court of New Jersey
Mercer County
210 South Broad Street, 5th Floor,
Trenton, N.J. 08650-0068

(8) The Commissioner's representative shall serve a copy of this Order by fax upon all Civil Presiding Judges and all Civil Case Managers upon receipt of an executed copy.



Hon. Neil H. Shuster, P. J. Ch. Div.