

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. DIANE KOKEN :  
Insurance Commissioner of the :  
Commonwealth of Pennsylvania, :  
 :  
Plaintiff, :  
 :  
v. :  
RELIANCE INSURANCE COMPANY, :  
 :  
Defendant :

DOCKET NO. 269 MD 2001

RECEIVED AND FILED  
PHILADELPHIA  
COMMONWEALTH COURT  
OF PENNSYLVANIA  
JUN 5 3 26 PM '01

ORDER

AND NOW, this        day of        , 2001, it is hereby ORDERED that  
Forrestal Village Community Services Association, Inc. and the Commons at Princeton  
Landing Condominium Association, Inc.'s Petition to Intervene and Petition for Relief from  
Stay are DENIED.

BY THE COURT:

By: \_\_\_\_\_ J.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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M. DIANE KOKEN :  
Insurance Commissioner of the :  
Commonwealth of Pennsylvania, :  
 :  
Plaintiff, :  
 :  
v. : DOCKET NO. 269 MD 2001  
 :  
RELIANCE INSURANCE COMPANY, :  
 :  
Defendant :

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**RESPONSE OF M. DIANE KOKEN TO PETITIONS TO INTERVENE  
AND FOR RELIEF FROM STAY OF FORRESTAL VILLAGE COMMUNITY  
SERVICES ASSOCIATION, INC. AND THE COMMONS AT PRINCETON  
LANDING CONDOMINIUM ASSOCIATION, INC.**

Plaintiff M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, as statutory Rehabilitator of Reliance Insurance Company ("Reliance"), by her undersigned counsel, responds to the Petitions to Intervene and Petition for Relief from Stay filed by petitioners Forrestal Village Community Services Association, Inc. and The Commons at Princeton Landing Condominium Association, Inc. (collectively, "Forrestal Village") as follows:

1. On May 29, 2001, the Commonwealth Court of Pennsylvania entered an Order placing Reliance Insurance Company ("Reliance") in rehabilitation ("Rehabilitation Order") pursuant to the Pennsylvania Insurance Department Act, 40 P.S. §§ 221.1 - 221.63 ("Insurance Department Act").
2. The Rehabilitation Order appointed M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, and her successors in office,

Rehabilitator of Reliance ("Rehabilitator"). The Order directs the Rehabilitator "to take immediate possession of [Reliance's] property, business and affairs" and "to take such action as the nature of this case and the interests of the policyholders, certificateholders, creditors or the public may require."

4. Consistent with the provisions of the Insurance Department Act, the Rehabilitation Order directs a modest 60-day stay of all actions against insureds of Reliance. Paragraph 22 of the Rehabilitation Order mandates that "[a]ll actions currently pending in the Courts of the Commonwealth of Pennsylvania or elsewhere against an insured of Reliance are stayed for 60 days or such additional time as the Rehabilitator may request."

5. As the Forrestal Village's Motion for Relief from Stay alleges, petitioner Forrestal Village has pending in the Superior Court of New Jersey an action ("Forrestal Village Litigation") against Landing Associates, The Value Group, Inc., Value Asset management, Inc and Dara Golgolab, P.E. which are insureds of Reliance. Therefore, pursuant to paragraph 22 of the Rehabilitation Order, the Forrestal Village Litigation is stayed for 60 days, unless the Rehabilitator requests additional time .

6. The Rehabilitator does not intend to seek an extension of the 60-day stay period in the Forrestal Village Litigation.

7. Since the Rehabilitator will not seek an extension of the 60-day stay period, the stay ordered by this Court will expire on July 29, 2001 - - in about three weeks -- at which time the Forrestal Village Litigation can proceed.

WHEREFORE, the Rehabilitator requests that Forrestal Village's Petition to Intervene and Petition for Relief from Stay be denied as they will become moot as of July 29, 2001.

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By:



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Attorneys for Plaintiff  
M. Diane Koken, Insurance Commissioner  
of the Commonwealth of Pennsylvania, as  
Rehabilitator for Reliance Insurance Company

Dated: July 5, 2001

## VERIFICATION

I, William S. Taylor, am the Deputy Insurance Commissioner, Pennsylvania Insurance Department, Office of Liquidations, Rehabilitations and Special Funds, and the Deputy Rehabilitator of Reliance Insurance Company. I hereby verify that the statements made in the foregoing Response to Petition to Intervene and for Relief from Stay of Forrestal Village Community Services Association, Inc. and the Commons at Princeton Landing Condominium Association, Inc. are true and correct to the best of my knowledge, information and belief.

I understand that the statements in this Response are made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

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William S. Taylor

Date: July 5, 2001

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the preceding Response of M. Diane Koken to Petitions to Intervene and for Relief from Stay of Forrestal Village Community Services Association, Inc. and the Commons at Princeton Landing Condominium Association, Inc. was served by first class mail, postage prepaid, upon the following:

Richard P. Coe, Jr., Esquire  
The Widener Building, Suite 500  
1339 Chestnut Street  
Philadelphia, PA 19107

  
ANN E. KIM

Dated: July 5, 200