

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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 In re: : Chapter 15
 :
 STRONGHOLD INSURANCE :
 COMPANY LIMITED (in Administration), : Case No. Case No. 19-13096 (MEW)
 :
 Debtor in a Foreign Proceeding.¹ :
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**ORDER GRANTING RECOGNITION OF THE DIRECT SANCTION
ORDER AND DIRECT SCHEME AND RELATED RELIEF
UNDER CHAPTER 15 OF THE BANKRUPTCY CODE**

Upon the *Motion of the Foreign Representative for Order Recognizing and Enforcing Order of the English Court Sanctioning the Direct Scheme and Related Relief under Chapter 15 of the Bankruptcy Code* (ECF No. 15) (the "**Motion** ")² of Dan Yoram Schwarzmann, in his capacity as the duly appointed foreign representative (the "**Foreign Representative**") of Stronghold Insurance Company Limited (in Administration) (the "**Debtor**") pursuant to sections 105(a), 1507, 1521 and 1525 of title 11 of the United States Code (the "**Bankruptcy Code**"), for entry of an order (this "**Order**"), among other things: (i) recognizing, granting comity to and giving full force and effect in the United States to the Direct Scheme and the Direct Sanction Order; (ii) enjoining parties from taking any action inconsistent with the Direct Scheme or the Direct Sanction Order in the United States; and (iii) granting such other relief as this Court deems just and proper, all as more fully set forth in the Motion, the Foreign Representative Declaration and the Hertz Declaration and the statements

¹ Stronghold Insurance Company Limited is incorporated and registered in England and Wales with company number 00736581. The Company's registered office was previously at 46 Rose Lane, Norwich, NR1 1PN, United Kingdom and has now been moved to 8th Floor Central Square, 29 Wellington Street, Leeds, West Yorkshire, LS1 4DL.

² Capitalized terms used but not defined herein shall have the meanings ascribed in the Motion.

of counsel at the hearing before this Court with respect to the Motion (the "**Hearing**"); and appropriate and timely notice of the filing of the Motion and the Hearing having been given; and no other or further notice being necessary or required; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and all interested parties having had an opportunity to be heard at the Hearing; and after due deliberation and sufficient cause appearing therefor,

THIS COURT HEREBY FINDS AND CONCLUDES THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference from the United States District Court for the Southern District of New York dated as of January 31, 2012, Reference M-431, *In re Standing Order of Reference Re: Title 11*, 12 Misc. 00032 (S.D.N.Y. Feb. 2, 2012) (Preska, C.J.). Consideration of the Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P). Venue is proper before this Court pursuant to 28 U.S.C. § 1410.

C. Pursuant to an order of this Court dated October 23, 2019, the Foreign Representative was duly recognized as the "foreign representative" of the Debtor within the meaning of section 101(24) of the Bankruptcy Code, and the Administration Proceeding was recognized as a "foreign main proceeding" within the meaning of section 1502(4) of the Bankruptcy Code [ECF 10] (the "**Recognition Order**").

D. The relief granted herein is necessary and appropriate to effectuate the purposes of chapter 15, to protect the Debtor and the interests of its creditors and other parties in interest, and is consistent with the laws of the United States, international comity, public policy and warranted pursuant to sections 105(a), 1507, 1521 and 1525 of the Bankruptcy Code.

E. Absent the relief granted herein, the efforts of the Debtor, the English Court and the Administrators to bring closure to the Debtor's businesses by centralizing claims in a single proceeding and making appropriate distributions in respect of such claims may be frustrated by actions or proceedings of individual creditors (including Direct Scheme Creditors), thereby interfering with and causing harm to, the Debtor, its creditors and other parties in interest and, as a result, the Debtor, its creditors and such other parties in interest would suffer irreparable injury for which there is no adequate remedy at law, a result contrary to the purposes of chapter 15.

F. The injunction contained in this Order (i) is within this Court's jurisdiction, (ii) is essential to the success of the Direct Scheme, and (iii) confers material benefits on, and is in the best interests of, the Debtor, its creditors and other parties in interest, including, without limitation, the Direct Scheme Creditors.

G. Appropriate notice of the filing of the Motion and the Hearing was given, which notice was deemed adequate for all purposes, and no further notice need be given.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion and the relief requested therein is granted.
2. All objections, if any, to the Motion or the relief requested therein that have not been withdrawn, waived or settled as announced to this Court at the Hearing, or by stipulation filed with this Court, and all reservations of rights included therein, are hereby overruled on the merits.

3. The Direct Sanction Order and Direct Scheme are hereby recognized, granted comity and given full force and effect in the United States and are binding and enforceable, in accordance with their terms, pursuant to sections 105(a), 1507, 1521 and 1525 of the Bankruptcy Code against all entities (as that term is defined in section 101(15) of the Bankruptcy Code) whose claims or interests are affected by the Direct Scheme.

4. All entities (as that term is defined in section 101(15) of the Bankruptcy Code) are permanently enjoined from (a) taking or continuing any act to obtain possession of, or exercise control over, any property of the Debtor located within the territorial jurisdiction of the United States, in each case, to the extent inconsistent with the Direct Scheme and the Direct Sanction Order, or (b) taking any action that is inconsistent with the Direct Scheme or the Direct Sanction Order, or interfering with the enforcement and implementation of the Direct Scheme or the Direct Sanction Order; *provided, that*, in each case, such injunctions shall be effective solely within the territorial jurisdiction of the United States; *provided, further*, that nothing herein shall prevent any entity from (i) seeking enforcement of any rights or obligations under the Direct Scheme, (ii) taking any actions or entering into transactions permitted by the Direct Scheme, or (iii) seeking relief from the English Court or this Court, as applicable, from the injunction contained in this Order.

5. Nothing herein shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding.

6. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

7. The Foreign Representative and the Debtor and each of their respective successors, agents, representatives, advisors and counsel shall be entitled to the protections contained in sections 306 and 1510 of the Bankruptcy Code, and no action taken by any such party in preparing, disseminating, applying for, implementing or otherwise acting in

furtherance of or in connection with the Administration Proceeding, the Direct Scheme, this Order, this chapter 15 case or any adversary proceeding herein, or any further proceeding commenced hereunder, shall be deemed to constitute a waiver of the rights or benefits afforded such parties under 306 and 1510 of the Bankruptcy Code.

8. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry, the Foreign Representatives shall not be subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and this Order shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

9. This Order is without prejudice to the Foreign Representative requesting any additional relief.

10. The Foreign Representative shall serve a copy of this Order within three (3) business days of entry of this Order upon all persons or bodies as required under this Court's *Order Scheduling Hearing and Specifying the Form and Manner of Service of Notice*. Such service shall be good and sufficient service and adequate notice for all purposes.

11. This Court shall retain jurisdiction over all matters arising from or related to the enforcement, amendment, modification, implementation and interpretation of this Order.

Dated: New York, New York
October 27, 2021

s/Michael E. Wiles

UNITED STATES BANKRUPTCY JUDGE