

**Matter of J.G. Wentworth Originations, LLC v
Allstate Life Ins. Co. of N.Y.**

2021 NY Slip Op 30650(U)

March 3, 2021

Supreme Court, Kings County

Docket Number: 525969/20

Judge: Richard Velasquez

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This opinion is uncorrected and not selected for official publication.

At Part 66, of the Supreme Court of the State of New York, held in and for the County of Kings, at the Courthouse located at 360 Adams Street, Brooklyn, New York, on this 3 day of MARCH, 2021

PRESENT:

HON. VELASQUEZ, JUSTICE.

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In the Matter of the Petition of

J.G. WENTWORTH ORIGINATIONS, LLC,

Petitioner,

ORDER

-and-

Index No.525969/20

ALLSTATE LIFE INSURANCE COMPANY OF NEW YORK, ALLSTATE SETTLEMENT CORPORATION and JOHANNY SANCHEZ,

As Interested Persons Pursuant to GOL §5-1701 (f),

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THIS MATTER having come before the Court pursuant to the Petition of J.G. Wentworth Originations, LLC (“Wentworth”) seeking approval of the transfer of certain structured settlement payments by the payee, Johnny Sanchez, a/k/a J. Sanchez, a/k/a Johnny Sanchez-Santiago (“Ms. Sanchez”), to petitioner, Wentworth, pursuant to the provisions of General Obligations Law § 5-1701 *et seq.*, and by an Order to Show Cause.

NOW, this 3 day of MARCH, 2021, the Court hereby finds that:

- a. The transfer of the structured settlement proceeds, specifically:
 - One lump sum payment of \$35,000.00 due on May 8, 2025; and
 - One lump sum payment of \$25,000.00 due on May 8, 2030

(the “Assigned Payments”), by Ms. Sanchez to Wentworth as described in the New York Purchase Contract dated December 19, 2020 (the “Purchase Agreement”) between Ms. Sanchez, as assignor, and Wentworth, as assignee, and in the Petition in this matter (the “Proposed Transfer”), complies with the requirements of the Structured Settlement Protection Act, GOL § 5-1701 *et seq.*, and 26 U.S.C. § 5891; and

b. The Proposed Transfer is in the best interest of Ms. Sanchez taking into account the welfare and support of Ms. Sanchez’s dependents, and the transaction, including the discount rate used to determine the gross advance amount and the fees and expenses used to determine the net advance amount, is fair and reasonable; and

c. Ms. Sanchez has been advised in writing by Wentworth to seek independent professional advice regarding the Proposed Transfer and has either received such advice or knowingly waived such advice in writing; and

d. The Proposed Transfer does not contravene any applicable federal or state statute or the order of any court or other government or responsible administrative authority; and

e. Not less than ten (10) days prior to the date on which Ms. Sanchez signed the Purchase Agreement, Wentworth provided to Ms. Sanchez a separate Disclosure Statement meeting the requirements of GOL § 5-1703; and

f. Notice of the Proposed Transfer and the application for its authorization have been filed with the Court and served on all interested parties, including the annuity issuer, Allstate Life Insurance Company of New York (“Allstate Life NY”), and the structured settlement obligor, Allstate Settlement Corporation (“Allstate Settlement”) (collectively, “Allstate”), in compliance with GOL § 5-1705; and

g. The Purchase Agreement and all disclosures are written in plain language and in compliance with GOL § 5-702; and

h. This Court has jurisdiction over this matter pursuant to GOL § 5-1705(b), as this is the Court which approved the underlying structured settlement. Ms. Sanchez is a resident of and domiciled in Queens County; and

i. Pursuant to an Final Order of the Circuit Court of Sumter County, Florida dated April 26, 2011, Ms. Sanchez assigned to Wentworth her interest in the following structured settlement payments:

- one lump sum payment of \$30,000.00 due on May 8, 2015; and
- one lump sum payment of \$50,000.00 due on May 8, 2020.

j. pursuant to the Final Order of the Supreme Court of New York, Orange County, dated November 30, 2016, Ms. Sanchez assigned to DRB Capital, LLC her interest in the following structured settlement payments:

- one lump sum payment of \$25,000.00 due on May 8, 2020; and
- one lump sum payment of \$20,000.00 due on May 8, 2025.

Based on the foregoing findings, IT IS HEREBY:

ORDERED that pursuant to GOL § 5-1706, the Proposed Transfer is approved.

