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**SUSAN OCHS, ACTING
COMMISSIONER OF THE NEW JERSEY
DEPARTMENT OF BANKING AND
INSURANCE,**

PLAINTIFF,

v.

**NEW JERSEY PHYSICIANS UNITED
RECIPROCAL EXCHANGE,**

DEFENDANT.

**SUPERIOR COURT OF NEW JERSEY
MERCER COUNTY
CHANCERY DIVISION**

DOCKET NO.: MER-C-26-

ORDER TO SHOW CAUSE

THIS MATTER having been opened to the court by Jennifer Davenport, Attorney General of New Jersey, by Jeffrey S. Posta, Deputy Attorney General, as attorney for Plaintiff, the Commissioner (“Commissioner”) of the New Jersey Department of Banking and Insurance (“Department”), upon notice to all parties requiring notice, seeking relief by way of temporary restraints pursuant to R. 4:52, based on the facts set forth in the Verified Complaint filed herewith, for an Order directing all persons having an interest in or claim against New Jersey Physicians United Reciprocal Exchange (“NJ PURE”) to appear and show cause why an order should not be entered, pursuant to N.J.S.A. 17:50-5 and N.J.S.A. 17:30C-8 and -9, declaring NJ PURE to be insolvent, providing for the liquidation of NJ PURE, and imposing injunctive relief pursuant to N.J.S.A. 17:30C-5; and the Court having considered the Verified Complaint, Petition for Liquidation, Letter

Brief, and Certification of David Wolf, Acting Assistant Commissioner, Office of Solvency Regulation for the New Jersey Department of Banking and Insurance; and

IT APPEARING that NJ PURE is insolvent and in such financial condition that its further transaction of business will be hazardous to its subscribers/policyholders, creditors, or the public; and

IT FURTHER APPEARING that NJ PURE currently has no active policies in force; and

IT FURTHER APPEARING that the Court having considered the Letter Brief, Verified Complaint, and Certification of David Wolf, Acting Assistant Commission of the Office of Solvency Regulation, and for good cause appearing;

IT IS on this 26th day of May, 2026,

ORDERED that:

(1) Any person having an interest in or claim against NJ PURE appear and show cause before **Jodi F. Bouer, J.S.C.** the Honorable ~~Patrick J. Bartels, Presiding Judge~~, Chancery Division, Superior Court of New Jersey, Mercer County Civil Courts Building, 175 South Broad Street, Trenton, New Jersey on July 27, 2026, at 9:00 a.m., or as soon thereafter as counsel may be heard, why an Order should not be entered:

(a) declaring NJ PURE to be insolvent;

(b) appointing the Commissioner as Liquidator of NJ PURE with all the powers and authority expressed or implied by N.J.S.A. 17:30C-1, et seq., and the implementing regulations for those statutes, and vesting her with immediate and exclusive possession and control of, and title to, the business of NJ PURE and all books, records, files, equipment, computer hardware and software, assets, and property of any nature of or relating to NJ PURE's operations, whether real or personal, including but not limited to bank accounts, certificates of deposit, bonds, securities, or other financial instruments of NJ PURE, wherever such materials may be located or situated;

(c) directing the Commissioner to take immediate and exclusive possession of the business and property of NJ PURE, and to exercise full and exclusive authority over the business and affairs of NJ PURE;

(d) directing the Commissioner to liquidate NJ PURE;

(e) permanently enjoining all persons and entities from pursuing litigation against NJ PURE, or from interfering with the Commissioner's efforts to liquidate NJ PURE;

(f) halting further payment of claims by NJ PURE except with the express written consent or directive of the Commissioner as Liquidator or her designees or appointees;

(g) providing that all claims must be asserted against NJ PURE 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;

(h) establishing procedures governing the run off and payment of claims by NJ PURE;

(i) granting the Commissioner such other injunctive and equitable relief as may be necessary to protect the subscribers/policyholders and creditors of NJ PURE and the public from the effects of NJ PURE's insolvency. (A copy of the proposed form of Order of Liquidation is filed herewith.);

(j) dissolving the existence of and revoking the certificate of authority of NJ PURE; and

(2) Effective immediately upon entry of this Order, and until further Order of this court, NJ PURE is declared to be insolvent.

AND IT IS FURTHER ORDERED that pending the return date herein:

(1) Effective immediately upon entry of the within Order to Show Cause and pursuant to N.J.S.A. 17:30C-5, all persons, corporations, partnerships, associations, governmental entities, and

all other entities of any nature wherever situated, including but not limited to those not within the jurisdiction of the Commissioner, and NJ PURE, its directors, officers, trustees, agents, employees, representatives, attorney-in-fact, and claimants, and creditors thereof, are hereby enjoined and restrained from:

- (a) Commencing, maintaining, or further prosecuting any action at law or equity, or any special proceeding or any other proceeding of any nature against NJ PURE, without leave of the Commissioner or this court;
- (b) Taking any action in violation of any administrative orders issued with respect to NJ PURE, which remain in full force and effect;
- (c) Undertaking any other threatened or contemplated action that might lessen the value of NJ PURE's assets, or prejudice the rights of the subscribers/policyholders, creditors, stockholders or members in this proceeding except as permitted by the Commissioner;
- (d) Commencing, maintaining, or further prosecuting any action at law or in equity, or any special proceeding or any other proceeding of any nature against the subscribers/policyholders of NJ PURE resulting from NJ PURE's insolvency or the failure of NJ PURE or any party contracted by NJ PURE to pay any of its contractual obligations; and
- (e) Except as otherwise provided herein, terminating or canceling without leave of Court, any lease, contract, license or other arrangement with NJ PURE for the provision or supply of any office space supplies, or equipment, including but not limited to, computer hardware and/or software or any other services or materials or equipment of any nature that are required to operate the business of NJ PURE; and

