

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPREME JUDICIAL COURT
FOR SUFFOLK COUNTY
NO. SJ-2000-0394

LINDA L. RUTHARDT, as she is)
COMMISSIONER OF INSURANCE of the)
COMMONWEALTH OF MASSACHUSETTS,)
)
Plaintiff,)
)
v.)
)
NEW ENGLAND FIDELITY INSURANCE)
COMPANY,)
)
Defendant.)
)

**ORDER OF LIQUIDATION AND
APPOINTMENT OF PERMANENT RECEIVER**

This proceeding was initiated on September 20, 2000 upon the Verified Complaint and Request for Appointment of Receiver of Linda L. Ruthardt, as the Commissioner of Insurance of the Commonwealth of Massachusetts (the "Commissioner"). The Commissioner filed the Verified Complaint with the Court pursuant to the provisions of G.L. c. 175, § 180B, seeking appointment as receiver for the purpose of rehabilitating and conserving the assets of New England Fidelity Insurance Company ("New England Fidelity"). Upon consideration thereof, and with the non-objection of New England Fidelity, on September 20,

2000, the Court entered an Injunction and Order Appointing Receiver, in which the Commissioner was appointed Receiver of New England Fidelity (the "Receiver"). The Commissioner has determined that New England Fidelity is insolvent within the meaning of G.L. c. 175, § 180C, and that it should be liquidated. On October 5, 2000, the Commissioner petitioned the Court pursuant to said § 180C for an order of liquidation of New England Fidelity, for her appointment as Permanent Receiver of New England Fidelity, and for a permanent injunction. Following due notice, the Petition came to be heard on _____, 2000, and upon consideration thereof,

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED, EFFECTIVE NOVEMBER 15, 2000, THAT:

1. New England Fidelity is insolvent within the meaning of G.L. c. 175, § 180C.

2. The proceedings initiated under G.L. c. 175, § 180B, for New England Fidelity are hereby terminated, and the Injunction and Order Appointing Receiver entered September 20, 2000, except ¶¶ 7 and 8, is vacated.

3. The Commissioner (or any successor in office, as the case may be) is hereby appointed Permanent Receiver of New England Fidelity for the purposes of its liquidation, as

provided in and subject to G.L. c. 175, § 180C, to take possession of the property, assets, records, accounts, and effects of New England Fidelity, to settle its affairs, to distribute its assets to creditors, and to pay the necessary costs and expenses of these proceedings, subject to such rules and orders as this Court or any single Justice hereof may prescribe.

4. New England Fidelity, its directors, officers, employees, and agents are permanently enjoined and restrained from proceeding with the business of New England Fidelity, except upon the order or direction of the Commissioner as Permanent Receiver or the Special Deputy Receiver.

5. To the full extent of the jurisdiction of the Court and the comity to which the orders of the Court are entitled, all persons are hereby permanently enjoined and restrained from instituting or continuing to prosecute any suit, action or other proceeding against New England Fidelity, its directors, officers, employees or agents, or against the Commissioner as Permanent Receiver or the Special Deputy Receiver; or from executing or issuing or causing the execution or issuance of any writ, process, summons, attachment, subpoena, replevin, execution or other proceeding for the purpose of impounding or

taking possession of or interfering with any property owned by or in the possession of New England Fidelity, or owned by New England Fidelity and in the possession of any of its directors, officers, employees or agents, or owned by New England Fidelity and in the possession of the Commissioner as Permanent Receiver.

6. Pursuant to G.L. c. 175, § 179, the Commissioner as Permanent Receiver is authorized to employ or continue to employ, to delegate authority to and to fix the compensation of such appropriate personnel, including consultants, special counsel, and counsel in other jurisdictions, as she deems necessary to carry out the liquidation of New England Fidelity, subject to compliance with the provisions of G.L. c. 175, the supervision of the Commissioner as Permanent Receiver, and of the Court.

7. The Commissioner as Permanent Receiver is authorized to transfer, invest, re-invest and otherwise deal with the assets and property of New England Fidelity so as to effectuate its liquidation.

8. Kevin J. McAdoo is appointed as Special Deputy Receiver of New England Fidelity pursuant to G.L. c. 175, § 179.

9. The Commissioner as Permanent Receiver is authorized to take such further actions concerning New England Fidelity as she deems appropriate to effectuate the purposes of this Order.

10. All costs of this proceeding shall be paid from the funds or assets of New England Fidelity.

11. The Court retains jurisdiction to issue such further orders as to New England Fidelity as may be necessary and appropriate.

By the Court (Greaney, J.)

Entered: _____, 2000