

IN THE SUPERIOR COURT OF THE VIRGIN ISLANDS

DIVISION OF ST. THOMAS AND ST. JOHN

THE HONORABLE TREGENZA A. ROACH, ESQ., LIEUTENANT)
Plaintiff)
)
)
)
vs)
)
REAL LEGACY ASSURANCE)
COMPANY, INC.)
JAVIER RIVERA RIOS, P. R.)

CASE NO. ST-19-CV-0000072

ACTION FOR: PETITION (GENERAL)

Defendant

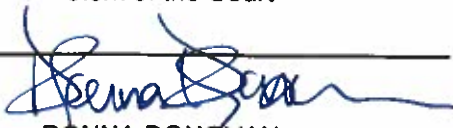
**NOTICE OF ENTRY OF AN
AMENDED ORDER OF
ANCILLARY RECEIVERSHIP**

TO: ARIEL M. SMITH, ESQ.
DOLACE MCLEAN, ESQ.
DOUGLAS L. CAPDEVILLE, ESQ.

Please take notice that on March 18, 2019 a(n) AN AMENDED ORDER OF ANCILLARY RECEIVERSHIP dated March 15, 2019 was entered by the Clerk in the above-entitled matter.

Dated: March 18, 2019

Estrella H. George
Clerk of the Court


DONNA DONGVAN
COURT CLERK SUPERVISOR

**IN THE SUPERIOR COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS AND ST. JOHN**

THE HONORABLE TREGENZA A. ROACH, ESQUIRE,)
LIEUTENANT GOVERNOR, IN HIS CAPACITY AS)
COMMISSIONER OF INSURANCE, GOVERNMENT)
OF THE UNITED STATES VIRGIN ISLANDS,)

Petitioner,)

v.)

REAL LEGACY ASSURANCE COMPANY, INC.,)
JAVIER RIVERA RIOS, PUERTO RICO)
COMMISSIONER OF INSURANCE, and JUAN A.)
MOLDES RODRIGUEZ, ESQUIRE, DEPUTY)
LIQUIDATOR,)

Respondents.)

CASE NO. ST-19-CV-072

ACTION FOR LIQUIDATION
AND INJUNCTIVE RELIEF

AMENDED ORDER OF ANCILLARY RECEIVERSHIP

THIS MATTER is before the Court upon a “Petition for Appointment of Ancillary Receivership & for Injunctive Relief” filed on February 11, 2019. The Honorable Lieutenant Governor, Tregenza A. Roach, Esquire, in his capacity as Commissioner of Insurance of the United States Virgin Islands (the “Commissioner”), having moved this Court for an Order appointing the Commissioner and his successors in office as ancillary receiver (“Ancillary Receiver”) of Real Legacy Assurance Company, Inc. (“Real Legacy”) and upon reading and filing the petition of the Commissioner, duly verified on February 5, 2019, (“Verified Petition”) the Affidavit of Cheryl Charleswell, Chief Financial Services Examiner, United States Virgin Islands Division of Banking, Insurance and Financial Regulation (the “Division”), sworn to on February 5, 2019, and the exhibits annexed thereto, this Court finds that:

1. Real Legacy was a property and casualty insurer incorporated in Puerto Rico. Real Legacy was organized under the laws of Puerto Rico, with its statutory office located in Guaynabo,

Puerto Rico.

2. Real Legacy was licensed in the United States Virgin Islands in October 1990, as a foreign insurer authorized to transact property and casualty insurance in accordance with Title 22, Chapter 9 of the Virgin Islands Code; specifically, the Company wrote policies for dwelling, homeowner, automobile and commercial coverage in the Territory.
3. Real Legacy was licensed to transact insurance business in the United States Virgin Islands until December 31, 2018.
4. On September 28, 2018, the Court granted the Puerto Rico Insurance Commissioner's petition and placed Real Legacy into Rehabilitation, based on evidence that further transaction of business by Real Legacy would be hazardous to its policyholders, creditors and the public. The Puerto Rico Insurance Commissioner, Javier Rivera Rios, was appointed Rehabilitator.
5. After much effort to reform and revitalize the Company, on January 17, 2019, the Rehabilitator concluded that the Company could not be rehabilitated and filed a petition to convert Real Legacy rehabilitation proceeding to a liquidation proceeding because Real Legacy was statutorily insolvent and conducting business beyond this date would be futile and harmful to policyholders and creditors.
6. By Order dated January 18, 2019, the Superior Court of First Instance, Superior Court of San Juan, found Real Legacy to be insolvent and placed Real Legacy into liquidation (the "Liquidation Order"). The Liquidation Order appointed Javier Rivera Rios, Puerto Rico Insurance Commissioner as Liquidator ("Puerto Rico Liquidator") of Real Legacy liquidation. The Liquidation Order also, among other things, established ninety (90) days from the date of entry of the Order of Liquidation, as the claims bar date for the filing of claims against Real Legacy.
7. Puerto Rico is a reciprocal state within the meaning of Title 22 V.I.C. §1261.
8. Section 1260 mandates that the Commissioner be appointed Ancillary Receiver of Real Legacy.

