

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

Mary Taylor, Ohio Superintendent of	:	
Insurance, in her Capacity as Liquidator of	:	
Credit General Insurance Company and	:	
Credit General Indemnity Company,	:	
	:	
Plaintiff,	:	Case No. 00 CVH 11-9867
	:	
v.	:	Judge Mark Serrott
	:	
Credit General Insurance Company, et al.,	:	
	:	
Defendants.	:	
	:	
	:	

MOTION FOR APPROVAL AND AUTHORIZATION OF
AGREEMENT OF MERGER AND RELATED ACTIONS BETWEEN
CREDIT GENERAL INSURANCE COMPANY
AND PRS INSURANCE GROUP, INC.

Plaintiff, Mary Taylor, Ohio Superintendent of Insurance in her capacity as Liquidator of Credit General Insurance Company (“CGIC”), requests this Court, pursuant to R.C. 3903.18(A), 3903.21, and related sections, for an Order approving and authorizing the Liquidator (the “Liquidator”) to effectuate the merger of PRS Insurance Group, Inc., a Delaware corporation that is the parent corporation of CGIC, with and into CGIC, pursuant to the terms of the Agreement of Merger attached as Exhibit A, and incorporated by reference.

The reasons in support of this Motion are set forth in the accompanying Memorandum in Support.

Respectfully Submitted,

MIKE DEWINE
Attorney General of Ohio

By Special Counsel:
KOHRMAN, JACKSON & KRANTZ, PLL

/s/ Valoria C. Hoover _____

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Attorneys for Mary Taylor, in her capacity as

Liquidator of Credit General Insurance Company

MEMORANDUM IN SUPPORT OF MOTION

I. Summary

Prior to and during liquidation, Credit General Insurance Company (“CGIC”) and its wholly-owned subsidiary, Credit General Indemnity Company in Liquidation¹ (collectively “Credit General”), have been filing their federal tax return on a consolidated basis with CGIC’s parent corporation, PRS Insurance Group, Inc. (“PRS” or “PRS Group”). During liquidation, Credit General has generated net operating losses (“NOLs”), a tax benefit that may be used as a credit against future taxable income. These NOLs are the PRS Group’s NOLs.

The Liquidator has been vigilant in protecting the NOLs generated by Credit General. In a Settlement Agreement between CGIC and the PRS Group approved by this Court on November 1, 2006 (the “PRS Settlement Agreement”), the Liquidator CGIC agreed to support the PRS Group’s Chapter 11 Bankruptcy Plan so long as the PRS Trustee cooperated with the Liquidator in preserving the NOLs. Pursuant to the PRS Settlement Agreement and the PRS Bankruptcy Plan, the PRS Trustee was required to continue the corporate existence of PRS to preserve the NOLs so that the parties could use them for tax purposes until the PRS Trustee completed all of the business of the bankruptcy. The PRS Trustee agreed that when he completed the bankruptcy, he could satisfy his obligations by offering to effectuate the merger of PRS into CGIC.

Since 2006, CGIC and PRS have known that if the PRS bankruptcy proceeding concluded before the conclusion of the CGIC liquidation proceeding, the Liquidator would need to ensure that a merger of PRS into CGIC occurred in order to secure the NOLs for Credit

¹Credit General Indemnity Company was ordered liquidated by this Court on December 12, 2000, and its liquidation proceeding has been handled under this Case No. 00CVH 11-9867. With this Court’s approval, the Credit General Indemnity Company liquidation proceeding completed a final distribution of its assets, and it is scheduled to formally close by mid-December, 2013.

General's use. The PRS Trustee has offered to merge PRS into CGIC before year end. If the merger does not occur and the PRS corporate entity dissolves, the NOLs would be extinguished.

It is now the time to complete the merger to preserve the NOLs for Credit General's benefit. Through the proposed "downstream" merger, PRS will merge into CGIC, in a nontaxable transaction, leaving CGIC as the surviving corporation. Upon the merger, the separate existence of PRS will terminate, and it will continue only as part of the merged entity thereby placing all of its tax attributes, including NOLs of approximately \$736 million² as of 2012, intact in CGIC.

The Liquidator must take the actions necessary to merge PRS into CGIC to secure the NOLs for the benefit of the creditors of Credit General. These actions will preserve assets by minimizing tax liability. The Liquidator's request for court approval of this merger is consistent with the mechanism laid out in the PRS Settlement Agreement already approved by this Court.

II. Background

On January 1, 2001, this Court entered its Final Order of Liquidation and Appointment of Liquidator ("Liquidation Order") directing the liquidation of Credit General Insurance Company. The Liquidation Order invoked the statutory framework set forth within Ohio Revised Code ("R.C.") Chapter 3903, the *Ohio Insurers, Supervision, Rehabilitation, and Liquidation Act* ("Liquidation Act"). Specifically, R.C. 3903.18(A) provides for the Liquidator to administer the CGIC estate under the general supervision of the Court. The Liquidation Act also confers broad powers on the Liquidator to marshal assets of CGIC in order to maximize the value of the insolvent insurer's estate for eventual distribution to its policyholders and creditors. The Liquidation Act further authorizes the Liquidator to take such actions as deemed necessary or expedient to conserve or protect the insolvent insurer's assets or property. *See* Liquidation Order

² Almost all of the NOLs were generated by Credit General during liquidation.

¶¶ 3 and 5, and R.C. 3903.21(A)(6)(b).

A. PRS Insurance Group, Inc. and the PRS Bankruptcy

PRS Insurance Group, Inc. (“PRS” or “PRS Parent”) is a Delaware incorporated insurance holding company that is the sole shareholder of CGIC’s 10,000,000 issued and outstanding shares. PRS has been in a voluntary Chapter 11 plan of liquidation before the United States Bankruptcy Court for the District of Delaware (“Bankruptcy Court”) since January 19, 2001. On June 1, 2001, the Bankruptcy Court entered an order appointing Sean C. Logan as the Chapter 11 Trustee for PRS. Mr. Logan thereafter commenced voluntary bankruptcy cases for PRS’s eleven subsidiaries excluding CGIC (collectively, the “PRS Group”). These cases were jointly administered with the main PRS bankruptcy case by the Bankruptcy Court under Docket No. 00-4070 (MFW).

A Consolidated Chapter 11 Plan of Liquidation for the PRS Group (the “Plan”) provided for the creation of a Creditors’ Trust (a liquidating trust) effective upon confirmation of the Plan for the benefit of the beneficiaries of allowed claims.³ The Plan appointed Sean C. Logan as the PRS Creditors’ Trustee under the Creditors’ Trust Agreement. On March 2, 2007, the Bankruptcy Court entered an Order confirming the Plan (the “Confirmation Order”). The Plan became effective August 24, 2007. The Confirmation Order approved the substantive consolidation of the debtors, the PRS Parent debtor and the subsidiary debtors. The Chapter 11 case of each subsidiary debtor except Enterprise Group Insurance Co., Ltd.⁴ (“EGIC”) was

³ Per the Plan, the purpose of the Creditors’ Trust is to liquidate the Creditors’ Trust Assets and distribute the proceeds thereof to the Holders of Allowed Class 1, 2, 3, 4, 5, and 6 Claims. The Holders of Allowed Claims as defined in the Plan are considered Beneficiaries. Per the Plan, the Beneficiaries may only look to the Trust Estate for payment.

⁴ Enterprise Insurance Co., Ltd. (“EGIC”) was not dissolved at the time of the other subsidiary debtors because the Chapter 11 Trustee was pursuing collection of EGIC assets.

merged into the PRS Parent and closed.⁵ The Plan provided that Mr. Logan serves in the capacity as the sole member of the board of directors of PRS Parent and each of the subsidiary debtors until the subsidiaries dissolved in accordance with applicable non-bankruptcy law.

The Confirmation Order also provided that “[i]n order to effectuate the PRS Debtors’ settlement with CGIC, the Director [Sean C. Logan] shall provide for the continued corporate existence of the PRS Parent until such time that the Director has completed all of the business of the estate and shall take such further actions agreed to by the Director and the liquidator of CGIC to implement the terms of the CGIC Settlement.”⁶ The CGIC – PRS Settlement is further discussed in Section I.B.

On July 10, 2013, the Bankruptcy Court issued its Order approving the final distribution by the Creditors’ Trust and a Final Decree. *See* Exhibits B and C, which are attached and incorporated by reference. This signaled to the Liquidator that the Trustee Logan was completing the business of the bankruptcy estate, which would trigger provisions in the 2006 Settlement Agreement between CGIC and PRS.

B. CGIC – PRS Settlement Agreement

On November 1, 2006, this Court approved a Settlement Agreement that was entered into between CGIC and the Ohio Department of Insurance on one hand and Sean C. Logan as the Chapter 11 Trustee for PRS Insurance Group, Inc. and its subsidiaries on the other (the “PRS Settlement Agreement”). The PRS Settlement was entered into after lengthy negotiations with the Trustee regarding resolution of issues and claims between CGIC and the PRS Group. Importantly, the PRS Settlement Agreement provided for the protection of the parties’ ability to

⁵ The substantive consolidation eliminated intercompany claims and merged all assets and liabilities of the subsidiary debtors with the assets and liabilities of PRS Parent. All duplicative claims were expunged so that only one claim survived against the consolidated Debtors.

⁶ PRS Plan Confirmation Order, at Section III.B.2 on page 20. (Docket 1177)

preserve and use for tax purposes net operating losses (“NOLs”) by providing for (i) the continuance of the corporate existence of PRS until such time as the Trustee completed the business of the bankruptcy estate and (ii) PRS to take such further actions agreed to by the parties for the preservation of the NOLs. Specifically, the PRS Settlement Agreement stated:

. . . provided, however, if the Parties cannot agree on such further actions, PRS may satisfy its obligations *by offering to effectuate the merger of PRS into a member of the CGIC Group* or a wholly owned subsidiary of the CGIC Group and effectuating the merger, if accepted by the Liquidator. If the Liquidator declines such offer, PRS shall have no further obligation with respect to the NOLs. Prior to taking any actions inconsistent with preserving the NOLs, the PRS Group shall, give the CGIC Group at least 90 days written notice of the planned actions.

(Emphasis added) *See*, PRS Settlement Agreement paragraph 16.

Trustee Logan completed the business of the bankruptcy estate and the PRS Creditors’ Trust, triggering this provision of paragraph 16 of the PRS Settlement Agreement.

C. PRS Parent Merger Notification

As noted, the PRS Creditors’ Trustee was directed to complete the final distribution of the Creditors’ Trust’s assets. *See* Exhibit B. Accordingly, on August 27, 2013, pursuant to the PRS Settlement Agreement, the PRS Creditors’ Trustee notified the Liquidator that it would be necessary to effectuate a merger of the PRS Parent into CGIC before the end of 2013.

CGIC and its wholly-owned subsidiary, Credit General Indemnity Company in Liquidation, have been filing their federal tax returns on a consolidated basis with the PRS Group since they were ordered into liquidation. Through the proposed "downstream" merger, PRS Parent will merge into CGIC, in a nontaxable transaction, leaving CGIC as the surviving corporation. Upon the merger, the separate existence of PRS will terminate, and it will continue only as part of the merged entity thereby (a) placing all of its tax attributes, including its NOLs of approximately \$736 million as of 2012, intact in CGIC and (b) retaining the protection of the

permanent injunction as entered by the Bankruptcy Court on March 2, 2007 in its Findings of Fact, Conclusions of Law and Order Confirming Debtors' Amended Consolidated Chapter 11 Plan of Liquidation [Docket no. 1177] at Part III. F. Releases, Indemnification and Injunctions, prohibiting creditors of PRS from seeking recourse for their claims from PRS. The merger transaction will benefit the creditors of the CGIC liquidation estate, including its former policyholders and claimants under CGIC's terminated policies, by preserving the NOLs that offset any future taxable income and tax liabilities of the CGIC liquidation estate.

III. Applicable Authority

The Liquidator requests that this Court authorize and approve the Liquidator entering into the Agreement of Merger attached at Exhibit A. The Liquidator has the authority to effect the contemplated merger transaction. Specifically, the Liquidation Act authorizes the Liquidator to take such actions as are deemed necessary and expedient to conserve or protect the insolvent insurer's assets or property, "upon such terms and conditions as [s]he considers best" in order to accomplish or aid in achieving the purposes of liquidation. R.C. 3903.21(A)(6), (A)(11), (A)(22) and (B). Pursuant to ¶ 7 of the CGIC's Liquidation Order and R.C. 3903.21 and related sections of R.C. Chapter 3903, the Liquidator has all the powers of the directors, officers and shareholders of CGIC. The Liquidator is empowered and, indeed, obligated to take action with respect to PRS Parent to best conserve the assets of CGIC. R.C. 3903.21(A)(6)(b). The Liquidator's authority to act on behalf of CGIC's directors and officers in furtherance of her statutory obligations to conserve CGIC's assets is expressly provided for in the Liquidation Order, which states that the Liquidator may exercise all powers now held or hereafter conferred upon receivers, conservators, rehabilitators, or liquidators by the laws of this state not inconsistent with the provisions of R.C. 3903.01 to 3903.59. *See* Liquidation Order at ¶7(x), and

R.C. 3903.14(B) (“The rehabilitator shall have all the powers or the directors, officers, and managers, whose authority shall be suspended, . . .”). Thus, the Liquidator has authority to act through this merger to keep the NOL’s so as to conserve CGIC’s assets by limiting tax consequences of future taxable income from asset recoveries.

Pursuant to the Agreement of Merger, PRS Parent will merge into CGIC and CGIC will maintain its present form, with its present Articles of Incorporation and Code of Regulations. All shares of PRS Parent stock would be converted into stock of CGIC.⁷ Importantly, the NOLs of PRS Parent would become the NOLs of CGIC. Further, pursuant to Section 368 of the Internal Revenue Code, there would be no gain or loss recognized to either CGIC or PRS Parent on the merger.

A. Ohio Legal Requirements of Merger

In order for the merger to occur, the requirements of R.C. Chapter 1701 must be met. Ohio law provides that a corporate parent formed outside of Ohio which owns at least 90% of the stock of the surviving subsidiary corporation may merge with and into such subsidiary.⁸ Ohio law also requires the merging corporations to enter into an agreement of merger and file a certificate of merger with the Ohio Secretary of State.⁹ Ohio law provides that, at a minimum, the agreement of merger must include the following items:

1. The state in which each corporation is incorporated;
2. A statement that the parent corporation is being merged into the subsidiary corporation;

⁷ The claims of shareholders of CGIC are classified as Class 9 claims under R.C. 3903.42(B)(I). There will be no distribution to claimants in classes 3 through 9 because there are insufficient assets in the CGIC liquidation proceeding to pay all Class 2 claims in full as is required by R.C. 3903.42.