Regardless of the designated beneficiary under Annuity Contract No. 95000947 (the "Annuity"), owned by Allstate Settlement and issued by Allstate Life NY, Wentworth shall be entitled to receive the Assigned Payments even in the event of Ms. Sanchez's death, and Ms. Sanchez understands she is giving up her rights, and the rights of her heirs, successors, and/or beneficiaries, to the Assigned Payments; and it is further

ORDERED that, subject to all of the conditions set forth herein and in the parties' stipulation ("Stipulation"), Allstate Life NY shall forward the Assigned Payments due under the

Annuity, within seven (7) days of the date due, by check made payable to “**J.G. Wentworth Originations, LLC,**” at P.O. Box 83364, Woburn, MA 01813-3364, as follows:

- one lump sum payment of \$35,000.00 due on May 8, 2025; and
- one lump sum payment of \$25,000.00 due on May 8, 2030;

and it is further

ORDERED that Wentworth is authorized to make subsequent assignments or transfers of the Assigned Payments (a “Reassignment”) except that, regardless of any such Reassignment, the Assigned Payments will continue to be serviced by Wentworth (or an agent on its behalf). In other words, the Assigned Payments will continue to be made by Allstate Life NY to Wentworth at the Designated Address only, regardless of any Reassignment. However, if for reasons beyond the control of Wentworth, or due to Wentworth being merged with or acquired by another entity, or for traditional address change purpose the Designated Address is no longer valid (*i.e.*, if Wentworth moves or for other reasons the Designated Address is no longer a viable address for Wentworth to receive payments), Allstate agrees to make the Assigned Payments to a new payment address. Notwithstanding the foregoing, this Order and the parties’ Stipulation will remain binding and fully enforceable against Wentworth (and any successor by merger or acquisition) and Ms. Sanchez; and it is further

ORDERED that all remaining structured settlement payments (and/or portions thereof), if any, that are not the subject of the Proposed Transfer and not previously assigned, shall be made payable to Ms. Sanchez and will be forwarded by Allstate Life NY, when due, to Ms. Sanchez’s most recent known address or any payment address designated by Ms. Sanchez, subject to Allstate’s consent; and it is further

ORDERED that Wentworth shall defend, indemnify, and hold harmless Allstate and its directors, shareholders, officers, agents, attorneys, employees, servants, successors, reinsurers, administrators, and assigns and any parent, subsidiary, or affiliate thereof, and their directors, shareholders, officers, agents, attorneys, employees, servants, successors, reinsurers, administrators, and assigns past and present, from and against any and all liability, including but not limited to costs and reasonable attorneys' fees, for any and all claims asserted by any person or entity, including but not limited to any claims asserted by any person or entity not a party hereto, claiming an interest in the Assigned Payments, and any and all other claims made in connection with, related to, or arising out of the Purchase Agreement, the Proposed Transfer, the Assigned Payments, any Reassignment or Allstate's compliance with the parties' Stipulation or this Order, except with respect to claims by Wentworth against Allstate to enforce Allstate's obligations to Wentworth under the parties' Stipulation. To the extent Wentworth fails to honor this indemnification and defense obligation, Allstate may, in addition to all other remedies afforded by law, satisfy the same by withholding to its own credit any funds owed to Wentworth; and it is further

ORDERED that Allstate's lack of opposition to this matter, or its or the other parties' stipulation hereto or compliance herewith, shall not constitute evidence in this or any matter, and is not intended to constitute evidence in this or any matter, that:

- (a) payments under a structured settlement contract or annuity or related contracts can be assigned or that "anti-assignment" or "anti-encumbrance" provisions in structured settlement contracts or annuities or related contracts are not valid and enforceable; or
- (b) other transactions entered into by Wentworth and its customers constitute valid sales and/or loans; or
- (c) Allstate has waived any right in connection with any other litigation or claims; or

- (d) Wentworth has waived any right other than as expressly set forth in the parties' Stipulation and/or this Order; and it is further

ORDERED that Wentworth and Ms. Sanchez, for themselves and for their respective directors, shareholders, officers, agents, attorneys, employees, servants, successors, heirs, beneficiaries, contingent beneficiaries, executors, administrators, and assigns, and any parent, subsidiary, or affiliate thereof, and their directors, shareholders, officers, agents, attorneys, employees, servants, successors, and assigns, past and present (the "Releasers"), hereby remise, release, and forever discharge Allstate and its directors, shareholders, officers, agents, attorneys, employees, servants, successors, reinsurers, administrators, and assigns and any parent, subsidiary, or affiliate thereof, and their directors, shareholders, officers, agents, attorneys, employees, servants, successors, reinsurers, administrators, and assigns past and present (the "Allstate Releasees"), of and from any and all manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, settlements, damages, claims, and demands whatsoever, in law or in equity, in connection with, related to, or arising out of any claim or allegation that was or could have been asserted in connection with, related to, or arising out of the Purchase Agreement, the Assigned Payments, the Proposed Transfer, any Reassignment or the parties' Stipulation, which the Releasers have or had from the beginning of the world through the date of this Order, except for claims of the Releasers against the Allstate Releasees to enforce the Allstate Releasees' obligations to the Releasers, if any, under the parties' Stipulation; and it is further

ORDERED that in consideration for the Assigned Payments, Ms. Sanchez shall receive from Wentworth the net sum of \$40,000.00; and it is further

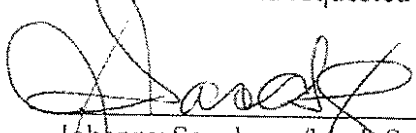
ORDERED that this Order shall constitute a final "Qualified Order" within the meaning of 26 U.S.C. § 5891.

ENTER:



Justice of the Supreme Court
of the State of New York
HON. RICHARD VELASQUEZ

Consented to and requested by:



Johanny Sanchez a/k/a J. Sanchez
a/k/a Johanny Sanchez-Santiago, Transferor/Payee