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Superior Court of New Jersey
Chancery Division, Mercer County

Docket No.: C-54-14

In re Ocean Risk Retention
Group, Inc. (in liquidation)

Petitioner

CIVIL ACTION

ORDER STAYING AND ENJOINING

ALL LITIGATION

PURSUANT TO RULE 4:52

Unopposed Matter
Return Date: September 26, 2014

THIS MATTER is brought before the court by William Megna, attorney for petitioner Ocean Risk Retention Group, Inc. (in liquidation) ("Ocean"), seeking relief by way of a stay and injunction pursuant to Rule 4:52 based on facts set forth in the verified complaint filed herewith.

After considering the verified complaint, the Court's previous order in this matter, and the entire record, the Court finds that:

1. Ocean is a captive insurer organized and licensed under the laws of the District of Columbia. Ocean operated in New Jersey and Pennsylvania as a commercial risk retention group ("RRG"), offering liability insurance to taxi owner-operators and taxi fleet owners.

2. The District of Columbia Department of Insurance, Securities and Banking ("DISB") is responsible for the regulation of, among other things, all insurance companies domiciled in the District of Columbia, including RRGs and other captive insurers.
3. DISB filed an Emergency Consent Petition for an Expedited Order of Liquidation of Ocean Risk Retention Group, Inc. Pursuant to D.C. Official Code §§ 31-1303, 31-1315, 31-1316 and 31-3931.01 *et seq.* The Superior Court for the District of Columbia granted the petition on September 6, 2013, and entered an Order of Liquidation (the "Liquidation Order") appointing the District of Columbia Commissioner of Insurance, Securities and Banking to be Ocean's Liquidator pursuant to D.C. Official Code § 31-1316 (2012 Repl.).
4. Thereafter, pursuant to the Liquidation Order and D.C. Official Code § 31-1319(a)(1) (2012 Repl.), on September 10, 2013, the Liquidator appointed Robert H. Myers, Jr. to be Special Deputy Liquidator ("Special Deputy") for the purpose of liquidating Ocean and for any related actions. The Superior Court for the District of Columbia ("DC Superior Court") issued an order on September 24, 2013, approving Mr. Myers' appointment as Special Deputy.
5. Also on September 24, 2013, the DC Superior Court, in response to the Liquidator's request, issued an order staying and enjoining all litigation against Ocean until further order of that court, and also staying and enjoining all litigation against Ocean's policyholders ("Policyholders") for a period of one year.

6. On December 9, 2013, the DC Superior Court issued a supplementary stay order (the "Supplementary Stay Order") clarifying the September 24, 2013 stay order. The Supplementary Stay Order again stayed and enjoined litigation against Ocean and further stayed and enjoined litigation against Ocean's policyholders for a period of one year beginning December 9, 2013, but clarified that the Supplementary Stay Order did not stay, enjoin or otherwise interfere with Ocean's right to take legal action to recover assets from any person, including a Policyholder.
7. In September 2013, the Special Deputy began notifying Ocean's policyholders and known creditors of the liquidation proceedings and providing proof of claim forms. In addition, the Liquidator notified the Pennsylvania Insurance Department and the New Jersey Department of Banking and Insurance of Ocean's liquidation. Notices also were published in The Washington Times on October 21-25, 2013 and in the Legal Intelligencer of Philadelphia, Pennsylvania on October 21-25, 2013.
8. By its own terms and by D.C. Official Code § 31-1322 (2012 Repl.), the Supplementary Stay Order applies to suits against Ocean both inside and outside the District of Columbia and thus includes litigation in New Jersey state courts.
9. By New Jersey Statutes § 17B:32-53, the Supplementary Stay Order must be recognized and given effect in New Jersey.
10. Further, by the Full Faith and Credit Clause of the U.S. Constitution, the Supplementary Stay Order is applicable to all states, including New Jersey. *See, e.g., Baker v. General Motors Corp.*, 522 U.S. 222 (1998) (affirming principal

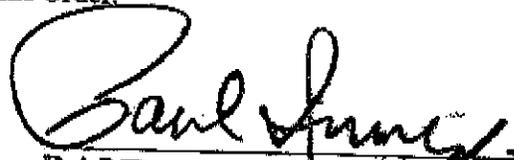
that a judgment of a competent state court on an issue over which it has adjudicatory power must be given effect in other states even if those states' laws would compel a different result were the case tried there).

11. Despite the Supplementary Stay Order, suits against Ocean remain active in New Jersey. These suits comprise a substantial portion of the claims currently pending against the Ocean estate.
12. Because Ocean is an RRG, it is not compelled to make contributions to or entitled to receive assistance from the New Jersey Property and Liability Insurance Guarantee Association ("NJPLIGA") or any similar guarantee fund or association in New Jersey. *See, e.g., Aftab v. New Jersey Prop. Liab. Ins. Guar. Assn.*, 898 A.2d 1041 (N.J. Super. 2006). For this reason, the Liquidator and the Special Deputy Liquidator have assumed the responsibilities which, in part, normally would be NJPLIGA's responsibilities in a non-RRG liquidation.
13. On June 17, 2014, Ocean filed a verified complaint with this Court requesting an Order to Show Cause with Temporary Restraints pursuant to Rule 4:52 and seeking to domesticate the Supplementary Stay Order in the State of New Jersey.
14. On July 17, 2014, in response to Ocean's request, this Court issued an Order to Show Cause with Temporary Restraints.
15. Based on the record and the Court's findings in this matter, Ocean's request for relief should be granted.

Accordingly, for good cause shown, it is ORDERED that:

1. All persons and entities are hereby enjoined until further order of this Court from commencing or continuing any litigation against Ocean.

2. All litigation pending against any Policyholder is hereby stayed until December 19, 2014 and for so long as any extension of the Supplementary Stay Order issued by the DC Superior Court shall remain in effect.
3. All persons and entities are hereby enjoined from commencing or continuing any litigation against a Policyholder until December 19, 2014 and for so long as any extension of the Supplementary Stay Order issued by the DC Superior Court shall remain in effect.
4. Notwithstanding anything to the contrary herein, no provision of this Order shall be construed, interpreted or understood to stay, enjoin or otherwise interfere with Ocean's right as plaintiff to take legal action to recover assets from any person, including a Policyholder.
5. Ocean shall serve a copy of this Order by mail upon the Civil Presiding Judge and Civil Division Manager of each Vicinage in this state within ten (10) days following execution of this Order.
6. Ocean shall serve a copy of this Order by mail upon the Attorney General of the State of New Jersey and the Commissioner of the State of New Jersey Department of Banking and Insurance within ten (10) days following execution of this Order.
7. Ocean shall publish a copy of this Order in the New Jersey Law Journal within ten (10) days following execution of this Order.


PAUL INNES, P.J.Ch. J.S.C.

unopposed