

STUART RABNER
ATTORNEY GENERAL OF NEW JERSEY
22 South Clinton Avenue
4 Station Plaza, 2nd Floor
P.O. Box 117
Trenton, New Jersey 08625
Attorney for Plaintiff,
Commissioner of the Department
of Banking and Insurance

RECEIVED
APR 25 2007
Debra Nigam
DEBRA NIGAM
SUPERIOR COURT OF NEW JERSEY

By: William B. Puskas, Jr.
Deputy Attorney General
(609) 633-9847

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION-MERCER COUNTY
DOCKET NO. C-84-06

I/M/O THE)
REHABILITATION OF) Civil Action
EAGLE INSURANCE COMPANY) ORDER TO SHOW CAUSE WITH
TEMPORARY RESTRAINTS

THIS matter having been opened to the Court by Stuart Rabner Attorney General of New Jersey, by William B. Puskas, Deputy Attorney General, as attorney for plaintiff, Steven M. Goldman, Commissioner of the Department of Banking and Insurance of the State of New Jersey ("Commissioner"), on a Petition for Liquidation of Eagle Insurance Company and its Subsidiaries ("Eagle") for an Order directing all persons having an interest in, or claim against, Eagle 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 Eagle, termination of the Order of Rehabilitation of Eagle 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 Alexander Farley, Raymond Conover and Donald Bryan and good cause appearing;

IT IS on this 25th day of April, 2007

ORDERED that:

(1) Any person having an interest in or claim against Eagle 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 MAY 16 2007, at 2 P.M. ~~X~~.m., or as soon thereafter as counsel may be heard, why an Order should not be entered:

- (a) appointing the Commissioner as Liquidator of Eagle 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 Eagle;
- (c) terminating the Order of Rehabilitation of Eagle entered on July 10, 2006;
- (d) permanently enjoining all persons and entities from pursuing litigation against Eagle, or from interfering with the Commissioner's efforts to liquidate Eagle;
- (e) providing that all claims must be asserted against Eagle no later than one year from date of the of the Order of

*MAILING ADDRESS: - 2 -

P.O. Box 8068
Trenton NJ 08650

Liquidation, in the form established by the Commissioner, or such claims will be forever barred;

(f) establishing procedures governing the run off and payment of claims by Eagle;

(g) granting the Commissioner such other injunctive and equitable relief as may be necessary to protect the policyholders and creditors of Eagle and the public, as the Court may deem just and proper;

(h) declaring Eagle to be insolvent; and

(2) In continuation of the prior Court Order dated January 29 2007, 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 Eagle is a party in the State of New Jersey or elsewhere, are hereby stayed; and

(3) A copy of this Order to Show Cause, the Petition for Liquidation, supporting certifications, and Letter Brief shall be served within 2 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 or which means of service shall be deemed sufficient service of process upon the defendants; and

(4) 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 Eagle's corporate offices were previously located, specifically, The Newark Star Ledger, The Courier Post, The Wall Street Journal or The New York Times, The New Jersey Lawyer, and The New Jersey Law Journal on or before MAY 4, 2007; and that Notice shall constitute good and sufficient notice of this application to all persons having an interest in or claim against Eagle subject to the requirements of due process of law; and

(5) 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 William B. Puskas, Jr. Attorney for the Commissioner on or before MAY 10, 2007; and *as to those parties being given notice set forth in paragraph 4.*

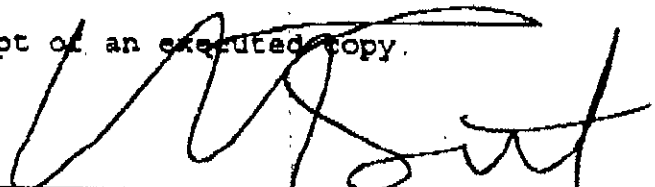
(6) A copy of this Order to Show Cause and all supporting materials, filed herewith, shall be available for public inspection during regular business hours beginning 2 days after the date of this Order and until the return date of this Order To Show Cause at the following locations:

- (a) Eagle Insurance Company
- (b) N.J. Department of Banking and Insurance
Office of Solvency Regulation
20 West State Street, 8th Floor
Trenton, NJ 08625

*
[SEE
NEXT
PAGE]

(c) Superior Court of New Jersey
Mercer County
210 South Broad Street, 5th Floor
Trenton, NJ 08650-0068

(7) The Commissioner's representatives 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.

Dated: April 25, 2007

* This application shall be heard in conjunction with the motion by the Eagle shareholders seeking to enforce a settlement. ~~As to~~ This OTSC and supporting Petition filed by the Commissioner shall be considered opposition to the Motion to Enforce. The shareholders shall file any reply brief and affidavits on or before MAY 4, 2007. The Commissioner shall file any sur-reply brief and affidavits on or before MAY 10, 2007. This schedule was set in an informal ~~with~~ telephone conference with the attorneys.