⁸ R.C. 1701.801(A)

⁹ R.C. 1701.801

3. The terms of the merger, such as the procedures for effecting the merger and the manner of converting shares of the parent corporation for shares of the surviving corporation; and
4. Anything required by a foreign state if a foreign corporation is involved.¹⁰

The Agreement of Merger meets all of these criteria.

The Agreement of Merger must be approved by the directors of CGIC and PRS Parent.¹¹ The Liquidator, with approval of this Court, may act in place of the CGIC board of directors and will approve the Agreement of Merger. Since CGIC is the surviving corporation, the approval of the Agreement of Merger by the CGIC directors constitutes adoption by CGIC.¹² The Liquidator will inform the shareholder of CGIC (PRS Parent) of the approved merger within twenty (20) days after approval of the merger.¹³ The approval of PRS Parent in its capacity as CGIC's sole shareholder is not required.¹⁴ After the Agreement of Merger is approved, it must be filed with the Ohio Secretary of State.¹⁵ The merger is effective upon the later of the filing date with the Secretary of State or a stated effective date in the Agreement of Merger.¹⁶ Upon the effective date of the merger, the merging corporation, PRS Parent, will cease to exist, leaving only the surviving corporation, CGIC.¹⁷

The Liquidator proposes to take the following corporate actions in order to effectuate the merger of PRS Parent with and into CGIC. First, upon this Court's approval, the Liquidator will sign the Certificate of Merger, the Agreement of Merger and the written action on behalf of

¹⁰ R.C. 1701.78

¹¹ R.C. 1701.801(C)

¹² R.C. 1701.801(D)

¹³ R.C. 1701.801(C)(2)

¹⁴ R.C. 1701.801(C)

¹⁵ R.C. 1701.81(A)

¹⁶ R.C. 1701.81(B)(1)(d)

¹⁷ R.C. 1701.82(A)

CGIC's directors. *See* Exhibits D, A and E, which are attached and incorporated by reference. Also, the designated officer of PRS¹⁸ will sign the Certificate of Merger and the Agreement of Merger on behalf of PRS. Then, the Liquidator will file the Certificate of Merger with the Ohio Secretary of State. PRS will file a Certificate of Merger in the State of Delaware in accordance with the laws of Delaware.¹⁹ *See* Exhibit F, which is attached and incorporated by reference. Upon the effective date of the Agreement of Merger, the assets and liabilities, including the NOLs, of PRS Parent will be transferred to CGIC.

IV. Conclusion

The proposed merger transaction is in the best interest of the policyholders, claimants and other creditors of CGIC as it will help to conserve the assets of CGIC. Approximately \$736 million in NOLs as of 2012 will be secured for the CGIC estate in a nontaxable transaction.

THEREFORE, for the reasons outlined above, the Liquidator respectfully requests this Court: (1) grant the Motion; (2) approve the merger of PRS Insurance Group, Inc. with and into CGIC, pursuant to the terms of the Agreement of Merger at Exhibit A; and (3) authorize the Liquidator to enter into the Agreement of Merger and take all actions necessary to effectuate the merger.

An Order is attached for the Court's consideration and approval.

Respectfully Submitted,

MIKE DEWINE
Attorney General of Ohio

By Special Counsel:
KOHRMAN, JACKSON & KRANTZ, PLL

/s/ Valoria C. Hoover

Valoria C. Hoover (0059596)

¹⁸ Sean C. Logan will sign as President of PRS.

¹⁹ R.C. 1701.801

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*Attorneys for Mary Taylor, in her capacity as
Liquidator of Credit General Insurance Company*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing *Motion for Approval and Authorization of Agreement of Merger and Related Actions Between Credit General Insurance Company and PRS Insurance Group, Inc.* was posted on the Liquidator's website (www.ohliq.com) substantially contemporaneous with the filing of this Motion and served upon the following via Regular U.S. Mail, postage prepaid, on this 8th day of November, 2013:

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Anchor Claims Management
P.O. Box 819045
Dallas, TX 75381-9045

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Annapolis Consulting Group LLC
2530 Riva Road, Suite 308
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PRS Trustee/Creditors' Trust Trustee

Wayne D. Wilson
Executive Director
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P.O. Box 29066
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/s/Valoria C. Hoover
Valoria C. Hoover (0059596)

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/s/Valoria C. Hoover

Valoria C. Hoover (0059596)

AGREEMENT OF MERGER

This AGREEMENT OF MERGER is made and entered into on this 4th day of November, 2013, by and among PRS INSURANCE GROUP, INC., a Delaware corporation ("Merging Entity"), SEAN C. LOGAN, as Trustee of the Creditors' Trust Agreement w/a dated _____, 2005, f/b/o the Unsecured Creditors of PRS Insurance Group, Inc. and certain affiliates thereof ("Trustee"), CREDIT GENERAL INSURANCE COMPANY, an Ohio corporation ("Surviving Entity" or "CGIC"), and SUPERINTENDENT OF INSURANCE FOR THE STATE OF OHIO IN HER CAPACITY AS LIQUIDATOR OF CREDIT GENERAL INSURANCE COMPANY ("Liquidator"). Merging Entity and Surviving Entity are hereinafter collectively referred to as the "Constituent Entities."

WITNESSETH:

WHEREAS, on January 5, 2001, CGIC was declared insolvent and placed in liquidation by the Franklin County, Ohio Court of Common Pleas (the "Liquidation Court") in Case No. 00CVH 11-9867 and the Superintendent of Insurance for the State of Ohio was appointed as Liquidator of CGIC;

WHEREAS, pursuant to paragraphs 3 and 5 of the CGIC's Liquidation Order and Ohio Revised Code ("R.C.") § 3903.18, the Liquidator is empowered to administer the business and assets of CGIC under the general supervision of the Liquidation Court;

WHEREAS, pursuant to paragraph 7 of the CGIC's Liquidation Order and R.C. § 3903.21 and related sections, the Liquidator has all the powers of the directors, officers and shareholders of CGIC;

WHEREAS, Trustee and the sole director of Merging Entity have deemed it advisable and in the best interest of Merging Entity and any stakeholders in Merging Entity that Merging Entity be merged with and into Surviving Entity; and

WHEREAS, Liquidator has determined it is in the best interest of Surviving Entity that Merging Entity be merged with and into Surviving Entity under the general corporation laws of the State of Ohio, with approval of the Liquidation Court;

NOW THEREFORE, in consideration of the mutual promises, agreements, covenants, and provisions hereinafter contained, Merging Entity, Trustee, Surviving Entity, and Liquidator hereby agree as follows:

1. MERGER. At the Effective Time (as hereinafter defined), (a) Merging Entity shall be merged with and into Surviving Entity in accordance with the applicable provisions of Ohio General Corporation Law, Ohio Rev. Code § 1701.01 *et seq.*, and other applicable Ohio law, and the Delaware General Corporation Law, 8 Del. C. § 101 *et seq.* (the "DGCL"), (b) any issued and outstanding shares of Merging Entity shall be converted into the right to receive a proportionate share of the Merger Consideration, (c) any such shares issued immediately prior to the Effective Time shall be surrendered and cancelled as of the Effective Time, (d) Liquidator

shall pay the sum of one dollar (\$1.00) (the "Merger Consideration") to Trustee, and (e) all issued and outstanding shares of Surviving Entity shall remain issued and outstanding.

2. EFFECT OF MERGER. Upon the merger becoming effective under the laws of the State of Delaware at the Effective Time and a certificate of merger having been filed with and accepted by the Secretary of State of the State of Ohio:

(a) The Constituent Entities shall be a single entity, which shall be the Surviving Entity, the name of which shall be "Credit General Insurance Company," and the separate existence of Merging Entity shall cease; and

(b) Surviving Entity shall thereupon and thereafter possess all of the rights, privileges, powers, and franchises, of a public as well as of a private nature, and be subject to all the restrictions, disabilities, and duties of each of the Constituent Entities so merged; all and singular, the rights, privileges, powers, and franchises of each of the Constituent Entities, all property, real, personal, and mixed, and all debts due to each of the Constituent Entities on whatever account, as well as all other choses in action belonging to each of the Constituent Entities, shall be vested in Surviving Entity; all property, rights, privileges, powers, and franchises, and all and every other interest of each Constituent Entity shall be thereafter the property of Surviving Entity; the title to any real estate, vested by deed or otherwise, under the laws of the State of Delaware, State of Ohio or any other jurisdiction, in each of the Constituent Entities, shall not revert or be in any way impaired, but all rights of creditors and all liens upon any property of the Constituent Entities shall be preserved unimpaired; and all debts, liabilities, and duties of the respective Constituent Entities shall thenceforth attach to Surviving Entity, and may be enforced against Surviving Entity to the same extent as if said debts, liabilities, and duties had been incurred or contracted by Surviving Entity.

3. EXPENSES AND RIGHTS OF DISSENTING MEMBERS.

(a) Surviving Entity shall pay all expenses of carrying this Agreement of Merger into effect and of accomplishing the merger herein provided.

(b) Any stockholder of a Constituent Entity who does not consent to the merger contemplated hereunder shall be entitled to such appraisal or dissenters' rights as may be afforded to such stockholder under the DGCL or applicable Ohio law.

4. FURTHER ASSIGNMENT OR ASSURANCE. If at any time Surviving Entity shall consider or be advised that any further assignment or assurances in law are necessary or desirable to vest in Surviving Entity the title to any property or rights of Merging Entity, any officers or directors of Merging Entity shall execute and make all such proper assignments and assurances in law and do all things necessary and proper to thus vest such property or rights in Surviving Entity, and otherwise to carry out the purposes of this Agreement of Merger.

5. EFFECTIVE DATE. This Agreement of Merger shall be submitted for approval as required by law, and after the Constituent Entities have received all the approvals needed under Ohio law and the DGCL, this Agreement of Merger shall be executed, filed, and recorded

in the manner required by Ohio law and the DGCL. This Agreement of Merger shall become effective upon the filing of a certificate of merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware by Surviving Entity, the date and time of such effectiveness being herein referred to as the "Effective Time." Surviving Entity shall also cause to be filed any certificate of merger or other instruments in the State of Ohio as may be necessary under Ohio law.

6. TERMINATION. Anything herein or elsewhere to the contrary notwithstanding, this Agreement of Merger, at any time prior to the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, may be terminated or abandoned by any of the Constituent Entities, by an appropriate vote of the directors or other governing body of a Constituent Entity, notwithstanding approval or adoption of this Agreement of Merger by any other body or group.

7. PLAN OF MERGER. This Agreement of Merger constitutes a plan of merger and a plan of reorganization to be carried out in the manner, on the terms, and subject to the conditions herein set forth.

8. DESCRIPTIVE HEADINGS. The descriptive headings of the several articles and paragraphs of this Agreement of Merger have been inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

9. COUNTERPARTS. For the convenience of the parties and to facilitate the filing or recording of this Agreement of Merger, any number of counterparts hereof may be executed, each of which shall be deemed to be an original.

10. GOVERNING LAW. This Agreement of Merger shall be governed by Ohio law, without regard to principles of conflict of laws.

{Signature Page Follows}

IN WITNESS WHEREOF, the Constituent Entities, Trustee, and Liquidator have caused this Agreement of Merger to be executed as of the day and year first above-written.

PRS INSURANCE GROUP, INC.

By: Sean C. Logan
Name: Sean C. Logan
Title: President

Sean C. Logan
Name: Sean C. Logan, not individually, but as Trustee under the Creditors' Trust Agreement dated _____, 2005, f/b/o the unsecured creditors of PRS Insurance Group, Inc. and certain affiliates thereof

MARY TAYLOR, SUPERINTENDENT, OHIO DEPARTMENT OF INSURANCE, IN HER CAPACITY AS LIQUIDATOR OF CREDIT GENERAL INSURANCE COMPANY

By: Lynda G. Loomis
Name: Lynda G. Loomis
Title: Chief Deputy Liquidator

01:14267110.1

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
)
PRS INSURANCE GROUP, INC., *et al.*,) Case No. 00-4070 (MFW)
)
Debtors.) (Substantively Consolidated)
)
) **Ref. Docket No. 1558**
)

**ORDER APPROVING (I) FINAL DISTRIBUTION; (II) FOR ENTRY
OF FINAL DECREE AND PROCEDURES IN CONNECTION
THEREWITH, AND (III) RELATED RELIEF**

The Motion of Sean C. Logan, creditors’ trustee (the “Creditors’ Trustee”) for the liquidating trust (the “Creditors’ Trust”) established pursuant to the Order confirming the Debtors’ Amended Consolidated Plan of Liquidation dated December 22, 2006 (as further amended on January 21, 2007, the “Plan”) of PRS Insurance Group, Inc. *et al.*¹ (collectively, the “Debtors” or the “PRS Group”); the Court having considered the Motion and the exhibits thereto, and all related pleadings and documents; having found that the Court has jurisdiction over 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 District of Delaware*, dated as of February 29, 2012; that adequate notice has been given under the circumstances; and good and sufficient cause appearing therefor, it is hereby ORDERED:

¹ The affiliated Debtors are: PRS Insurance Group, Inc. (Tax ID No. XX-XXX0104); PRS Guaranty Insurance Ltd. (Tax ID No. N/A); PRS Insurance Holdings (Barbados) Ltd. (Tax ID No. N/A); PRS Enterprises Insurance Services, Inc. (Tax ID No. XX-XXX7859); Enterprise Group Insurance Co., Ltd. (Tax ID No. N/A); Brookwell Insurance Co. Ltd. (Tax ID No. N/A); PRS Management Group, Inc. (Tax ID No. XX-XXX6736); PRS Surety Bond Agency, Inc. (Tax ID No. XX-XXX2982); PRS Captive Investment Fund, Limited (Tax ID No. N/A); PRS Benefits Services, Inc. (Tax ID No. XX-XXX1973); PRS Enterprises, Inc. d/b/a PRS Insurance Services (Tax ID No. XX-XXX2021); and PRS Management Services, Inc. (Tax ID No. XX-XXX2476) each with a mailing address of 2580 Riva Road, Suite 308, Annapolis, MD 21401. The Debtors have been substantially consolidated and all cases closed but for PRS Insurance Group, Inc. and Enterprise Group Insurance Co., Ltd. (Tax ID No. N/A).

