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CLERK OF SUPERIOR COURT
SUPERIOR COURT OF N.J.
MERCER COUNTY
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MAY 19 2009

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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION-MERCER COUNTY
DOCKET NO. MER-C-17-09

I/M/O REHABILITATION OF)
CONSUMER FIRST INSURANCE)
COMPANY.)

Civil Action

) ORDER TO SHOW CAUSE WITH
) IMMEDIATE RESTRAINTS

This matter having been brought before the court by Anne Milgram, Attorney General of New Jersey, by Eleanor Heck, Deputy Attorney General, as attorney for plaintiff, Steven M. Goldman, Commissioner of Banking and Insurance (the "Commissioner"), on a Petition for Liquidation of Consumer First Insurance Company ("Consumer First"), for an Order directing all persons having an interest in or claim against Consumer First 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 Consumer First, termination of the Order of Rehabilitation of Consumer First entered on April 22, 2009, and imposing injunctive relief pursuant to N.J.S.A. 17:30C-5, and the court having considered the Petition

for Liquidation, Letter Brief and the Certification of Raymond K. Conover, Assistant Commissioner for the Office of Solvency Regulation, and for good cause appearing,

IT IS on this 19th day of May, 2009;
ORDERED that

1. Any person having an interest in or claim against Consumer First appear and show cause before the Honorable Maria Marinari Sypek, Presiding Judge, Chancery Division, Superior Court of New Jersey, at 210 South Broad Street, P.O. Box 8068, Trenton, New Jersey 08650, at 10:00 o'clock in the fore noon or as soon thereafter as counsel may be heard, on the 21ST day of July, 2009, why an Order should not be entered:

- a. Declaring Consumer First to be insolvent;
- b. Appointing the Commissioner as Liquidator of Consumer First with all the powers and authority expressed or implied by N.J.S.A. 17:30-1, et seq.;
- c. Directing the Commissioner to liquidate Consumer First;
- d. Terminating the Order of Rehabilitation of Consumer First, entered on April 22, 2009;
- e. Permanently enjoining all persons and entities from pursuing litigation against Consumer First, or from interfering with the Commissioner's efforts to liquidate Consumer First;

f. Halting further payment of claims by Consumer First except with the express written consent or directive of the Liquidator or his designees or appointees;

g. Providing that all claims must be asserted against Consumer First no later than one year from the date of the Order of Liquidation, in the form established by the Commissioner, or such claims will be forever barred;

h. Establishing procedures governing the payment of claims by Consumer First;

i. Granting the Commissioner such other injunctive and equitable relief as may be necessary to protect the policyholders and creditors of Consumer First and the public, as the court may deem just and proper; and

2. Effective immediately on entry of this Order to Show Cause, and until further Order of this court, Consumer First is declared to be insolvent. This declaration is without prejudice and shall not preclude the shareholders of Consumer First, if any, who deny that Consumer First 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 Order of Rehabilitation, dated April 22, 2009, 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 Consumer First or any of its insureds is a party, in the State of New Jersey or elsewhere, are hereby stayed;

4. In further continuation of the Order of Rehabilitation, dated April 22, 2009, effective immediately and pending the return date of this Order to Show Cause, there shall be no further payment of claims by Consumer First except at the directive of the Commissioner or of this court;

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 Consumer First's corporate offices are located, specifically, the Newark Star-Ledger, the Trenton Times, the Courier-Post, and the New Jersey Law Journal on or before June 9, 2009, 2009, with such publication to commence within 20 days of the date of this Order, or as soon as practicable thereafter, and to be repeated once a week thereafter for two successive weeks. Such notice shall constitute good and sufficient service of this application to all persons having an interest in or claim against Consumer First subject to the requirements of due process of law;

6. A copy of this Order to Show Cause and all supporting materials filed herewith shall be available for public inspection on the Department's website (<http://www.state.nj.us/DoB&I/finesolv.htm>) and during regular

business hours beginning 2 days after the date of this Order to Show Cause and until the return date of the Order to Show Cause at the following locations:

- a. Consumer First Insurance Company
1144 Clifton Avenue
Clifton, New Jersey 07013
- b. New Jersey Department of Banking and Insurance
Office of Solvency Regulation
20 West State Street, Eighth Floor
Trenton, New Jersey 08625

7. The Commissioner's representative shall serve a copy of this Order to Show Cause by telecopier on all Civil Presiding Judges and all Civil Case Managers on receipt of an executed copy.

8. The above restraints shall continue until the return date of the Order to Show Cause, as scheduled by the court, and Consumer First may move to dissolve or modify the temporary restraints contained herein on two (2) days' notice to Deputy Attorney General Eleanor Heck.

9. If any party intends to file answering affidavits or briefs or seek other relief in the present matter, it shall file and serve a written response to this order to show cause and the request for entry of injunctive relief and proof of service by July 9, 2009, 2009. The original documents and one copy must be filed with the Honorable Maria Marinari Sypek, Presiding Judge Chancery Division, Superior Court of New Jersey, 210 South Broad Street, P.O. Box 8068, Trenton, New Jersey 08650. You must also send a copy of your opposition papers to the

plaintiff's attorney whose name and address appears above. A telephone call will not protect your rights; you must file your opposition and pay the required fee of \$ 135.⁰⁰ and serve your opposition on your adversary, if you want the court to hear your opposition to the injunctive relief the plaintiff is seeking;

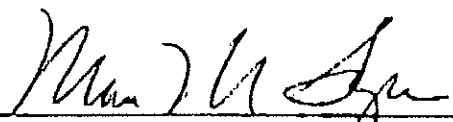
10. The plaintiff must file and serve any written reply to Consumer First's order to show cause opposition by July 16, 2009, 2009. The original reply papers and one copy must be filed with the Honorable Maria Marinari Sypek, Presiding Judge Chancery Division, Superior Court of New Jersey, 210 South Broad Street, P.O. Box 8068, Trenton, New Jersey 08650.

11. If no person files and serves opposition to this order to show cause, the application will be decided on the papers on the return date and relief may be granted by default, provided that the plaintiff files a proof of service and a proposed form of order at least 3 days prior to the return date.

12. If the plaintiff has not already done so, a proposed form of order addressing the relief sought on the return date (along with a self-addressed return envelope with return address and postage) must be submitted to the court no later than three (3) days before the return date.

13. The court will entertain argument, but not testimony, on the return date of the order to show cause, ~~unless~~

the court and parties are advised to the contrary no later than _____
days before the return date.



Honorable Maria Marigari Sypek
Presiding Judge Chancery Division