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**FILED**

**DEC 19 2016**

**SUPERIOR COURT OF NJ  
MERCER VICINAGE  
CHANCERY**

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SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION-MERCER COUNTY  
DOCKET NO. MER-C-63-16

I/M/O THE REHABILITATION OF )	
FREELANCERS CONSUMER OPERATED )	
AND ORIENTED PROGRAM OF NEW )	
JERSEY D/B/A HEALTH REPUBLIC )	ORDER TO SHOW CAUSE WITH
INSURANCE OF NEW JERSEY )	CONTINUATION OF RESTRAINTS
)	AS TO WHY AN ORDER OF
)	LIQUIDATION SHOULD NOT BE
)	ENTERED
)	

This matter having been opened to the Court by Christopher S. Porrino, Attorney General of New Jersey, by William B. Puskas, Jr., Deputy Attorney General, as attorney for plaintiff, Richard J. Badolato, the Commissioner of the Department of Banking and Insurance of the State of New Jersey ("Commissioner"), and Rehabilitator of Freelancers Consumer Operated and Oriented Program of New Jersey d/b/a Health Republic Insurance of New Jersey ("Freelancers"), on a Petition for Liquidation of Freelancers, to appear and show cause why an order should not be entered, pursuant to N.J.S.A. 17B:32-45

to -47, providing for the liquidation of Freelancers, termination of the Order of Rehabilitation of Freelancers entered on October 19, 2016, and continuing the injunctive relief previously granted pursuant to N.J.S.A. 17B:32-39; and the Court having considered the Petition for Liquidation, Letter Brief, and the Certification of Richard Schlesinger, Chief Insurance Examiner in the Office of Solvency Regulation for the New Jersey Department of Banking and Insurance; and for good cause appearing,

IT IS on this 19<sup>th</sup> day of December, 2016,

ORDERED that:

(1) Any person having an interest in or claim against Freelancers appear and show cause before the Honorable Paul Innes, Presiding Judge, Chancery Division, Superior Court of New Jersey, Mercer County Civil Courts Building, 175 South Broad Street, Trenton, New Jersey on February 24, 2017, at 10:30 A.m., or as soon thereafter as counsel may be heard, why an order should not be entered:

a. Appointing the Commissioner as Liquidator of Freelancers with all the powers and authority expressed or implied by N.J.S.A. 17B:32-31 to -92;

b. Directing the Commissioner to liquidate Freelancers;

c. Terminating the Order of Rehabilitation of Freelancers, entered on October 19, 2016;

d. Permanently enjoining all persons and entities from pursuing litigation against Freelancers, or from interfering with the Commissioner's efforts to liquidate Freelancers;

e. Halting further payment of claims by Freelancers except with the express written consent or directive of the Liquidator or his designees or appointees;

f. Providing that all claims must be asserted against Freelancers no later than 180 days from the date of the Order of Liquidation, in the form established by the Commissioner, or such claims will be forever barred;

g. Establishing procedures governing the payment of claims by Freelancers;

h. Granting the Commissioner such other injunctive and equitable relief as may be necessary to protect the policyholders and creditors of Freelancers and the public, as the court may deem just and proper; and

2. In continuation of the Order of Rehabilitation, dated October 19, 2016, effective immediately and pending the return date of this Order to Show Cause, there shall be no further payment of claims or other expenses by Freelancers except at the directive of the Commissioner or of this court; and

3. 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 Freelancers's corporate offices are located, specifically, the Newark Star-Ledger, the Courier-Post, and the New Jersey Law Journal, on or before January 20, 2017, with such publication to commence within 15 days of the date of this Order, or as soon as practicable thereafter, and to be repeated once a week thereafter for two successive weeks. Such notice shall constitute good and sufficient service of this application to all persons having an interest in or claim against Freelancers subject to the requirements of due process of law; and

4. A copy of this Order to Show Cause and all supporting materials filed herewith shall be available for public inspection on the Department's website at: [http://www.state.nj.us/dobi/division\\_insurance/finesolv.htm](http://www.state.nj.us/dobi/division_insurance/finesolv.htm), and during regular business hours, beginning two days after the date of this Order to Show Cause and until the return date of the Order to Show Cause at the following locations:

- (a) Health Republic Insurance Company  
570 Broad Street, Suite 1100  
Newark, NJ 07102

(b) N.J. Department of Banking and Insurance  
Office of Solvency Regulation  
20 West State Street, 8<sup>th</sup> Floor  
Trenton, NJ 08625

(c) Superior Court of New Jersey, Mercer County  
Mercer County Civil Courts Building  
175 South Broad Street  
Trenton, NJ 08650-0068

;and

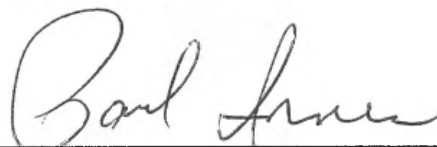
5. The restraints set forth in the October 19, 2016 Order of Rehabilitation shall continue in full force and effect, pending the return date of this Order to Show Cause; and

6. If any person intends to file answering affidavits or briefs or seek other relief in the present matter, it shall file and serve a written response to this Order to Show Cause and proof of service by February 9, 2017. The original reply papers and one copy must be filed with the Honorable Paul Innes, P.J. Ch. Div., Superior Court of New Jersey, Mercer County Civil Courts Building, 175 South Broad Street, Trenton, New Jersey 08650. A copy of any opposition papers shall also be sent to Deputy Attorney General William B. Puskas, Jr., Attorney for the Commissioner, whose address appears above.

7. If no person files and serves opposition to this Order to Show Cause, the application will be decided on the papers on the return date and the relief sought may be granted by default, provided

that, if the plaintiff has not already done so, a proposed form of order addressing the relief sought on the return date (along with a self-addressed return envelope with return address and postage) is submitted to the court no later than three (3) days before the return date.

8. The court will entertain argument, but not testimony, on the return date of the Order to Show Cause, unless the court and parties are advised to the contrary no later than 7 days before the return date.

A handwritten signature in cursive script, appearing to read "Paul Innes", written in black ink.

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Hon. Paul Innes, P.J. Ch. Div.