1. The Motion is granted.
2. The Creditors' Trustee is authorized to establish an Administrative Reserve not to exceed \$451,000 to pay the remaining expenses of the Creditors' Trust through the close of these cases.
3. The Creditors' Trustee is authorized to conduct a final distribution (the "Final Distribution") to Holders of Allowed Class 5 Claims as set forth in Exhibit A attached hereto, in full and final satisfaction of such Claims. Except for those distributions expressly set forth on Exhibit A attached hereto, no creditor or other party in interest shall be entitled to a distribution in these cases.
4. The Creditors' Trustee need not issue final distributions to those Holders of Claims whose notice of this Motion was returned as undeliverable and whose address could not be located by the Creditors' Trustee following a good faith search.
5. To the the extent any checks from the Final Distribution are returned or not negotiated within sixty (60) days after such checks are remitted to the corresponding holders of the claims, the Creditors' Trustee may, in its sole discretion, cancel such checks or refuse to issue new checks or close the corresponding bank account and shall be released and discharged of any further obligation to make distributions to such holders, and the funds shall be property of the Creditors' Trustee to be used in accordance with the terms of the Plan.
6. To the extent that the Final Distribution and payment of the any and all administrative expenses does not leave the Creditors' Trust with the less than \$500.00 pursuant to section 5.10 of the Trust Agreement, the Creditors' Trustee is authorized to conduct any additional *pro rata* distributions to holders of Class 5 Claims in accordance with the Plan and this Order without further notice or court approval.

7. Each of the following cases shall be closed, effective as of the day hereof:
(i) PRS Insurance Group, Inc. and (ii) Enterprise Group Insurance Co., Ltd. (the “Closing Cases”). Pursuant to Local Rule 3022-1, a separate order will be filed in each of the Closing Cases.

8. The Creditors’ Trustee shall complete all remaining quarterly reports and pay all quarterly fees due and owing in the Closing Cases within thirty (30) days of entry of this Order.

9. Upon the Final Distribution and the Claims Agent’s return of all claims, a claims register and any other reports required by the Court to the Clerk of the Court, the Claims Agent shall be released and discharged from its duties in these cases.

10. The Creditors’ Trustee is authorized to destroy any and all documents in his actual or constructive possession, including those in the possession of Creditors’ Trust professionals, relating to these cases, in their sole discretion, before or after the cases are closed, with the exception of the documents to be provided by the Claims Agent to the Clerk of the Court.

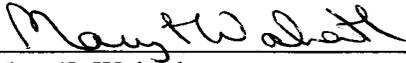
11. The Creditors’ Trustee, the Creditors’ Trust, and their respective predecessors, successors, affiliates, agents, employees, attorneys, officers, directors, and representatives shall be fully released and discharged of any and all duties and obligations they may have had in carrying out the terms of the Plan and Confirmation Order and shall have no liability or further responsibilities in connection therewith. This release and discharge is in addition to, and does not otherwise alter, the releases, exculpations, and injunctions previously provided in the Plan and Confirmation Order.

12. The entry of the final decree is without prejudice to the rights of any party, including the United States Trustee, to seek to reopen these cases pursuant to section 350(b) of the Bankruptcy Code.

13. The Creditors' Trust termination date pursuant to Article VI, Section 6.6.(h)(i) of the Plan is extended through and including August 24, 2014, subject to the Creditors' Trustee's right to seek additional extensions pursuant to the terms of the Plan.

14. This Court shall retain jurisdiction with respect to issues arising under this Order notwithstanding the closing of these cases.

Dated: Wilmington, Delaware
July 10, 2013



Mary F. Walrath
United States Bankruptcy Judge

Exhibit A

Final Distribution List

Exhibit A
Adjustments to Creditor Reserve and Proposed Final Distribution Amounts

Claimant Name	Claim/ Schedule No.	Allowed Amount	February 2008 Distribution	December 2009 Distribution	PROPOSED FINAL DISTRIBUTION	COMMENTS
1 AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.	59	\$41,821.96	\$2,091.10		\$0.00	Check Not Negotiated
2 ALLSTATE LIFE INSURANCE COMPANY	19	\$16,368,853.19	\$818,442.66	\$327,277.06	\$769,336.10	
3 AMERITECH CORPORATION	45	\$4,276.15			\$0.00	Check Not Negotiated
4 CERTIFIED SYSTEMS, INC.	41-01	\$6,600,000.00	\$330,000.00	\$132,000.00	\$310,200.00	
5 DANA COMMERCIAL CREDIT CORPORATION	26	\$33,319.68			\$0.00	Mail Undeliverable
6 FIL-MOR EXPRESS INC.	249	\$25,000.00			\$0.00	Mail Undeliverable
7 FIRSTAR BANK, N.A.	235-01	\$8,500,000.00	\$425,000.00	\$170,000.00	\$399,500.00	
9 GENERAL RE-NEW ENGLAND ASSET MGT, INC.	54	\$932.00			\$0.00	Mail Undeliverable
10 HAHN LOESER + PARKS LLP	317	\$25,397.27			\$2,971.48	
11 HUNTINGTON NATIONAL BANK (1)	233	\$7,965.84			\$0.00	Mail Undeliverable

Exhibit A
Adjustments to Creditor Reserve and Proposed Final Distribution Amounts

Claimant Name	Claim/ Schedule No.	Allowed Amount	February 2008 Distribution	December 2009 Distribution	PROPOSED FINAL DISTRIBUTION	COMMENTS
12 HUNTINGTON NATIONAL BANK (2)	238	\$4,420.19			\$0.00	Mail Undeliverable
13 INS. COMM. (Reliance) OF THE CMWLTH OF PA	63-01	\$7,200,000.00	\$360,000.00	\$170,000.00	\$312,400.00	
14 LEXIS-NEXIS	239	\$2,600.25	\$130.01	\$52.00	\$122.21	
15 LYON FINANCIAL SERVICES, INC.	47	\$76,700.00	\$3,835.00		\$0.00	Mail Undeliverable
16 NARRAGANSETT ELECTRIC COMPANY	296	\$393.21			\$0.00	Mail Undeliverable
17 OHIO DESK COMPANY	28	\$2,445.00	\$122.25	\$48.90	\$114.92	
18 RICHARDS COMMUNICATIONS	202	\$8,486.85	\$424.34	\$169.73	\$398.88	
19 ROBINSON CURLEY & CLAYTON, P.C.	16A	\$2,866.39	\$443.32	\$57.32	\$0.00	Initial distribution was over paid. Claimant has already received <i>pro rata</i> distribution in full and will not receive any further amounts.

Exhibit A
Adjustments to Creditor Reserve and Proposed Final Distribution Amounts

Claimant Name	Claim/ Schedule No.	Allowed Amount	February 2008 Distribution	December 2009 Distribution	PROPOSED FINAL DISTRIBUTION	COMMENTS
20 KENNETH SEMINATORE, ATTORNEY	1	\$12,347.77	\$617.38	\$246.95	\$580.35	
21 SKILSTAF, INC.	240	\$51,038.04	\$2,551.90	\$1,020.76	\$2,398.79	
22 SMITH, BARTA & COMPANY	2	\$307.95			\$0.00	Mail Undeliverable
24 STATE OF LOUISIANA	17	\$70.60			\$0.00	Mail Undeliverable
26 STATE OF LOUISIANA	18	\$22.40			\$0.00	Mail Undeliverable
27 SUNGARD	248-02	\$18,122.06	\$906.10		\$0.00	Check Not Negotiated
28 TIG	56-01	\$288,304.85	\$14,415.24		\$19,316.42	
TOTALS			\$39,275,691.65	\$1,944,564.06	\$800,872.72	\$1,817,339.15

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
PRS INSURANCE GROUP, INC.) Case No. 00-4070 (MFW)
)
Debtor.)
)
)
)

FINAL DECREE

Upon consideration of the motion (the "Motion") of Sean C. Logan, creditors' trustee (the "Creditors' Trustee") for the trust (the "Creditors' Trust") established pursuant to the Order confirming the Debtors' Amended Consolidated Plan of Liquidation dated December 22, 2006 (as further amended on January 21, 2007, the "Plan") of PRS Insurance Group, Inc. *et al.*¹ (collectively, the "Debtors" or the "PRS Group"), for, among other things, entry of a final decree closing this chapter 11 case pursuant to section 350 of title 11 of chapter 11 of the United States Code (the "Bankruptcy Code"), Rule 3022 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") and Del. Bankr. L.R. 3022-1; and it appearing that due and adequate notice of the Motion has been given, and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The above-captioned chapter 11 case is hereby closed pursuant to section 350 of the Bankruptcy Code and a final decree is hereby granted.

¹ The affiliated Debtors are: PRS Insurance Group, Inc. (Tax ID No. XX-XXX0104); PRS Guaranty Insurance Ltd. (Tax ID No. N/A); PRS Insurance Holdings (Barbados) Ltd. (Tax ID No. N/A); PRS Enterprises Insurance Services, Inc. (Tax ID No. XX-XXX7859); Enterprise Group Insurance Co., Ltd. (Tax ID No. N/A); Brookwell Insurance Co. Ltd. (Tax ID No. N/A); PRS Management Group, Inc. (Tax ID No. XX-XXX6736); PRS Surety Bond Agency, Inc. (Tax ID No. XX-XXX2982); PRS Captive Investment Fund, Limited (Tax ID No. N/A); PRS Benefits Services, Inc. (Tax ID No. XX-XXX1973); PRS Enterprises, Inc. d/b/a PRS Insurance Services (Tax ID No. XX-XXX2021); and PRS Management Services, Inc. (Tax ID No. XX-XXX2476) each with a mailing address of 2580 Riva Road, Suite 308, Annapolis, MD 21401. The Debtors have been substantially consolidated and all cases closed but for PRS Insurance Group, Inc. and Enterprise Group Insurance Co., Ltd.

2. The entry of this final decree is without prejudice to the rights of any party, including the United States Trustee, to seek to reopen these cases pursuant to section 350(b) of the Bankruptcy Code.

3. A docket entry shall be made in the above-captioned case which reflects the entry of this Order.

Dated: Wilmington, Delaware
July 10, 2013


Mary F. Walrath
United States Bankruptcy Judge



JON HUSTED
OHIO SECRETARY OF STATE

180 East Broad Street, Suite 103 (ground floor) • Columbus, Ohio 43215
Toll Free: (877) SOS-FILE (767-3453) Central Ohio: (614) 466-3910
www.OhioSecretaryofState.gov • busserv@OhioSecretaryofState.gov

Please return the approval certificate to:

Name:
(Individual or Business Name)

To the attention of:
(If necessary)

Address:

City:

State: ZIP Code:

Phone Number: E-mail Address:

- Check here if you would like to receive important notices via e-mail from the Ohio Secretary of State's office regarding Business Services.
- Check here if you would like to be signed up for our Filing Notification System for the business entity being created or updated by filing this form. This is a free service provided to notify you via e-mail when any document is filed on your business record.

Type of Service Being Requested: (PLEASE CHECK ONE BOX BELOW)

Regular Service: Only the filing fee listed on page one of the form is required and the filing will be processed in approximately 3-7 business days. The processing time may vary based on the volume of filings received by our office.

Expedite Service 1: By including an Expedite fee of \$100.00, In addition to the regular filing fee on page one of the form, the filing will be processed within 2 business days after it is received by our office.

Expedite Service 2: By including an Expedite fee of \$200.00, In addition to the regular filing fee on page one of the form, the filing will be processed within 1 business day after it is received by our office. This service is only available to walk-in customers who hand deliver the document to the Client Service Center.

Expedite Service 3: By including an Expedite fee of \$300.00, In addition to the regular filing fee on page one of the form, the filing will be processed within 4 hours after it is received by our office, if received by 1:00 p.m. This service is only available to walk-in customers who hand deliver the document to the Client Service Center.

Preclearance Filing: For the purpose of advising as to the acceptability of the proposed filing, a form that is to be submitted at a later date for processing may be submitted for examination for a fee of \$50.00. The Preclearance will be complete within 1-2 business days.



Form 551 Prescribed by:
JON HUSTED
Ohio Secretary of State

Central Ohio: (614) 466-3910
Toll Free: (877) SOS-FILE (767-3453)
www.OhioSecretaryofState.gov
Busserv@OhioSecretaryofState.gov

Makes checks payable to Ohio Secretary of State

Mail this form to one of the following:
Regular Filing (non expedite)
P.O. Box 1329
Columbus, OH 43216

Expedite Filing (Two-business day processing time requires an additional \$100.00).
P.O. Box 1390
Columbus, OH 43216

Certificate of Merger

Filing Fee: \$125

(154-MER)

In accordance with the requirements of Ohio law, the undersigned corporations, banks, savings banks, savings and loan associations, limited liability companies, partnerships, limited partnerships and/or limited liability partnerships, desiring to effect a merger, set forth the following facts

I. (Surviving) Entity

A. Name of Entity Surviving the Merger

B. Name Change: As a result of this merger, the name of the surviving entity has changed to the following

(Complete only if name of surviving entity is changing through the merger)

C. The surviving entity is a (Please check the appropriate box and fill in the appropriate blanks)

1. Domestic (Ohio entity) Foreign (Non-Ohio Entity)

Jurisdiction of formation

2. Charter/Registration/License Number

(If licensed in Ohio as domestic or foreign)

- 3. For-Profit Corporation
- Nonprofit Corporation
- For-Profit Limited Liability Company
- Nonprofit Limited Liability Company
- Partnership
- Limited Partnership
- Limited Liability Partnership

EXHIBIT D

II. CONSTITUENT ENTITY

Provide the name, Ohio charter/license/registration number, type of entity, jurisdiction of formation, for each entity merging out of existence. (If this is insufficient space to reflect all merging entities, please attach a separate sheet listing the additional merging entities).

Entity Name	Ohio Charter/License/Registration Number	Jurisdiction of Formation	Type of Entity
PRS Insurance Group, Inc.		Delaware	Gen Corp

III. MERGER AGREEMENT ON FILE

The name and mailing address of the person or entity from whom/which eligible persons may obtain a copy of the merger agreement upon written request

Lynda G. Loomis, Chief Deputy Liquidator of Credit General Insurance Company

Name

c/o Office of the Ohio Insurance Liquidator, 50 W. Town Street, Suite 300 - Room 401

Mailing Address

Columbus

City

OH

State

43215-4186

Zip Code

IV. EFFECTIVE DATE OF MERGER

This merger is to be effective on (The date specified must be on or after the date of the filing. If no date is specified, the date of filing will be the effective date of the merger).