NOW, on the motion of the Petitioner, it is hereby

ORDERED as follows:

1. The relief requested in the Verified Petition seeking an order of ancillary receivership (“Order”) is **GRANTED** in part; and it is further
2. **ORDERED** that this Court will take judicial notice of the Order of Liquidation entered by the Court of First Instance, San Juan Judicial Center dated January 18, 2019, declaring Real Legacy as **INSOLVENT**; and it is further
3. **ORDERED** that effective **March 1, 2019**; the Commissioner and his successor in his office are appointed Ancillary Receiver of Real Legacy and are vested with all rights and obligations granted to and imposed upon them pursuant to Title 22 V.I.C. Chapter 51; and it is further
4. **ORDERED** that the Commissioner shall be appointed Ancillary Receiver over the special deposit of Real Legacy within the Territory of the United States Virgin Islands, which pursuant to Tit. 22 V.I.C. §207 includes the statutory bond filed by Real Legacy with the Commissioner as a condition of doing business in the United States Virgin Islands; and it is further
5. **ORDERED** that such statutory bond acquired pursuant to Tit. 22 V.I.C. §207 which exists solely for the protection of the policyholders in the United States Virgin Islands, shall not be subject to withdrawal until all Real Legacy liabilities associated with the deposit have been fully paid; and it is further
6. **ORDERED** that the Puerto Liquidator shall provide to the Ancillary Receiver copies of all policies and full contact information for all United States Virgin Islands Real Legacy claimants, in order that the Ancillary Receiver can execute his responsibilities under Tit. 22 V.I. C. §1265(b) to ensure the speedy notice and orderly verification of claims and presentment of same to the Puerto Rico Liquidator; and it is further
7. **ORDERED** that pursuant to the statutory mandate set forth in Tit. 22 V.I.C. §1265(b) that the Ancillary Receiver verify and present claims to the Puerto Rico Liquidator in a speed and orderly manner, the Puerto Rico Liquidator shall provide to the Ancillary Receiver a listing of names and full contact information with the last known status of

all open United States Virgin Islands Real Legacy claims and information on any unearned premiums owed, including policyholders awaiting depreciation holdback payments and replacement checks; and it is further

8. **ORDERED** that the Ancillary Receiver, as receiver of United States Virgin Islands claims, shall upon receipt of those claims, in accordance with Tit. 22 V.I.C §1265(b), provide notice of the claims to the Puerto Rico Liquidator, with said claims, including but not limited to, a concise statement of the amount of the claim, the facts on which the claim is based, and the priorities asserted, if any; and it is further
9. **ORDERED** that pursuant to Title 22 of the V.I. Code, the Ancillary Receiver shall submit for payment to the Puerto Rico Liquidator all claims of residents in the United States Virgin Islands, which claims shall be given equal priority of payment from general assets, regardless where such assets are located, subject to the provisions of the laws of the Commonwealth of Puerto Rico and upon the entry of a final order approving distribution entered by the Superior Court of Puerto Rico; and it is further
10. **ORDERED** that pursuant to Tit. 22 V.I.C. §1266, in this ancillary proceeding the order of distribution of the domiciliary state shall control as to United States Virgin Islands claimants, and are to be determined by the Puerto Rico Liquidator under the laws of the Commonwealth of Puerto Rico; and it is further
11. **ORDERED** that the Liquidation Claims Bar Date of ninety (90) days from the date of the Liquidation Order entered by the Court of First Instance, San Juan Judicial Center, dated January 18, 2019, shall apply to all United States Virgin Islands claims under Real Legacy policies, but the Ancillary Receiver may request of the Puerto Rico Liquidator to petition the Court of First Instance, San Juan Judicial Center for additional time as set forth in Paragraph 44 of the Liquidation Order to ensure proper and timely notice to Virgin Islands claimants; and it is further
12. **ORDERED** that any pending and proposed lawsuit, action or proceeding in which Real Legacy is obligated to defend an insured or provide a defense to a party pursuant to an insurance policy are enjoined and restrained from obtaining any judgment or

proceeding with any discovery, court proceedings or other-litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of up to six (6) months as set forth in the Liquidation Order entered by the Court of First Instance, San Juan Judicial Center, dated January 18, 2019; and it is further

