

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE
IN AND FOR NEW CASTLE COUNTY

IN THE MATTER OF)
THE REHABILITATION OF) C. A. NO. 10436
GREAT ATLANTIC INSURANCE)
COMPANY)

ORDER

Whereas, by a Rehabilitation and Injunction Order dated November 17, 1988, this Court ordered that:

"All parties to lawsuits in this State and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with any pretrial conference, trial, application for [judgment] or proceeding on [judgments] or settlements and such actions at law, [in equity], special or other proceedings in which GAICO is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date hereof....";

and

Whereas, the Receiver has submitted a verified motion seeking an order extending by 90 days the injunction heretofore issued by this Court and good cause appearing for the granting of such motion; therefore

IT IS HEREBY ORDERED this 5 day of May, 1989, that the above injunction is extended in duration to run through August 14, 1989.

CERTIFIED

AS A TRUE COPY:

ATTEST:

JOHN D. MENNY III
REGISTER IN CHANCERY

By R. Randolph
Deputy II Register

Orlando Allen
Chancellor

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MOTION TO EXTEND INJUNCTION

The Receiver for Great Atlantic Insurance Company ("GAICO"), David N. Levinson, Insurance Commissioner for the State of Delaware, by and through his undersigned attorney, hereby moves this Honorable Court, pursuant to 18 Del. C. sec. 5904, for an Order extending the duration of an injunction ordered by the Court by an Order dated November 17, 1988 and states in support thereof that:

1. By a Rehabilitation and Injunction Order dated November 17, 1988, the Court, at paragraph 9 of said Order, ordered that:

"All parties to lawsuits in this State and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with any pretrial conference, trial, application for [judgment] or proceeding on [judgments] or settlements and such actions at law, [in equity], special or other proceedings in which GAICO is obligated to defend a party insured or any other person it is legally obligated to defend by virtue of its insurance contract for a period of 180 days from the date hereof...."

2. The Receiver and GAICO's primary re-insurer are presently engaged in negotiations to form a contract of commutation under which the primary re-insurer would advance a lump-sum of money to cover future claims against GAICO for which the primary re-insurer is obligated.

3. Essential to the formation of the contract of commutation is the continuation of the above injunction.

WHEREFORE, the Receiver, by and through his undersigned attorney, respectfully moves this Court for an Order extending the duration of its injunction by 90 days to run through August 14, 1989.

Peter O. Jamison, III

Peter O. Jamison, III
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Attorney for Receiver

DATE: May 2, 1989