V. MERGER AUTHORIZED

Each constituent entity has complied with the laws under which it exists and the laws permit the merger. The agreement of merger is authorized on behalf of each constituent entity and each person who signed the certificate on behalf of each entity is authorized to do so.

EXHIBIT D**VI. STATEMENT OF MERGER**

Upon filing this Certificate of Merger, or upon such later date as specified herein, the merging entity/entities listed herein shall merge into the listed surviving entity.

VII. STATUTORY AGENT - To be filed ONLY if the surviving entity is a foreign entity not licensed in Ohio.
If the surviving entity is a foreign entity NOT licensed to transact business in Ohio, provide the name and address of a statutory agent upon whom any process, notice or demand may be served.

Name

Mailing Address

City

Ohio

State

Zip Code

Note: The statutory agent must be an Ohio resident; an Ohio corporation; or a foreign corporation licensed to do business in Ohio and has an Ohio address.

VIII. AMENDMENTS

If a domestic corporation, limited liability company or limited partnership survives the merger, any amendments to the entity's articles of incorporation, articles of organization, or certificate of limited partnership of the surviving domestic entity shall be filed with the certificate of merger.

 Amendments are attached

 No Amendments
IX. REQUIREMENTS OF CORPORATIONS MERGING OUT OF EXISTENCE

If a domestic corporation or foreign corporation licensed to transact business in Ohio is a constituent entity and the surviving entity is not a domestic corporation or foreign corporation to be licensed in Ohio, the certificate of merger must be accompanied by the affidavits, receipts, certificates, or other evidence required by division (H) of section 1701.86 division (G) of section 1702.47 of the Revised Code with respect to each domestic constituent corporation, and/or by the affidavits, receipts, certificates, or other evidence required by division (C) or (D) of section 1703.17 of the Revised Code with respect to each foreign constituent corporation licensed to transact business in Ohio.

X. QUALIFICATION OR LICENSE OF FOREIGN SURVIVING ENTITY

A surviving foreign entity that wishes to qualify in Ohio as part of the merger must file an additional form, as listed below, but no additional filing fee is required.

Foreign Qualifying Corporation Form 530A or B and Certificate of Good Standing

Foreign Notice (if qualifying entity is a foreign bank, savings bank, or savings and loan association) Form 552

Foreign Qualifying Limited Liability Company Form 533B

Foreign Qualifying Limited Partnership Form 531B

Foreign Qualifying Limited Liability Partnership Form 537 and Evidence of Existence in Jurisdiction of Formation

EXHIBIT D

The undersigned constituent entities (constituent entities include all merging and surviving entities) have caused this certificate of merger to be signed by their duly authorized officers, partners and representatives.

Credit General Insurance Company
Name of entity

By: *[Signature]*
Signature

Its: Chief Deputy Liquidator, pursuant to Court Order & Appointment, as Sole Director & Officer
Title *(attached)*

PRS Insurance Group, Inc.
Name of entity

By: *[Signature]*
Signature

Its: President and as Creditors' Trustee for the Creditors' Trust Agreement w/a dated ____ 2005
Title

Name of entity

By:
Signature

Its:
Title

An authorized representative of each constituent corporation, partnership, or entity must sign the merger certificate (ORC 1701.81(A), 1702.43 (A), 1705.38(A), 1776.70(A), 1782.433(A)), this includes all merging and surviving entities.



ODI
Ohio Department
of Insurance

John R. Kasich, Governor
Mary Taylor, Lt. Governor/Director

50 West Town Street
Third Floor - Suite 300
Columbus, OH 43215-4186
(614) 644-2658
www.insurance.ohio.gov

October 1, 2013

Lynda G. Loomis
Chief Deputy Liquidator
Office of the Ohio Insurance Liquidator
50 W. Town Street, Ste. 300- Rm. 401
Columbus, Ohio 43215-4186

Re: Credit General Insurance Company, in Liquidation ("CGIC"), Franklin County, Ohio
Common Pleas

Court Case No. 98CVH11-9867,
"Downstream" Merger of PRS Insurance Group, Inc. into CGIC

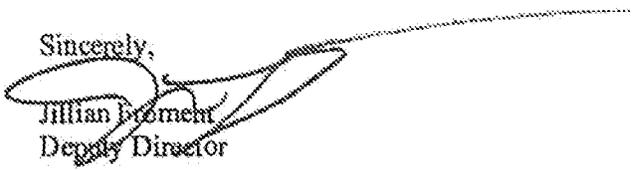
Dear Ms. Loomis,

This is in response to your correspondence of September 24, 2012 regarding the above
referenced company, in liquidation

As you are aware, the requirements and procedures for mergers or acquisitions of control of
domestic insurance companies are set forth in O.R.C. Section 3901.321 ("Form A"). O.R.C.
Section 3901.18(A), which is applicable to the Form A statute, defines "insurer" as a person
engaged in the business of insurance. R.C. Section 3905.42 prohibits a company from engaging
in the business of insurance unless it has a current certificate of authority. As a result of the
company having been placed into liquidation, it does not currently hold a certificate of authority
to do business in Ohio.

In view of the fact that the above referenced company does not hold a certificate of authority to
sell insurance in the State of Ohio, a Form A or Form A Exemption is not required in order to
proceed with the transaction proposed in your correspondence.

Sincerely,


Jillian Brument
Deputy Director

Complete the information in this section.

AFFIDAVIT

In lieu of dissolution releases from various governmental authorities.

Name of Corporation

The undersigned, being first duly sworn, declares that on the dates indicated below, each of the named state governmental agencies was advised IN WRITING of the scheduled date of filing of the Certificate of Dissolution and was advised IN WRITING of the acknowledgement by the corporation of the applicability of the provisions of section 1701.95 of the ORC.

Agency	Date Notified	Agency	Date Notified
Ohio Bureau of Workers' Compensation 30 W. Spring Street Columbus, Ohio 43215 *Only required for domestic for-profit corporations	<div style="border: 1px solid black; width: 100%; height: 25px;"></div>	Ohio Job & Family Services Status and Liability Section Data Correspondence Control Fax: 614-752-4811 Phone: 614-466-2319 Overnight: P.O. Box 182413 Columbus, OH 43218-2413	<div style="border: 1px solid black; width: 100%; height: 25px;"></div>
Ohio Department of Taxation Dissolution Section 4485 Northland Ridge Blvd. Columbus, Ohio 43229	<div style="border: 1px solid black; width: 100%; height: 25px;"></div>	<input type="checkbox"/> The corporation is not required to pay or the department of taxation has not assessed any personal property tax.	

Note: This affidavit must be signed by one or more persons executing the certificate of dissolution or by an officer of the corporation.

Signature Title

Name

Mailing Address

City

State

Zip Code

Acknowledged before me and subscribed in my presence on

Date

Seal

Commission Expires

Notary Public

Date

AFFIDAVIT OF PERSONAL PROPERTY

State of

County of

Name of Officer

Title of Officer

of
Name of Corporation

and that this affidavit is made in compliance with Section of the Ohio Revised Code.

That above-named corporation: (Check one (1) of the following)

- Has no personal property in any county in Ohio
- Is the type required to pay personal property taxes to state authorities only
- Has personal property in the following county (ies)

Signature:

Title:

Acknowledged before me and subscribed in my presence on

Date

Seal

Notary Public

Expiration date of Notary Public's Commission Date

Instructions for Certificate of Merger

This form should be used to file a certificate of merger following the adoption of an agreement of merger.

Surviving Entity Information

Please provide the following information for the "surviving entity" (the entity that remains active following the merger): (1) entity name; (2) a new name if the surviving entity's name changed as a result of the merger; (3) entity type (for e.g., whether the surviving entity is a corporation, limited liability company, etc.); (4) charter/registration/license number (if any); and (5) jurisdiction of formation (foreign entities only).

Constituent Entity Information

Please provide the following information for the "constituent entities": (1) entity name; (2) entity type; (3) charter/registration/license number (as appropriate); and (4) jurisdiction of formation (foreign entities only).

Address for Merger Agreement Requests

Pursuant to Ohio Revised Code §§1701.81, 1702.43, 1705.38, 1776.70 and 1782.433 (as applicable), a mailing address is required for the person or entity that is to provide, in response to any written request made by a shareholder, partner, or other equity holder of a constituent entity, a copy of the agreement of merger.

Effective Date of Merger

Please provide the effective date of the merger. The date may be on or after the date of filing the certificate of merger. If a date is not provided or the date provided is prior to the date of filing, our office will assign the date of filing as the effective date.

Statements Required By Law

Pursuant to Ohio Revised Code Sections §§1701.81, 1702.43, 1705.38, 1766.70 and 1782.433 (as applicable), by submitting the certificate of merger through an authorized representative, each constituent entity states the following: (1) the constituent entity will merge with one or more constituent entities into a specified surviving entity; (2) the constituent entity has complied with all of the laws under which it exists; (3) the laws under which the constituent entity exists permit the merger; (4) the merger is authorized on behalf of the constituent entity; and (5) the authorized representative is authorized to sign the certificate of merger on behalf of the constituent entity.

Appointment of Statutory Agent for Foreign, Unlicensed Surviving Entity

This section must be completed if the surviving entity is a foreign entity not licensed to transact business in Ohio, please provide the name and address of the statutory agent upon whom any process, notice, or demand may be served. The statutory agent must be one of the following: (1) an Ohio resident; (2) an Ohio corporation; or (3) a foreign corporation that is licensed to do business in Ohio. (Note: If the statutory agent is a foreign corporation, there may be additional requirements. Please see Ohio Revised Code §§1701.07, 1702.06, 1705.06, 1776.07 or 1782.04 for more information.) The agent of a foreign entity is not required to sign the Certificate to accept the agent appointment.

An individual agent may use a P.O Box address, but the appropriate box must be checked to confirm that the agent is an Ohio resident.

Amendments

In the case of a merger into a domestic corporation, limited liability company, or limited partnership, any amendments to the articles of incorporation, articles of organization or certificate of limited partnership of the surviving entity shall be filed with the certificate of merger. Please check the appropriate box to indicate whether amendments are attached to the certificate of merger.

Requirements of Corporations (Domestic or Foreign) Merging Out of Existence

If a foreign or domestic corporation licensed in Ohio is a constituent entity in the merger and the surviving entity is not a foreign or domestic corporation to be licensed in Ohio, Ohio Revised Code §§1701.81 requires that additional information be submitted with the certificate.

A domestic corporation must provide the affidavits, receipts, certificates or other evidence required by Ohio Revised Code §§1701.86(H). A foreign corporation must submit the affidavits, receipts, certificates or other evidence required by Ohio Revised Code §§1703.17 (C) or (D).

The required affidavits are attached to this form for your convenience.

Qualifying Foreign Entities Additional Filing Requirements

All surviving foreign entities that are qualifying to do business in Ohio must attach the appropriate formation document to this form. The filing fee for that form is not required. The appropriate forms are listed below

Foreign Qualifying Corporation Form 530A or B

Foreign Notice (if qualifying entity is a foreign bank, savings bank, or savings and loan association)
Form 552

Foreign Qualifying Limited Liability Company Form 533B

Foreign Qualifying Limited Partnership Form 531B

Foreign Qualifying Limited Liability Partnership Form 537

Additional Provisions

If the space provided on this form is insufficient, please submit any additional information on single-sided, 8 ½ x 11 sheet(s) of paper.

Signature(s)

After completing all information on the filing form, please make sure that the form is signed by the representatives authorized to sign the certificate on behalf of each constituent entity. Pursuant to Ohio Revised Code Sections §§1701.81, 1702.43, 1705.38, 1776.70 and 1782.433 (as applicable), please provide the office held or the capacity in which the representative is acting by signing the certificate merger. Constituent entities are defined as those entities existing prior to the merger and the surviving entity.

****Note: Our office cannot file or record a document that contains a social security number or tax identification number. Please do not enter a social security number or tax identification number, in any format, on this form.**

**ACTIONS TAKEN IN WRITING WITHOUT A MEETING
BY THE SOLE DIRECTOR OF
CREDIT GENERAL INSURANCE COMPANY**

Pursuant to Section 1701.54, Ohio Revised Code, and the Final Order of Liquidation and Appointment of Liquidator on behalf of Credit General Insurance Company dated January 5, 2001, the undersigned Liquidator (the "Liquidator") of Credit General Insurance Company, an Ohio corporation (the "Corporation"), acting as the sole director of the Corporation, hereby adopts the following resolutions in writing:

RESOLVED, that the Liquidator as sole director of the Corporation deems it to be in the best interests of the Corporation that the Corporation enter into an agreement providing for the merger of the Corporation with PRS Insurance Group, Inc., a Delaware corporation ("PRS") that is the sole shareholder of Corporation, which agreement has been submitted to the board of directors; and

RESOLVED FURTHER, that the Liquidator of the Corporation is hereby authorized and directed to execute and deliver in the name of the Corporation an Agreement of Merger, the form of which is attached and incorporated by reference; and

RESOLVED FURTHER, that the Liquidator is hereby authorized and directed to do and perform any and all such actions, including execution of any and all documents and certificates, as the Liquidator shall deem necessary or advisable to carry out the purposes of the foregoing resolutions and to effectuate the merger of PRS with and into the Corporation (the surviving entity) in accordance with Ohio and Delaware law; and

RESOLVED FURTHER, that any actions taken by the Liquidator and her authorized representatives prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed, and approved as the acts and deeds of this Corporation.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this action in writing to be executed the 7 day of November, 2013.

Mary Taylor, Superintendent, Ohio Department of Insurance, in her Capacity as Liquidator of Credit General Insurance Company

By: 
Name: Lynda G. Loomis
Title: Chief Deputy Liquidator

Attachment: Copy of Chief Deputy Liquidator Lynda Loomis's delegated authority

Appointment Order shows the delegation of the Superintendent's authority as Liquidator of Credit General Insurance Company to Chief Deputy Liquidator Lynda Loomis. Superintendent Hudson was succeeded by Mary Taylor when on January 10, 2011, Governor John Kasich appointed Lt. Governor Mary Taylor as Director (Superintendent) of the Ohio Insurance Department.

Attachment: Credit General Insurance Company Final Order of Liquidation and Appointment of Liquidator on behalf of Credit General Insurance Company dated January 5, 2001

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

**J. LEE COVINGTON II,
Superintendent of Insurance
Ohio Department of Insurance
In his Capacity as Rehabilitator
Of the Estates of Credit General
Insurance Company and Credit
General Indemnity Company**

Plaintiff,

vs.

**CREDIT GENERAL
INSURANCE COMPANY**

and

**CREDIT GENERAL
INDEMNITY COMPANY**

Co-Defendants.

