



**GRANTED**

**EFiled: Nov 29 2005 8:51AM EST  
Transaction ID 7527239**



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

IN THE MATTER OF )  
STATEWIDE INSURANCE COMPANY ) C.A. No. 18668NC  
IN REHABILITATION )

**ORDER TO SHOW CAUSE CONCERNING  
THE RECEIVER'S PETITION FOR APPROVAL OF THE  
PLAN OF REHABILITATION OF STATEWIDE INSURANCE COMPANY**

WHEREAS, the Honorable Matthew Denn, Insurance Commissioner of the State of Delaware, in his capacity as the Receiver (the "Receiver") of Statewide Insurance Company in Rehabilitation ("Statewide") has filed the Receiver's Petition for Approval of the Plan of Rehabilitation of Statewide Insurance Company (the "Petition"), pursuant to 18 Del. C. § 5902, seeking the Court's approval of a Plan of Rehabilitation of Statewide, establishment of a Bar Date, establishment of a deadline for objections to the Plan of Rehabilitation, and scheduling of a hearing for interested parties to present their objections to the proposed Plan of Rehabilitation;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

**HEARING**

A hearing on the Petition has been scheduled to be held before this Court on the day and time set forth on the attachment to this Order to Show Cause in the Court of

Chancery, New Castle County Courthouse, 500 North King Street, Wilmington, Delaware.

**OBJECTION DEADLINE**

IT IS HEREBY FURTHER ORDERED THAT the Receiver's Petition shall be granted, the Plan of Rehabilitation shall be approved, the Bar Date shall be established as February 28, 2006, and the form of Order Approving the Plan of Rehabilitation of Statewide Insurance Company shall be entered unless one or more interested parties show cause why the Receiver's Petition should not be granted.

In order for the objections to be heard and considered at the Show Cause hearing, they must be received by the Court at least five business days before the hearing date, and must specify the substance of the objection and explain why the Court should not grant the Petition and approve the Plan of Rehabilitation.

In addition to the substance of the objection, any objection must include the following information:

- a. The caption of these proceedings at the top of the first page:

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

IN THE MATTER OF )  
STATEWIDE INSURANCE COMPANY ) C.A. No. 18668NC  
IN REHABILITATION )

b. the nature of the document being filed below the caption (i.e., Objection to the Receiver's Petition for Approval of Plan of Rehabilitation) and the name of the party on whose behalf such document is being filed;

c. the name, address and telephone number of the person filing the document;

d. the Bar identification number of the Delaware counsel filing the document; and

e. the date the document is being filed.

Any interested party wishing to object to the Petition, the Plan of Rehabilitation, or the Bar Date shall submit such objection in writing by the deadline set forth above to:

Register in Chancery  
Court of Chancery of the State of Delaware  
in and for New Castle County  
New Castle County Courthouse  
500 North King Street  
Wilmington, Delaware 19801

Delaware counsel shall file such objections electronically in accordance with the Court's electronic filing procedures.

Unless the objection is filed electronically by the interested party's Delaware counsel, copies of any objections shall also be mailed at the same time that the original is filed with the Court to the Receiver's counsel as follows:

Diane J. Bartels, Esquire  
Brandywine Village  
1807 North Market Street  
Wilmington, Delaware 19802-4810

Each objecting party shall be required to appear in person at the hearing. If an objecting party fails to appear at the hearing without having been granted a continuance by the Court, the Court may overrule or disregard such party's objections and grant the relief sought by the Receiver in the Petition, based upon the objecting party's failure to pursue the objection.

**REPRESENTATION OF INTERESTED PARTIES BY COUNSEL**

If an interested party intends to be represented by an attorney at the hearing, the interested party must provide the Court of Chancery with the name of the attorney admitted to practice law in Delaware who is representing the interested party, at least five calendar days before the scheduled hearing date. Under Delaware procedure, corporate parties are required to be represented by Delaware counsel.

**NOTICE OF PETITION, PLAN OF REHABILITATION, AND RELATED DOCUMENTS**

IT IS HEREBY FURTHER ORDERED that the Receiver shall provide notice of the Petition, the Plan of Rehabilitation, the Bar Date, and the form of Order Approving the Plan of Rehabilitation as follows:

**NOTICE BY MAIL TO OPEN OR KNOWN POTENTIAL CLAIMS AND DIGA**

Within five business days of receipt of this Order to Show Cause, the Receiver shall mail, by United States first class mail, postage prepaid, with proof of service by United States Postal Form 3606 (Certificate of Bulk Mailing), a copy of each of the following to all creditors with open or known potential claims as of the filing of the Petition for Approval of this Plan of Rehabilitation, and to the Delaware Insurance Guaranty Association: the Notice of Bar Date appended to the Petition as Exhibit A(2); the Order to Show Cause; the Petition with all Exhibits thereto, including the proposed Plan of Rehabilitation; the form of Order Approving the Plan of Rehabilitation; and a Proof of Claim form with instructions, in the form appended to the Petition as Exhibit A(1).

**NOTICE BY MAIL TO OTHER INTERESTED PARTIES**

Within five business days of receipt of this Order to Show Cause, the Receiver shall also mail, by United States first class mail, postage prepaid, with proof of service by United States Postal Form 3606, a copy of the summary notice substantially in the form appended to the Petition as Exhibit A(3), to all known creditors with open claims as of the entry of the Rehabilitation Order and to all State Insurance Departments.

**NOTICE BY PUBLICATION TO OTHER INTERESTED PARTIES AND THE PUBLIC**

The Receiver shall also cause to be published, at least three calendar weeks before the hearing, notice of the Plan, the Bar Date and the proof of claim process one time each in the *News Journal* and the *Delaware State News*, substantially in the form of the Legal Notice appended to the Petition as Exhibit A(4).

**ADJOURNMENT OF HEARING**

The Court reserves the right to adjourn the hearing, without further notice other than by Order of the Court.

IT IS SO ORDERED as of the date this Order to Show Cause is docketed in the above-captioned matter.

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The Honorable Leo B. Strine, Jr.  
Vice Chancellor

Court: DE Court of Chancery

Judge: Strine, Leo E

File & Serve reviewed Transaction ID: 7464966

Current date: 11/29/2005

Case number: 18668

Case name: I/M of: Rehabilitation of Statewide Insurance Co

The hearing will be held on Friday, January 13, 2006 at 10:00 a.m.

/s/ Judge Leo E Strine Jr