(2) All secured creditors or parties, lien holders, collateral holders or other persons claiming a secured, priority or preferred interest in any property or assets of NJ PURE are hereby enjoined and restrained from taking any steps whatsoever to transfer, sell, encumber, attach, dispose of, or exercise purported rights in or against, any property or assets of NJ PURE; and

(3) Effective immediately upon execution of this Order to Show Cause, no bank, savings and loan association, or other financial institution, or any other entity of any nature holding property, assets, funds or accounts of, for, or on behalf of, NJ PURE, including any attorney-in-fact, member, provider, subscriber, or creditor of NJ PURE, shall exercise any form of set-off, alleged set-off lien, or any form of self-help whatsoever with respect to said property, assets, funds or accounts without the prior approval of this court; and

(4) Effective immediately upon execution of this Order to Show Cause, the officers, directors, trustees, agents, representatives, and employees of NJ PURE, and, if appropriate, any entity that represents such party or contracts with such party, shall permit the Commissioner, her staff or designees to have access to any and all premises, and if requested, copies of all or parts of any and all accounts, records and files, relating to the operation of NJ PURE; and

(5) Effective immediately and pending the return date of this Order to Show Cause, all court actions, arbitrations and mediations currently or hereafter pending in which NJ PURE is a party in the State of New Jersey or elsewhere, are hereby stayed; and

(6) Effective immediately, all court actions, arbitrations and mediations for which NJ PURE is providing a defense to its subscribers in the State of New Jersey or elsewhere are hereby stayed, and the Commissioner's representatives shall cause to be delivered to all Civil Presiding Judges and Civil Case Managers a copy of this Order to Show Cause upon receipt of an executed copy; and

(7) Effective immediately and pending the return date of this Order to Show Cause, there shall be no further expenditures of monies, including the payment of claims, by NJ PURE except at the directive of the Commissioner or at the directive of this court; and

IT IS FURTHER ORDERED that:

(1) The above restraints shall expire on further order of the court, ~~2026~~, unless on or before that date the said restraints shall be extended as provided by the Rules of Court; and

(2) A copy of this Order to Show Cause, Verified Complaint, Petition for Liquidation, supporting Certification, and Letter Brief shall be served on NJ PURE and on all parties listed on the Petition for Liquidation or before June 2, 2026, in accordance with R. 4:4-3 and R. 4:4-4, this being original process; and

(3) Plaintiff must file with the court her proof of service of the pleadings on NJ PURE no later than three days before the return date; and

(4) Notice of this application to any other interested parties shall be accomplished by posting this Order on the Department's website, by electronic mail if available, and by certified and regular mail. Such notice shall constitute good and sufficient notice of this application to all persons having an interest in or claim against NJ PURE subject to the requirements of due process of law; and

(5) 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 (<http://www.state.nj.us/dobi/finesolv.htm>).

(6) If any interested party intends to file and serve a contesting or other response, including briefs or affidavits, to this Order to Show Cause and the request for injunctive relief, that party shall file the same, together with a proof of service, by July 3, 2026.

The original documents must be filed with the Clerk of the Superior Court in the county listed above, whose address is: 175 South Broad Street, Trenton, NJ 08650. A copy must also be sent to the Hon. Jodi F. Bouer, J.S.C.

~~Patrick J. Bartels, P.J.Ch.~~, 175 South Broad Street, Trenton, NJ 08650. You must also send a copy of your opposition papers to the Plaintiff's attorney, who is Deputy Attorney General Jeffrey S. Posta, Attorney for the Commissioner, whose address appears above. A telephone call will not protect your rights; you must file your opposition, pay the required filing fee and serve your opposition on your adversary, if you want the court to hear your opposition to the injunctive relief the Plaintiff is seeking.

(7) The Plaintiff must file and serve any written reply to any response by July 13, 2026. A copy of the reply papers must be filed with

Jodi F. Bouer, J.S.C.
the Honorable ~~Patrick J. Bartels, P.J.~~ Ch.Div., Superior Court of New Jersey, Mercer County Civil Courts Building, 175 South Broad Street, Trenton, New Jersey 08650; and

(8) If no person files a contesting response to this Order to Show Cause, the application will be decided on the papers on the return date and relief may be granted by default in accordance with the proposed form of order submitted and served with the Petition for Liquidation and as it may be modified by this court; and

(9) Defendant(s) take notice that Plaintiff has filed a lawsuit against you in the Superior Court of New Jersey. The Verified Complaint attached to this Order to Show Cause states the basis of the lawsuit. If you dispute this complaint, you, or your attorney, must file a written answer to the complaint and proof of service within 35 days from the date of service of this Order to Show Cause; not counting the day you received it.

These documents must be filed with the Clerk of the Superior Court in the county listed above, and you must pay the required filing fee. You must also send a copy of your Answer to the Plaintiff's attorney whose name and address appear above, or to the Plaintiff, if no attorney is named above. A telephone call will not protect your rights; you must file and serve your Answer (with the fee) or judgment may be entered against you by default. Please note: Opposition to the Order to Show Cause is not an Answer and you must file both. Please note further: If you do not file and serve an Answer within 35 days of this Order, the court may enter a default against you for the relief Plaintiff demands; and

(10) If you cannot afford an attorney, you may call the Legal Services office in the county in which you live. A list of these offices is provided. If you do not have an attorney and are not eligible

for free legal assistance you may obtain a referral to an attorney by calling one of the Lawyer Referral Services; and

(11) 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.

/s/ Jodi F. Bouer

~~Hon. Patrick J. Bartels, P.J. Ch.~~

Jodi F. Bouer, J.S.C.

_____ Opposed

_____ Unopposed