CASE NO. 00CVH 11-9867

JUDGE PFEIFFER

*FILED
NOV 08 2013
9:22 AM
CLERK OF COURTS-01*

**FINAL ORDER OF LIQUIDATION AND APPOINTMENT OF LIQUIDATOR ON
BEHALF OF CREDIT GENERAL INSURANCE COMPANY**

This cause came before this Court on the Motion of J. Lee Covington II, Superintendent of Insurance for the State of Ohio ("Plaintiff"), and Rehabilitator of Defendant Credit General Insurance Company ("Defendant CGIC"), and likewise, the Liquidator of Defendant Credit General Indemnity Company ("Defendant Indemnity"), pursuant to R.C. 3903.16(A), seeking a Final Order of Liquidation and Appointment of Liquidator

with respect to Defendant CGIC. Plaintiff appeared by and through the Ohio Attorney General, Betty D. Montgomery. Certain entities appeared through counsel and filed objections and or motions to intervene (the"Intervenors").

After having heard and considered the facts set forth in Plaintiff's Motion, this Court finds that the law and facts are as Plaintiff has alleged in his motion and that there exists a present and urgent necessity for the immediate entry of this Order. This Court further finds that:

1. Plaintiff is the duly appointed Superintendent of Insurance for the State of Ohio and is charged with the responsibility of executing and enforcing the insurance laws of this state pursuant to R.C. 3901.011.
2. Defendant CGIC is a domestic "insurer" as defined in Section 3903.01(L) of the Ohio Revised Code and is, therefore, subject to proceedings authorized by R.C. 3903.01 to 3903.59, entitled the "Insurer's Supervision, Rehabilitation and Liquidation Act."
3. On November 6, 2000, the Court issued an Order Appointing Rehabilitator which placed Defendant CGIC in rehabilitation pursuant to R.C. 3903.13 and contained, *inter alia*, the following findings: Defendant CGIC is in such condition that the further transaction of business would be financially hazardous to its creditors and/or the public, as described under R.C. 3903.12(A).
4. In addition to the findings made in its November 6, 2000 Order, the Court now finds that Defendant CGIC is insolvent as defined in R.C. 3903.01(K).

5. Defendant CGIC is in such condition that further attempts to rehabilitate it would substantially increase the risk of loss to its policyholders, creditors and/or the public, or would be futile, as described in R.C. 3903.16(A).

6. Defendant CGIC, its members, officers, directors, agents, employees, partners, representatives and those acting in concert with them should be enjoined and restrained from conducting, operating or engaging in the business of insurance or any other business of Defendant CGIC under any charter, permit, license, registration, certificate of authority, power or privilege of Defendant CGIC, and that all officers, directors, employees, representatives, banks, savings and loan associations, corporations, depositors, employers' welfare trusts, unions, brokers, agents, reinsurers, and other legal entities should be enjoined and restrained from removing or disposing of any of the assets, books, records or property of Defendant CGIC, or of any debt or claim owed to, by or for said Defendant CGIC, without the express written authorization of the Liquidator, except hereinafter set forth.

7. Without the appointment of a Liquidator, Defendant CGIC may cause harm to the interests of its creditors and/or the public in general, and that unless restrained, Defendant CGIC will be forced to operate in a condition contrary to the best interests of its creditors and the general public.

Based upon the foregoing and this Court's review of applicable statutory provisions, it is hereby FOUND, ORDERED, ADJUDGED and DECLARED as follows:

1. Sufficient cause exists for the liquidation of Defendant CGIC:

a) The grounds for Rehabilitation found in this Court's earlier Order of Rehabilitation continue to exist and therefore form a basis for liquidation under R.C. 3903.17(A);

b) Defendant CGIC is insolvent and is therefore subject to liquidation under R.C. 3903.17(B); and

c) Defendant CGIC is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, creditors and/or the public and is therefore subject to liquidation under R.C. 3903.17(C).

Defendant CGIC is therefore ordered into liquidation pursuant to R.C. Chapter 3903.

2. J. Lee Covington II, Superintendent of Insurance for the Ohio Department of Insurance, and his successors in office, is appointed Liquidator of Defendant CGIC for the purpose of the liquidation of Defendant CGIC pursuant to the provisions of R.C. Chapter 3903. Pursuant to R.C. 3903.21 (A)(1), the Liquidator appoints Douglas L. Hertlein as Chief Deputy Liquidator. The Liquidator, any Deputy Liquidator and any employee who serves under the Liquidator is provided the indemnification specified in R.C. 3903.07.

3. The Liquidator shall forthwith take and secure possession of all assets and property of Defendant CGIC, of every kind whatsoever and wherever located, whether in the possession of Defendant CGIC or its officers, directors, employees, consultants, attorneys, agents, parents, subsidiaries, affiliated corporations or those acting in concert with any of these persons, and any other persons, including, but not limited to, all property, offices maintained by Defendant CGIC, contracts, deposits, stocks, securities, rights of action, accounts, documents, papers, evidences of debt, bonds, debentures, mortgages, furniture, fixtures, office supplies, safe deposit boxes, legal/litigation files, and all books and records of Defendant CGIC, wherever located, and administer them under the general supervision of the Court.

4. The Liquidator is vested by operation of law with the title to all assets of Defendant CGIC, including, but not limited to, all property, deposits, stocks, securities, contracts, rights of action, accounts, documents, papers, evidences of debt, bonds, debentures, mortgages, furniture, fixtures, office supplies, safe deposit boxes, legal/litigation files, books, records and all other assets of Defendant CGIC, wherever located, as of the date of the entry of this Order of Liquidation, and is authorized to deal with same in his own name as Liquidator.

5. The Liquidator is directed to collect and liquidate the assets of Defendant CGIC, including but not limited to, funds held by Defendant CGIC's agents, subagents, producing agents, brokers, reinsurers, reinsurance intermediaries, reinsurance pools, solicitors, service representatives, or others under agency contracts or otherwise, which are due and unpaid to Defendant CGIC, including premium, unearned commissions, agents' balances and agents' reserve funds, reinsurance recoveries and "funds held" by reinsurers properly belonging to the CGIC estate.

6. The Liquidator is vested with the right, title and interest in all funds recoverable under the treaties, contracts and agreements of reinsurance heretofore entered

into by Defendant CGIC, as the ceding insurer, and all reinsurers, reinsurance pools, brokers, or other persons involved with Defendant CGIC are permanently restrained and enjoined from making, attempting to make, or encouraging others to make, any settlements with any claimant, policyholder or any other person than the Liquidator, without the prior written permission or consent of the Liquidator; provided, however, that a guaranty association or foreign guaranty association may settle its covered obligations with appropriate claimants and others properly belonging to the CGIC estate.

7. The Liquidator is authorized to take such action as he considers necessary or appropriate to liquidate Defendant CGIC, including but not limited to all of the powers granted under ORC §3903.21 and the following:

(a) Appoint one or more special deputies to act for him under Sections 3903.01 to 3903.59 of the Revised Code, and determine the deputies' reasonable compensation. Special deputies have all the powers of the Liquidator and shall serve at the pleasure of the Liquidator;

(b) Without prior notice to or approval by the Court, employ personnel and agents, actuaries, accountants, appraisers, consultants and such other personnel as he may consider necessary to assist in the liquidation;

(c) Fix the reasonable compensation of employees and agents, actuaries, accountants, appraisers, consultants and other personnel with the approval of the Court, which approval shall be obtained by the Court's approval of the Liquidator's accountings filed pursuant to ORC §3903.18(E);

(d) Pay reasonable compensation to persons appointed and employed from the funds or assets of Defendant CGIC, as well as all other administrative expenses of taking possession of, conserving, collecting, conducting, liquidating, disposing of or otherwise dealing with, the business and property of Defendant CGIC. In the event that the property of Defendant CGIC does not contain sufficient cash or liquid assets to defray the administrative costs incurred, the Superintendent of Insurance may advance the administrative costs so incurred out of any appropriation for the maintenance of the Department of Insurance. Any amounts so advanced for administrative expenses shall be repaid to the Superintendent for the use of the Department of Insurance out of the first available money of Defendant CGIC;

(e) Adopt such Administrative Operating Procedures, from time to time, as are necessary to aid in the efficient, economic and effective administration of the liquidation of Defendant CGIC, subject to the approval of such procedures by the Court;

(f) Hold hearings, subpoena witnesses to compel its appearance, administer oaths, examine any person under oath and compel any person to subscribe to its testimony after it has been correctly reduced to writing, and in connection therewith require the production of any books, papers, records or other documents which he considers relevant to the inquiry;

(g) Collect all debts and monies due and claims belonging to Defendant CGIC, wherever located, which in the judgment of the Liquidator are economically feasible to collect. For this purpose, the Liquidator may do any of the following:

(i) Institute timely actions in other jurisdictions, in order to forestall garnishment and attachment proceedings against such debts;

(ii) Do such other acts as are necessary or expedient to collect, conserve or protect Defendant CGIC's assets or property, including the power to sell, compound, compromise or assign debts for purposes of collection upon such terms and conditions as the Liquidator considers best;

(iii) Pursue any creditors' remedies available to enforce claims of Defendant CGIC;

(h) Conduct public or private sales of the property of Defendant CGIC;

(i) Use assets of the estate of Defendant CGIC to transfer policy obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under R.C. 3903.42;

(j) Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon or otherwise dispose of or deal with, any property of Defendant CGIC at its market value or upon such terms and conditions as are fair and reasonable. The Liquidator may execute, acknowledge and deliver any and all deeds, assignments, releases and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation;

(k) Borrow money on the security of Defendant CGIC's assets or without security and to execute and deliver all documents necessary to that transaction for the purpose of facilitating the liquidation;

(l) Enter into such contracts as are necessary to carry out this Order to Liquidate, and to affirm or disavow any contract to which Defendant CGIC is a party;

(m) Continue to prosecute and to commence in the name of Defendant CGIC or in his own name any and all suits and other legal proceedings, in this state or elsewhere, and to abandon the prosecution of claims he considers unprofitable to pursue further;

(n) If Defendant CGIC is dissolved under R.C. 3903.20, to apply to any court in this state or elsewhere for leave to substitute himself for Defendant CGIC as plaintiff;

(o) Prosecute any action which may exist on behalf of the policyholders, creditors, members, or shareholders of Defendant CGIC against any officer of Defendant CGIC or any other person;

(p) Remove any or all records and property of Defendant CGIC to the offices of the Liquidator or to such other place as may be convenient to the purposes of efficient and orderly administration of the liquidation. Guaranty associations and foreign guaranty associations shall have such reasonable access to the records of Defendant CGIC as is necessary for them to carry out its statutory obligations;

(q) Deposit in one or more banks in this state such sums as are required for meeting current administration expenses;

(r) Invest all sums not currently needed, unless the Court orders otherwise;

(s) File any necessary documents for record in the office of any recorder of deeds or record office in this state or elsewhere where property of Defendant CGIC is located;

(t) Assert all defenses available to Defendant CGIC as against third persons, including, but not limited to, statutes of limitations, statutes of frauds and the defense of usury. A waiver of any defense by Defendant CGIC after a complaint in liquidation has been filed does not bind the Liquidator;

(u) Exercise and enforce all the rights, remedies and powers of any creditor, shareholder, policyholder, including any power to avoid any transfer or lien that may be given by the general law and that is not included under R.C. 3903.26 to R.C. 3903.28;

(v) Intervene in any proceeding wherever the same is instituted that might lead to the appointment of a receiver, conservator, rehabilitator, liquidator, or trustee, and to act as the receiver, conservator, rehabilitator, liquidator, or trustee whenever the appointment is offered;

(w) Enter into agreements with any receiver, conservator, rehabilitator, liquidator, or superintendent of any other state relating to the rehabilitation, liquidation, conservation or dissolution of an insurer doing business in both states;

(x) Exercise all powers now held or hereafter conferred upon receivers, conservators, rehabilitators, or liquidators by the laws of this state not inconsistent with the provisions of R.C. 3903.01 to R.C. 3903.59;

(y) Apply to this Court for permission to sell Defendant CGIC as a going concern;

(z) Apply for and/or receive any tax refunds, credits tax loss carry-forwards or other tax benefit that would be available to Defendant CGIC but for the Order of Liquidation;

(aa) The enumeration of the above described powers and authority of the Liquidator shall not be construed as a limitation upon him, nor shall it exclude in any manner his right to do such other acts not herein specifically enumerated, or otherwise provided for, as may be necessary or appropriate for the accomplishment of or in aid of the purpose of liquidation.

8. The Liquidator is hereby granted and given all powers and authority under any and all statutes and under the common law of receivers of this state authorizing the appointment of Insurance Liquidators, and, particularly, be and thereby is granted and given all powers and authority in R.C. Chapter 3903, including, without limitation, those enumerated herein.

9. All officers, directors, trustees, employees, brokers, agents, reinsurers of Defendant CGIC, attorneys representing Defendant CGIC and/or its policyholders or any other person, firm, association, partnership, corporation or other entity with authority over or in charge of any aspect of Defendant CGIC's affairs, property, or assets including but not limited to, insurers, brokers, agents, trusts, banks, savings and loan associations, financial or lending institutions, stock or mutual associations, reinsurers and any parent, holding company, subsidiary or affiliated corporation or any other representative acting in concert with Defendant CGIC ("Other Entities"), shall cooperate with the Liquidator in the performance of his duties. The directive "to cooperate" shall include, but not be limited to, a duty to do both of the following as required by law:

(a) Reply promptly in writing to any inquiry from the Liquidator requesting such a reply; and

(b) Make available to and deliver to the Liquidator any books, accounts, documents, agreements, records, legal/litigation files, information or property of, or pertaining to, Defendant CGIC in his possession, custody or control.

10. No officer, director, employee, consultant, attorney, parent, subsidiary or affiliated corporation, partner, agent, reinsurer, representative of Defendant CGIC or any other person acting in concert with Defendant CGIC, shall obstruct or Interfere with the Liquidator in the conduct of his duties as Liquidator, and these persons are hereby restrained, except under the express authorization of the Liquidator or by the further order of this Court, from doing, operating and conducting any business of or on behalf of Defendant CGIC under any charter, permit, license, power or privilege, belonging to or heretofore issued by or to said Defendant CGIC, and from in any manner conducting, doing or engaging in the business of insurance on behalf of Defendant CGIC.