13. **ORDERED** that all persons are permanently enjoined and restrained from commencing or prosecuting any actions, lawsuits or proceedings or obtaining preferences, judgments, attachments or other liens or making any levy against the Commissioner as Ancillary Receiver, of the Office of the Lieutenant Governor, Division of Banking, Insurance and Financial Regulation, or their employees, attorneys, or agents, with respect to this proceeding or in the discharge of their duties under Tit. 22 V.I.C. Chapter 51; and it is further
14. **ORDERED** that the Ancillary Receiver shall provide notice of this Order and the Liquidation Order entered by the Court of First Instance, San Juan Judicial Center, dated January 18, 2019, substantially in the form attached hereto (the "Notice"), to all creditors, claimants, and interested persons located in the United States Virgin Islands by :(i) publication of the Notice in the newspapers, the *St. Thomas Virgin Islands Daily News* and the *St. Croix Avis*, or a publication of similar circulation, within thirty (30) days of the date of this Order, and (ii) posting the Notice, the Order of Ancillary Receivership, and the Liquidation Order on the internet web page maintained by the Office of the Lieutenant Governor at www.ltg.gov.vi within ten (10) days after entry of this Order; and it is further
15. **ORDERED** that Notice to all claimants of Real Legacy shall require that all proof of claims against Real Legacy be filed with the Ancillary Receiver on or before ninety (90) days from the date of the Liquidation Order entered by the Court of First Instance, San Juan Judicial Center, dated January 18, 2019, or any other court-ordered filing date; and it is further
16. **ORDERED** that this Court shall retain jurisdiction in this cause for granting such

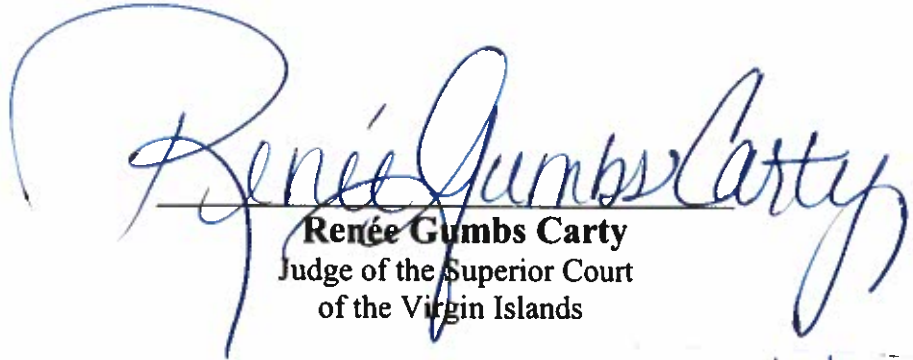
other and further relief as this cause, the interest of the United States Virgin Islands policyholders, creditors and the public may require; and it is further

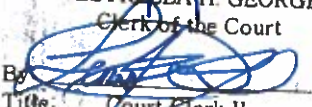
17. **ORDERED** that a copy of this Order shall be served upon the Attorney General of the United States Virgin Islands on behalf of the Honorable Tregenza A. Roach, Esquire, Lieutenant Governor of the United States Virgin Islands, Commissioner of Insurance; and Douglas Capdeville, Esquire for Honorable Javier Rivera Rios, Insurance Commissioner of Puerto Rico and Puerto Rico Liquidator; and Juan A. Moldes Rodriguez, Esquire, Special Deputy Liquidator; and it is further
18. **ORDERED** that this Order supersedes all previous Orders including the Temporary Restraining Order entered in this matter.

Dated: March 15, 2019

ATTEST:
Estrella H. George
Clerk of the Court

By: 
Donna D. Donovan
Court Clerk Supervisor 3/18/2019


Renée Gumbs Carty
Judge of the Superior Court
of the Virgin Islands

CERTIFIED TRUE COPY
Date: 3/18/2019
ESTRELLA H. GEORGE
Clerk of the Court
By: 
Title: Court Clerk II