11. All persons are hereby restrained from dealing with or permitting to be done any action which might waste or dispose of the property or assets of Defendant CGIC; from disposing of, using, transferring, selling, assigning, canceling, hypothecating, concealing in any manner or in any way, any books, records, legal/litigation files, equipment, money, accounts, accounts receivable, stocks, bonds, assets, notes, funds or any other property or other assets of Defendant CGIC, whether real, personal or mixed, or of any kind or nature, wherever situated, including any claims or causes of action that Defendant CGIC might have against any person, firm, association or corporation, belonging to, owned by, in the possession of, or claimed by Defendant CGIC; and disposing of any account, debt, deposit, share account, trust account, or any other asset owned, owed to, or held for the benefit of Defendant CGIC, or any account held individually, jointly, or severally, for Defendant CGIC, whether such account, debt, deposit, share account, trust account, or any other assets owned or held for such Defendant in the name of or for the benefit of Defendant CGIC or under any other name.

12. All officers, directors, employees, agents, servants, attorneys, reinsurers, creditors, representatives of Defendant CGIC and those acting in concert with Defendant CGIC and other entities as described in Paragraph 9, shall, by sworn written statement, upon the request of the Liquidator, inform the Liquidator of the nature, description and location of all assets or other property of Defendant CGIC not located on the premises of Defendant CGIC including, but not limited to, all bank accounts, safe deposit boxes, safes, stock certificates, bonds, certificates of deposit, cash, security, legal/litigation files or any other property, real, personal, or mixed, and these persons are specifically ordered and enjoined from disposing of, using or concealing in any manner or in any way of the assets, books, property, records, legal/litigation files or reports of Defendant CGIC except under the express authorization of the Liquidator or by the further order of this Court.

13. All banks, savings and loan associations, trust companies, agents, attorneys or any other persons, firms, corporations, associations, reinsurers, depositories, employers, unions, brokerage houses, welfare trusts, or other legal entities, are hereby restrained as follows:

(a) From disposing of, using, releasing, transferring, withdrawing, withholding, allowing to be withdrawn or concealing in any manner or in any way of the property or assets of Defendant CGIC, of any kind or nature whatsoever, wherever situated, or from disposing of any account, debt, deposit, share account, trust account, or any other asset owned, owed to or held for the benefit of Defendant CGIC or any account, debt, share account, trust account, or other assets owned or held individually, jointly, or severally, for Defendant CGIC, whether such account, debt, deposit, share account, trust account, or any other asset owned or held for such Defendant, in the name of or for the benefit of said Defendant or under any other name, except under the express written authorization of the Liquidator or by the further order of this Court;

(b) From doing anything, directly or indirectly, to prevent the Liquidator from acquiring all property, assets, books, documents, legal/litigation files or records which are the property or assets of Defendant CGIC, and/or have been ordered to be tendered to the Liquidator by the provisions of this Order or other order of this Court, under

whatever name such books, documents, legal/litigation files or records may be filed or found or wheresoever such books, documents, legal/litigation files or records may be found or situated; and from doing anything, directly or indirectly, to prevent the Liquidator from gaining access to, acquiring, examining or investigating all other books, documents, legal/litigation files or records pertaining to or concerning Defendant CGIC or its affairs, under whatever name such books, documents, legal/litigation files or records may be filed or found or wheresoever such books, documents, legal/litigation files or records may be found or situated;

(c) From interfering in any way with the lawful acts of the Liquidator who has been appointed herein or from disposing of, converting, dissipating, or concealing in any manner or in any way any of the assets, books, property, legal/litigation files, records, or reports of Defendant CGIC;

14. The Liquidator shall take all steps necessary to place all bank accounts, stock certificates, securities, certificates of deposit and other financial instruments of Defendant CGIC into his own name, and shall use any accounts of Defendant CGIC, and shall keep a true and correct account of any and all receipts or expenditures which he shall make as Liquidator in the course of the liquidation of said business.

15. All agents, brokers, premium finance companies, or any other persons responsible to Defendant CGIC for the payment of premium and unearned commission, as shown on the records of Defendant CGIC, shall pay to the Liquidator any unpaid earned premiums or unearned commissions due Defendant CGIC at the time of the entry of this Order.

16. All agents and brokers of Defendant CGIC are enjoined and restrained from returning to policyholders/insureds or premium finance companies, any money in their possession collected for premiums, and all premium finance companies which have entered into contracts to finance a premium for a policy which has been issued by Defendant CGIC is enjoined from returning to policyholders/insureds any such premiums or any money in their possession, and that such agents, brokers and premium finance companies shall turn over all such funds in their possession to the Liquidator.

17. Defendant CGIC and its respective officers, directors, agents and employees and attorneys are enjoined from bringing or further prosecuting any action or claim for relief, counterclaim, setoff, cross claim, third party complaint, or otherwise, at law or in equity or other proceeding against Defendant CGIC or the Liquidator, or from in any way interfering with the Liquidator's conduct of the business of Defendant CGIC, or from obtaining preferences, judgments, attachments, or other like liens or the making of any levy against Defendant CGIC or its property and assets while in possession and control of the Liquidator, or from in any way interfering with the Liquidator in his gaining possession or control of or in his right, title and interest to the property, books, records and all other assets of Defendant CGIC.

18. No civil action shall be commenced against Defendant CGIC or the Liquidator, whether in this state or elsewhere, nor shall any such existing actions be maintained or further prosecuted after the entry of this Order. Notwithstanding the preceding sentence or any other provision of this Order, the Intervenors or any other party claiming property interests in property held by the Liquidator may file a motion,

without filing a proof of claim, with the Court for the purpose of determining whether the Court has or should exercise jurisdiction and/or whether any property held by the Liquidator is or should be an asset of CGIC. The Court shall adjudicate such motion and shall grant relief with respect thereto pursuant to a final and appealable order. Whenever in the Liquidator's judgment, protection of the estate of Defendant CGIC necessitates intervention in any action against Defendant CGIC that is pending outside this state, he may intervene in the action. The Liquidator may defend any action in which he intervenes under this section at the expense of the estate of Defendant CGIC.

19. The Liquidator is authorized to, upon or after this Order for Liquidation, within two years or such time in addition to two years as applicable law may permit, commence an action or proceeding on behalf of the estate of Defendant CGIC upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of Plaintiff's Motion for an Order of Liquidation.

Where, in any agreement, a period of limitation is fixed for commencing a suit or proceeding upon any claim, or for filing any claim, proof of claim, proof of loss, demand, notice or the like, or where in any proceeding, judicial or otherwise, a period of limitation is fixed, either in the proceeding or by applicable law, for taking any action, filing any claim or pleading, or doing any action, and where in any such case the period has not expired at the date of the filing of the Motion for an Order of Liquidation, the Liquidator may, for the benefit of Defendant CGIC, take any such action or do any such act, required of or permitted to Defendant CGIC within a period of one-hundred eighty days subsequent to the entry of this Order for Liquidation, or within such further period as is shown to the satisfaction of the Court not to be unfairly prejudicial to the other party.

20. Any guaranty association or foreign guaranty association shall have standing to appear in any court proceeding concerning the liquidation of Defendant CGIC if such association is or may become liable to act as a result of the liquidation.

21. All persons, including policyholders, obligees, principals, creditors, stockholders of Defendant CGIC and all persons asserting claims against such policyholders, are enjoined from instituting or pursuing any action or proceeding in any court or before any administrative agency, including boards and commissions administering workmen's compensation or occupational diseases or similar laws of the State of Ohio or of any other states, or of the United States, which seeks in any way, directly or indirectly, to contest or interfere with the Liquidator's exclusive right, title and interest to funds recoverable under treaties and agreements of reinsurance heretofore entered into by Defendant CGIC as the ceding Insurer.

22. All of Defendant CGIC's policies as to which a notice of cancellation was not given on or prior to the date of this Final Order of Liquidation and which are covered by a guaranty association or foreign guaranty association shall continue in force for such period of time and under such terms as are provided for by the applicable guaranty associations. All policies not covered by a guaranty association or foreign guaranty association shall terminate pursuant to R.C. 3903.19 upon the occurrence of the lesser of:

- (a) A period of 30 days from the date of entry of this Final Order of Liquidation;
- (b) The expiration of the policy coverage;

(c) The date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy; or

(d) The Liquidator has effected a transfer of the policy obligation pursuant to R.C. 3903.21.

All policies as to which a notice of cancellation was given, on or prior to the date of entry of this Final Order of Liquidation, shall stand cancelled as of the date specified in the notice.

23. The Liquidator is authorized to cancel all executory contracts, except the contracts of insurance and other similar obligations and contracts which are cancelable as provided in Paragraph 22 herein, and all liability thereunder shall cease and be fixed as of the date of the Entry of this Final Order of Liquidation, except as provided in R.C. 3903.19 and 3903.37, and that such impending cancellations shall not be treated as anticipatory or other breach of contracts.

24. The Liquidator shall have the power and authority under R.C. 3903.26, 3903.27 and 3903.28 to avoid fraudulent or preferential transfers.

25. The Liquidator is hereby authorized to do all other things permitted by law to effectuate the Liquidation of Defendant CGIC.

26. All third persons dealing with interests in real property or other property of Defendant CGIC are charged with notice of this order as provided in R.C. 3903.18(A).

27. The Liquidator is directed to give or cause to be given notice of this Liquidation Order as required by R.C. 3903.22.

28. Upon the issuance of this Order, the rights and liabilities of Defendant CGIC and of its creditors and all other parties interested in the estate of Defendant CGIC shall become fixed as of the date of this Order, except as provided in R.C. 3903.37.

29. The Liquidator, or any successor in office, is hereby authorized, permitted and allowed to sell, assign and transfer the Corporate Charter of Defendant CGIC and any and all insurance licenses or certificates of authority held by Defendant in such a method and manner as may be approved by this Court.

30. All proceedings in which Defendant CGIC is a party or is obligated to defend a party in any court in this state are stayed for ~~60 days~~ ^{60 months} from the date of this order, as mandated by the provisions of R.C. 3956.19, to permit a proper defense by a guaranty association or foreign guaranty association of all pending causes of action. All proceedings in which Defendant CGIC is a party in any court outside of Ohio are stayed for the maximum period of time mandated by the applicable stay provision of the affected state's guaranty association statute, but in no event for a period of time less than ninety (90) days from the date of this order, to permit a proper defense by the appropriate state guaranty association of all pending causes of action.

31. All attorneys/law firms who are either providing or have provided representation or other legal services to Defendant CGIC, shall tender over possession and control to the Liquidator within five working days from the receipt of notice of this order, all legal/litigation files and all other pleadings, memoranda, discovery, motions, notes, photographs, videotapes, physical evidence, property, documents, records, reports and files which are in its possession or control and which are related to the providing of

representation or other legal services to Defendant CGIC or to any Defendant CGIC insured by virtue of its policy with Defendant CGIC.

32. This Court requests that, in all actions or proceedings pending or hereafter filed outside of the State of Ohio, involving Defendant CGIC, full faith and credit be given to this Order.

33. This Order is a final judgment, and Defendant CGIC is in liquidation effective today.

34. Nothing in this order shall be deemed to abridge or expand the jurisdiction of the United States Bankruptcy Court or this Court. The acquiescence of Plaintiff, the PRS Insurance Group, Inc. and its subsidiaries other than CGIC ("PRS Group") or the Intervenor as to the entry of this Order shall not constitute a waiver by them of any rights or benefits which they may have under the United States Bankruptcy Code, Ohio Revised Code or other applicable law.

35. This Court shall retain jurisdiction in this case for the purpose of granting such other and further relief as the nature of this case or the interests of the creditors, stockholders or the members of the public may require.

36. The Liquidator shall not transfer or otherwise dispose of any asset of the estate without authorization of the Court after a hearing on notice to the Intervenor, provided however, the Liquidator shall be authorized to pay the Class I expenses pursuant to R.C. 3903.42(A) of the CGIC estate without further order of the Court.

37. The Liquidator shall serve an inventory of assets and a list of assets transferred from PRS Group to CGIC on the Intervenor within 60 days of the entry of this Order. The Liquidator shall provide to Reliance Insurance Company and its affiliates copies of all documents relating to its insurance programs with CGIC and/or PRS Group within 30 days from the date hereof. The Liquidator shall provide to the PRS Group all PRS Group documents currently in possession of CGIC as soon as possible. The Liquidator shall respond to all other written requests by the Intervenor for documents within sixty days of the receipt of such requests. The parties and Intervenor have the right to conduct discovery as provided by the Ohio Rules of Civil Procedure.

38. Plaintiff having withdrawn his motion for approval of sale of assets, the briefing schedule set forth in the Court's order entered on December 21, 2000 is hereby vacated.

IT IS SO ENTERED THIS 4th DAY OF JANUARY, 2001.

Beverly U. Pfeiffer
JUDGE

THE STATE OF OHIO
Franklin County, ss. }
JOHN O'GRABY, CLERK
OF THE COURT OF COMMON
PLEAS, WITHIN AND FOR
SAID COUNTY

WHEREBY CERTAIN INSTRUMENTS AND PROCEEDINGS
BEFORE THE COURT AND FOR THE RECORD
HEREIN

ORDER

NOW ON FILE IN MY OFFICE

WITNESS MY HAND AND SEAL OF SAID COUNTY
THIS 5th DAY OF Jan A.D. 2001

JOHN O'GRABY, Clerk

By Am Deputy

**CERTIFICATE OF MERGER OF
PRS INSURANCE GROUP, INC. INTO
CREDIT GENERAL INSURANCE COMPANY**

The undersigned corporation, organized and existing under and by virtue of the General Corporation Law of the State of Ohio

DOES HEREBY CERTIFY:

FIRST, that the name and state of incorporation of each of the constituent corporations of the merger are as follows:

<u>Name</u>	<u>State of Incorporation</u>
PRS Insurance Group, Inc.	Delaware
Credit General Insurance Company	Ohio

SECOND, that an agreement and plan of merger between the constituent corporations of the merger has been approved, adopted, executed, and acknowledged by each of the constituent corporations in accordance with the requirements of Section 252 of the General Corporation Law of the State of Delaware.

THIRD, that the name of the surviving corporation in the merger is Credit General Insurance Company.

FOURTH, that the certificate of incorporation of Credit General Insurance Company, an Ohio corporation, shall be the certificate of incorporation of the surviving corporation.

FIFTH, that the executed agreement and plan of merger is on file at the principal place of business of the surviving corporation. The address of the principal place of business of the surviving corporation is c/o Office of the Ohio Insurance Liquidator, 50 W. Town Street, Suite 300 – Room 401, Columbus, Ohio 43215-4186.

SIXTH, that a copy of the agreement and plan of merger will be furnished by the surviving corporation, on request and without cost, to any stockholder of any constituent corporation of the merger.

SEVENTH, that the undersigned corporation hereby agrees that it may be served with process in the State of Delaware in any proceeding for enforcement of any obligation of PRS Insurance Group, Inc., as well as for enforcement of any obligation of the surviving corporation arising from the merger, including any suit or other proceeding to enforce the right of any stockholders as determined in appraisal proceedings pursuant to 8 Del. C. § 262, and the undersigned corporation hereby irrevocably appoints the Secretary of State of the State of Delaware as its agent to accept service of process in any such suit or other proceedings, and a copy of such process shall be mailed by the Secretary of State of the State of Delaware to the undersigned corporation at the following address:

c/o Office of the Ohio Insurance Liquidator
50 W. Town Street, Suite 300 – Room 401
Columbus, Ohio 43215-4186

IN WITNESS WHEREOF, Credit General Insurance Company has caused this Certificate to be signed by Lynda G. Loomis, its authorized officer, this 4th day of November, 2013.

CREDIT GENERAL INSURANCE COMPANY
By: Mary Taylor, Superintendent, Ohio
Department Of Insurance, in Her Capacity
as Liquidator of Credit General Insurance
Company

By: 
Name: Lynda G. Loomis
Title: Chief Deputy Liquidator

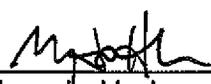
STATE OF OHIO
DEPARTMENT OF INSURANCE
50 W. Town Street
Third Floor, Suite 300
Columbus, OH 43215

IN THE MATTER OF: :
: ORDER AND JOURNAL ENTRY
CREDIT GENERAL :
INSURANCE COMPANY :

Pursuant to the authority granted in the Final Order of Liquidation and Appointment of Liquidator on Behalf of Credit General Insurance Company issued on January 5, 2001 (the "Liquidation Order") which appointed the Superintendent of Insurance for the State of Ohio as Liquidator of Credit General Insurance Company, and then the Joint Notice of Substitution of Superintendent of Insurance and Liquidator filed on January 12, 2007 indicating that Mary Jo Hudson was substituted as Liquidator, the following appointment shall be and hereby is made:

Lynda Loomis is hereby appointed effective October 3, 2008 as Chief Deputy Liquidator of Credit General Insurance Company, and shall have the powers and responsibilities of the Liquidator granted under the above-referenced Order.

Order made and entered into the Journal of the Department of Insurance as of this 3rd day of October, 2008.



Mary Jo Hudson
Superintendent of Insurance
In Her Capacity as Liquidator of
Credit General Insurance Company

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

**J. LEE COVINGTON II,
Superintendent of Insurance
Ohio Department of Insurance
In his Capacity as Rehabilitator
Of the Estates of Credit General
Insurance Company and Credit
General Indemnity Company**

Plaintiff,

vs.

**CREDIT GENERAL
INSURANCE COMPANY**

and

**CREDIT GENERAL
INDEMNITY COMPANY**

Co-Defendants.

CASE NO. 00CVH 11-9867

JUDGE PFEIFFER

*FILED
NOV 08 2013
9:22 AM
CLERK OF COURTS-01*

**FINAL ORDER OF LIQUIDATION AND APPOINTMENT OF LIQUIDATOR ON
BEHALF OF CREDIT GENERAL INSURANCE COMPANY**

This cause came before this Court on the Motion of J. Lee Covington II, Superintendent of Insurance for the State of Ohio ("Plaintiff"), and Rehabilitator of Defendant Credit General Insurance Company ("Defendant CGIC"), and likewise, the Liquidator of Defendant Credit General Indemnity Company ("Defendant Indemnity"), pursuant to R.C. 3903.16(A), seeking a Final Order of Liquidation and Appointment of Liquidator

with respect to Defendant CGIC. Plaintiff appeared by and through the Ohio Attorney General, Betty D. Montgomery. Certain entities appeared through counsel and filed objections and or motions to intervene (the"Intervenors").

After having heard and considered the facts set forth in Plaintiff's Motion, this Court finds that the law and facts are as Plaintiff has alleged in his motion and that there exists a present and urgent necessity for the immediate entry of this Order. This Court further finds that:

1. Plaintiff is the duly appointed Superintendent of Insurance for the State of Ohio and is charged with the responsibility of executing and enforcing the insurance laws of this state pursuant to R.C. 3901.011.
2. Defendant CGIC is a domestic "insurer" as defined in Section 3903.01(L) of the Ohio Revised Code and is, therefore, subject to proceedings authorized by R.C. 3903.01 to 3903.59, entitled the "Insurer's Supervision, Rehabilitation and Liquidation Act."
3. On November 6, 2000, the Court issued an Order Appointing Rehabilitator which placed Defendant CGIC in rehabilitation pursuant to R.C. 3903.13 and contained, *inter alia*, the following findings: Defendant CGIC is in such condition that the further transaction of business would be financially hazardous to its creditors and/or the public, as described under R.C. 3903.12(A).
4. In addition to the findings made in its November 6, 2000 Order, the Court now finds that Defendant CGIC is insolvent as defined in R.C. 3903.01(K).

5. Defendant CGIC is in such condition that further attempts to rehabilitate it would substantially increase the risk of loss to its policyholders, creditors and/or the public, or would be futile, as described in R.C. 3903.16(A).

6. Defendant CGIC, its members, officers, directors, agents, employees, partners, representatives and those acting in concert with them should be enjoined and restrained from conducting, operating or engaging in the business of insurance or any other business of Defendant CGIC under any charter, permit, license, registration, certificate of authority, power or privilege of Defendant CGIC, and that all officers, directors, employees, representatives, banks, savings and loan associations, corporations, depositors, employers' welfare trusts, unions, brokers, agents, reinsurers, and other legal entities should be enjoined and restrained from removing or disposing of any of the assets, books, records or property of Defendant CGIC, or of any debt or claim owed to, by or for said Defendant CGIC, without the express written authorization of the Liquidator, except hereinafter set forth.

7. Without the appointment of a Liquidator, Defendant CGIC may cause harm to the interests of its creditors and/or the public in general, and that unless restrained, Defendant CGIC will be forced to operate in a condition contrary to the best interests of its creditors and the general public.

Based upon the foregoing and this Court's review of applicable statutory provisions, it is hereby FOUND, ORDERED, ADJUDGED and DECLARED as follows:

1. Sufficient cause exists for the liquidation of Defendant CGIC:

a) The grounds for Rehabilitation found in this Court's earlier Order of Rehabilitation continue to exist and therefore form a basis for liquidation under R.C. 3903.17(A);

b) Defendant CGIC is insolvent and is therefore subject to liquidation under R.C. 3903.17(B); and

c) Defendant CGIC is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, creditors and/or the public and is therefore subject to liquidation under R.C. 3903.17(C).

Defendant CGIC is therefore ordered into liquidation pursuant to R.C. Chapter 3903.

2. J. Lee Covington II, Superintendent of Insurance for the Ohio Department of Insurance, and his successors in office, is appointed Liquidator of Defendant CGIC for the purpose of the liquidation of Defendant CGIC pursuant to the provisions of R.C. Chapter 3903. Pursuant to R.C. 3903.21 (A)(1), the Liquidator appoints Douglas L. Hertlein as Chief Deputy Liquidator. The Liquidator, any Deputy Liquidator and any employee who serves under the Liquidator is provided the indemnification specified in R.C. 3903.07.

3. The Liquidator shall forthwith take and secure possession of all assets and property of Defendant CGIC, of every kind whatsoever and wherever located, whether in the possession of Defendant CGIC or its officers, directors, employees, consultants, attorneys, agents, parents, subsidiaries, affiliated corporations or those acting in concert with any of these persons, and any other persons, including, but not limited to, all property, offices maintained by Defendant CGIC, contracts, deposits, stocks, securities, rights of action, accounts, documents, papers, evidences of debt, bonds, debentures, mortgages, furniture, fixtures, office supplies, safe deposit boxes, legal/litigation files, and all books and records of Defendant CGIC, wherever located, and administer them under the general supervision of the Court.

4. The Liquidator is vested by operation of law with the title to all assets of Defendant CGIC, including, but not limited to, all property, deposits, stocks, securities, contracts, rights of action, accounts, documents, papers, evidences of debt, bonds, debentures, mortgages, furniture, fixtures, office supplies, safe deposit boxes, legal/litigation files, books, records and all other assets of Defendant CGIC, wherever located, as of the date of the entry of this Order of Liquidation, and is authorized to deal with same in his own name as Liquidator.

5. The Liquidator is directed to collect and liquidate the assets of Defendant CGIC, including but not limited to, funds held by Defendant CGIC's agents, subagents, producing agents, brokers, reinsurers, reinsurance intermediaries, reinsurance pools, solicitors, service representatives, or others under agency contracts or otherwise, which are due and unpaid to Defendant CGIC, including premium, unearned commissions, agents' balances and agents' reserve funds, reinsurance recoveries and "funds held" by reinsurers properly belonging to the CGIC estate.

6. The Liquidator is vested with the right, title and interest in all funds recoverable under the treaties, contracts and agreements of reinsurance heretofore entered

into by Defendant CGIC, as the ceding insurer, and all reinsurers, reinsurance pools, brokers, or other persons involved with Defendant CGIC are permanently restrained and enjoined from making, attempting to make, or encouraging others to make, any settlements with any claimant, policyholder or any other person than the Liquidator, without the prior written permission or consent of the Liquidator; provided, however, that a guaranty association or foreign guaranty association may settle its covered obligations with appropriate claimants and others properly belonging to the CGIC estate.

7. The Liquidator is authorized to take such action as he considers necessary or appropriate to liquidate Defendant CGIC, including but not limited to all of the powers granted under ORC §3903.21 and the following:

(a) Appoint one or more special deputies to act for him under Sections 3903.01 to 3903.59 of the Revised Code, and determine the deputies' reasonable compensation. Special deputies have all the powers of the Liquidator and shall serve at the pleasure of the Liquidator;

(b) Without prior notice to or approval by the Court, employ personnel and agents, actuaries, accountants, appraisers, consultants and such other personnel as he may consider necessary to assist in the liquidation;

(c) Fix the reasonable compensation of employees and agents, actuaries, accountants, appraisers, consultants and other personnel with the approval of the Court, which approval shall be obtained by the Court's approval of the Liquidator's accountings filed pursuant to ORC §3903.18(E);

(d) Pay reasonable compensation to persons appointed and employed from the funds or assets of Defendant CGIC, as well as all other administrative expenses of taking possession of, conserving, collecting, conducting, liquidating, disposing of or otherwise dealing with, the business and property of Defendant CGIC. In the event that the property of Defendant CGIC does not contain sufficient cash or liquid assets to defray the administrative costs incurred, the Superintendent of Insurance may advance the administrative costs so incurred out of any appropriation for the maintenance of the Department of Insurance. Any amounts so advanced for administrative expenses shall be repaid to the Superintendent for the use of the Department of Insurance out of the first available money of Defendant CGIC;

(e) Adopt such Administrative Operating Procedures, from time to time, as are necessary to aid in the efficient, economic and effective administration of the liquidation of Defendant CGIC, subject to the approval of such procedures by the Court;

(f) Hold hearings, subpoena witnesses to compel its appearance, administer oaths, examine any person under oath and compel any person to subscribe to its testimony after it has been correctly reduced to writing, and in connection therewith require the production of any books, papers, records or other documents which he considers relevant to the inquiry;

(g) Collect all debts and monies due and claims belonging to Defendant CGIC, wherever located, which in the judgment of the Liquidator are economically feasible to collect. For this purpose, the Liquidator may do any of the following:

(i) Institute timely actions in other jurisdictions, in order to forestall garnishment and attachment proceedings against such debts;

(ii) Do such other acts as are necessary or expedient to collect, conserve or protect Defendant CGIC's assets or property, including the power to sell, compound, compromise or assign debts for purposes of collection upon such terms and conditions as the Liquidator considers best;

(iii) Pursue any creditors' remedies available to enforce claims of Defendant CGIC;

(h) Conduct public or private sales of the property of Defendant CGIC;

(i) Use assets of the estate of Defendant CGIC to transfer policy obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under R.C. 3903.42;

(j) Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon or otherwise dispose of or deal with, any property of Defendant CGIC at its market value or upon such terms and conditions as are fair and reasonable. The Liquidator may execute, acknowledge and deliver any and all deeds, assignments, releases and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation;

(k) Borrow money on the security of Defendant CGIC's assets or without security and to execute and deliver all documents necessary to that transaction for the purpose of facilitating the liquidation;

(l) Enter into such contracts as are necessary to carry out this Order to Liquidate, and to affirm or disavow any contract to which Defendant CGIC is a party;

(m) Continue to prosecute and to commence in the name of Defendant CGIC or in his own name any and all suits and other legal proceedings, in this state or elsewhere, and to abandon the prosecution of claims he considers unprofitable to pursue further;

(n) If Defendant CGIC is dissolved under R.C. 3903.20, to apply to any court in this state or elsewhere for leave to substitute himself for Defendant CGIC as plaintiff;

(o) Prosecute any action which may exist on behalf of the policyholders, creditors, members, or shareholders of Defendant CGIC against any officer of Defendant CGIC or any other person;

(p) Remove any or all records and property of Defendant CGIC to the offices of the Liquidator or to such other place as may be convenient to the purposes of efficient and orderly administration of the liquidation. Guaranty associations and foreign guaranty associations shall have such reasonable access to the records of Defendant CGIC as is necessary for them to carry out its statutory obligations;

(q) Deposit in one or more banks in this state such sums as are required for meeting current administration expenses;

(r) Invest all sums not currently needed, unless the Court orders otherwise;

(s) File any necessary documents for record in the office of any recorder of deeds or record office in this state or elsewhere where property of Defendant CGIC is located;

(t) Assert all defenses available to Defendant CGIC as against third persons, including, but not limited to, statutes of limitations, statutes of frauds and the defense of usury. A waiver of any defense by Defendant CGIC after a complaint in liquidation has been filed does not bind the Liquidator;

(u) Exercise and enforce all the rights, remedies and powers of any creditor, shareholder, policyholder, including any power to avoid any transfer or lien that may be given by the general law and that is not included under R.C. 3903.26 to R.C. 3903.28;

(v) Intervene in any proceeding wherever the same is instituted that might lead to the appointment of a receiver, conservator, rehabilitator, liquidator, or trustee, and to act as the receiver, conservator, rehabilitator, liquidator, or trustee whenever the appointment is offered;

(w) Enter into agreements with any receiver, conservator, rehabilitator, liquidator, or superintendent of any other state relating to the rehabilitation, liquidation, conservation or dissolution of an insurer doing business in both states;

(x) Exercise all powers now held or hereafter conferred upon receivers, conservators, rehabilitators, or liquidators by the laws of this state not inconsistent with the provisions of R.C. 3903.01 to R.C. 3903.59;

(y) Apply to this Court for permission to sell Defendant CGIC as a going concern;

(z) Apply for and/or receive any tax refunds, credits tax loss carry-forwards or other tax benefit that would be available to Defendant CGIC but for the Order of Liquidation;

(aa) The enumeration of the above described powers and authority of the Liquidator shall not be construed as a limitation upon him, nor shall it exclude in any manner his right to do such other acts not herein specifically enumerated, or otherwise provided for, as may be necessary or appropriate for the accomplishment of or in aid of the purpose of liquidation.

8. The Liquidator is hereby granted and given all powers and authority under any and all statutes and under the common law of receivers of this state authorizing the appointment of Insurance Liquidators, and, particularly, be and thereby is granted and given all powers and authority in R.C. Chapter 3903, including, without limitation, those enumerated herein.

9. All officers, directors, trustees, employees, brokers, agents, reinsurers of Defendant CGIC, attorneys representing Defendant CGIC and/or its policyholders or any other person, firm, association, partnership, corporation or other entity with authority over or in charge of any aspect of Defendant CGIC's affairs, property, or assets including but not limited to, insurers, brokers, agents, trusts, banks, savings and loan associations, financial or lending institutions, stock or mutual associations, reinsurers and any parent, holding company, subsidiary or affiliated corporation or any other representative acting in concert with Defendant CGIC ("Other Entities"), shall cooperate with the Liquidator in the performance of his duties. The directive "to cooperate" shall include, but not be limited to, a duty to do both of the following as required by law:

(a) Reply promptly in writing to any inquiry from the Liquidator requesting such a reply; and

(b) Make available to and deliver to the Liquidator any books, accounts, documents, agreements, records, legal/litigation files, information or property of, or pertaining to, Defendant CGIC in his possession, custody or control.

10. No officer, director, employee, consultant, attorney, parent, subsidiary or affiliated corporation, partner, agent, reinsurer, representative of Defendant CGIC or any other person acting in concert with Defendant CGIC, shall obstruct or Interfere with the Liquidator in the conduct of his duties as Liquidator, and these persons are hereby restrained, except under the express authorization of the Liquidator or by the further order of this Court, from doing, operating and conducting any business of or on behalf of Defendant CGIC under any charter, permit, license, power or privilege, belonging to or heretofore issued by or to said Defendant CGIC, and from in any manner conducting, doing or engaging in the business of insurance on behalf of Defendant CGIC.

11. All persons are hereby restrained from dealing with or permitting to be done any action which might waste or dispose of the property or assets of Defendant CGIC; from disposing of, using, transferring, selling, assigning, canceling, hypothecating, concealing in any manner or in any way, any books, records, legal/litigation files, equipment, money, accounts, accounts receivable, stocks, bonds, assets, notes, funds or any other property or other assets of Defendant CGIC, whether real, personal or mixed, or of any kind or nature, wherever situated, including any claims or causes of action that Defendant CGIC might have against any person, firm, association or corporation, belonging to, owned by, in the possession of, or claimed by Defendant CGIC; and disposing of any account, debt, deposit, share account, trust account, or any other asset owned, owed to, or held for the benefit of Defendant CGIC, or any account held individually, jointly, or severally, for Defendant CGIC, whether such account, debt, deposit, share account, trust account, or any other assets owned or held for such Defendant in the name of or for the benefit of Defendant CGIC or under any other name.

12. All officers, directors, employees, agents, servants, attorneys, reinsurers, creditors, representatives of Defendant CGIC and those acting in concert with Defendant CGIC and other entities as described in Paragraph 9, shall, by sworn written statement, upon the request of the Liquidator, inform the Liquidator of the nature, description and location of all assets or other property of Defendant CGIC not located on the premises of Defendant CGIC including, but not limited to, all bank accounts, safe deposit boxes, safes, stock certificates, bonds, certificates of deposit, cash, security, legal/litigation files or any other property, real, personal, or mixed, and these persons are specifically ordered and enjoined from disposing of, using or concealing in any manner or in any way of the assets, books, property, records, legal/litigation files or reports of Defendant CGIC except under the express authorization of the Liquidator or by the further order of this Court.

13. All banks, savings and loan associations, trust companies, agents, attorneys or any other persons, firms, corporations, associations, reinsurers, depositories, employers, unions, brokerage houses, welfare trusts, or other legal entities, are hereby restrained as follows:

(a) From disposing of, using, releasing, transferring, withdrawing, withholding, allowing to be withdrawn or concealing in any manner or in any way of the property or assets of Defendant CGIC, of any kind or nature whatsoever, wherever situated, or from disposing of any account, debt, deposit, share account, trust account, or any other asset owned, owed to or held for the benefit of Defendant CGIC or any account, debt, share account, trust account, or other assets owned or held individually, jointly, or severally, for Defendant CGIC, whether such account, debt, deposit, share account, trust account, or any other asset owned or held for such Defendant, in the name of or for the benefit of said Defendant or under any other name, except under the express written authorization of the Liquidator or by the further order of this Court;

(b) From doing anything, directly or indirectly, to prevent the Liquidator from acquiring all property, assets, books, documents, legal/litigation files or records which are the property or assets of Defendant CGIC, and/or have been ordered to be tendered to the Liquidator by the provisions of this Order or other order of this Court, under

whatever name such books, documents, legal/litigation files or records may be filed or found or wheresoever such books, documents, legal/litigation files or records may be found or situated; and from doing anything, directly or indirectly, to prevent the Liquidator from gaining access to, acquiring, examining or investigating all other books, documents, legal/litigation files or records pertaining to or concerning Defendant CGIC or its affairs, under whatever name such books, documents, legal/litigation files or records may be filed or found or wheresoever such books, documents, legal/litigation files or records may be found or situated;

(c) From interfering in any way with the lawful acts of the Liquidator who has been appointed herein or from disposing of, converting, dissipating, or concealing in any manner or in any way any of the assets, books, property, legal/litigation files, records, or reports of Defendant CGIC;

14. The Liquidator shall take all steps necessary to place all bank accounts, stock certificates, securities, certificates of deposit and other financial instruments of Defendant CGIC into his own name, and shall use any accounts of Defendant CGIC, and shall keep a true and correct account of any and all receipts or expenditures which he shall make as Liquidator in the course of the liquidation of said business.

15. All agents, brokers, premium finance companies, or any other persons responsible to Defendant CGIC for the payment of premium and unearned commission, as shown on the records of Defendant CGIC, shall pay to the Liquidator any unpaid earned premiums or unearned commissions due Defendant CGIC at the time of the entry of this Order.

16. All agents and brokers of Defendant CGIC are enjoined and restrained from returning to policyholders/insureds or premium finance companies, any money in their possession collected for premiums, and all premium finance companies which have entered into contracts to finance a premium for a policy which has been issued by Defendant CGIC is enjoined from returning to policyholders/insureds any such premiums or any money in their possession, and that such agents, brokers and premium finance companies shall turn over all such funds in their possession to the Liquidator.

17. Defendant CGIC and its respective officers, directors, agents and employees and attorneys are enjoined from bringing or further prosecuting any action or claim for relief, counterclaim, setoff, cross claim, third party complaint, or otherwise, at law or in equity or other proceeding against Defendant CGIC or the Liquidator, or from in any way interfering with the Liquidator's conduct of the business of Defendant CGIC, or from obtaining preferences, judgments, attachments, or other like liens or the making of any levy against Defendant CGIC or its property and assets while in possession and control of the Liquidator, or from in any way interfering with the Liquidator in his gaining possession or control of or in his right, title and interest to the property, books, records and all other assets of Defendant CGIC.

18. No civil action shall be commenced against Defendant CGIC or the Liquidator, whether in this state or elsewhere, nor shall any such existing actions be maintained or further prosecuted after the entry of this Order. Notwithstanding the preceding sentence or any other provision of this Order, the Intervenors or any other party claiming property interests in property held by the Liquidator may file a motion,

without filing a proof of claim, with the Court for the purpose of determining whether the Court has or should exercise jurisdiction and/or whether any property held by the Liquidator is or should be an asset of CGIC. The Court shall adjudicate such motion and shall grant relief with respect thereto pursuant to a final and appealable order. Whenever in the Liquidator's judgment, protection of the estate of Defendant CGIC necessitates intervention in any action against Defendant CGIC that is pending outside this state, he may intervene in the action. The Liquidator may defend any action in which he intervenes under this section at the expense of the estate of Defendant CGIC.

19. The Liquidator is authorized to, upon or after this Order for Liquidation, within two years or such time in addition to two years as applicable law may permit, commence an action or proceeding on behalf of the estate of Defendant CGIC upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of Plaintiff's Motion for an Order of Liquidation.

Where, in any agreement, a period of limitation is fixed for commencing a suit or proceeding upon any claim, or for filing any claim, proof of claim, proof of loss, demand, notice or the like, or where in any proceeding, judicial or otherwise, a period of limitation is fixed, either in the proceeding or by applicable law, for taking any action, filing any claim or pleading, or doing any action, and where in any such case the period has not expired at the date of the filing of the Motion for an Order of Liquidation, the Liquidator may, for the benefit of Defendant CGIC, take any such action or do any such act, required of or permitted to Defendant CGIC within a period of one-hundred eighty days subsequent to the entry of this Order for Liquidation, or within such further period as is shown to the satisfaction of the Court not to be unfairly prejudicial to the other party.

20. Any guaranty association or foreign guaranty association shall have standing to appear in any court proceeding concerning the liquidation of Defendant CGIC if such association is or may become liable to act as a result of the liquidation.

21. All persons, including policyholders, obligees, principals, creditors, stockholders of Defendant CGIC and all persons asserting claims against such policyholders, are enjoined from instituting or pursuing any action or proceeding in any court or before any administrative agency, including boards and commissions administering workmen's compensation or occupational diseases or similar laws of the State of Ohio or of any other states, or of the United States, which seeks in any way, directly or indirectly, to contest or interfere with the Liquidator's exclusive right, title and interest to funds recoverable under treaties and agreements of reinsurance heretofore entered into by Defendant CGIC as the ceding Insurer.

22. All of Defendant CGIC's policies as to which a notice of cancellation was not given on or prior to the date of this Final Order of Liquidation and which are covered by a guaranty association or foreign guaranty association shall continue in force for such period of time and under such terms as are provided for by the applicable guaranty associations. All policies not covered by a guaranty association or foreign guaranty association shall terminate pursuant to R.C. 3903.19 upon the occurrence of the lesser of:

- (a) A period of 30 days from the date of entry of this Final Order of Liquidation;
- (b) The expiration of the policy coverage;

(c) The date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy; or

(d) The Liquidator has effected a transfer of the policy obligation pursuant to R.C. 3903.21.

All policies as to which a notice of cancellation was given, on or prior to the date of entry of this Final Order of Liquidation, shall stand cancelled as of the date specified in the notice.

23. The Liquidator is authorized to cancel all executory contracts, except the contracts of insurance and other similar obligations and contracts which are cancelable as provided in Paragraph 22 herein, and all liability thereunder shall cease and be fixed as of the date of the Entry of this Final Order of Liquidation, except as provided in R.C. 3903.19 and 3903.37, and that such impending cancellations shall not be treated as anticipatory or other breach of contracts.

24. The Liquidator shall have the power and authority under R.C. 3903.26, 3903.27 and 3903.28 to avoid fraudulent or preferential transfers.

25. The Liquidator is hereby authorized to do all other things permitted by law to effectuate the Liquidation of Defendant CGIC.

26. All third persons dealing with interests in real property or other property of Defendant CGIC are charged with notice of this order as provided in R.C. 3903.18(A).

27. The Liquidator is directed to give or cause to be given notice of this Liquidation Order as required by R.C. 3903.22.

28. Upon the issuance of this Order, the rights and liabilities of Defendant CGIC and of its creditors and all other parties interested in the estate of Defendant CGIC shall become fixed as of the date of this Order, except as provided in R.C. 3903.37.

29. The Liquidator, or any successor in office, is hereby authorized, permitted and allowed to sell, assign and transfer the Corporate Charter of Defendant CGIC and any and all insurance licenses or certificates of authority held by Defendant in such a method and manner as may be approved by this Court.

30. All proceedings in which Defendant CGIC is a party or is obligated to defend a party in any court in this state are stayed for ~~60 days~~ ^{60 months} from the date of this order, as mandated by the provisions of R.C. 3955.19, to permit a proper defense by a guaranty association or foreign guaranty association of all pending causes of action. All proceedings in which Defendant CGIC is a party in any court outside of Ohio are stayed for the maximum period of time mandated by the applicable stay provision of the affected state's guaranty association statute, but in no event for a period of time less than ninety (90) days from the date of this order, to permit a proper defense by the appropriate state guaranty association of all pending causes of action.

31. All attorneys/law firms who are either providing or have provided representation or other legal services to Defendant CGIC, shall tender over possession and control to the Liquidator within five working days from the receipt of notice of this order, all legal/litigation files and all other pleadings, memoranda, discovery, motions, notes, photographs, videotapes, physical evidence, property, documents, records, reports and files which are in its possession or control and which are related to the providing of

representation or other legal services to Defendant CGIC or to any Defendant CGIC insured by virtue of its policy with Defendant CGIC.

32. This Court requests that, in all actions or proceedings pending or hereafter filed outside of the State of Ohio, involving Defendant CGIC, full faith and credit be given to this Order.

33. This Order is a final judgment, and Defendant CGIC is in liquidation effective today.

34. Nothing in this order shall be deemed to abridge or expand the jurisdiction of the United States Bankruptcy Court or this Court. The acquiescence of Plaintiff, the PRS Insurance Group, Inc. and its subsidiaries other than CGIC ("PRS Group") or the Intervenor as to the entry of this Order shall not constitute a waiver by them of any rights or benefits which they may have under the United States Bankruptcy Code, Ohio Revised Code or other applicable law.

35. This Court shall retain jurisdiction in this case for the purpose of granting such other and further relief as the nature of this case or the interests of the creditors, stockholders or the members of the public may require.

36. The Liquidator shall not transfer or otherwise dispose of any asset of the estate without authorization of the Court after a hearing on notice to the Intervenor, provided however, the Liquidator shall be authorized to pay the Class I expenses pursuant to R.C. 3903.42(A) of the CGIC estate without further order of the Court.

37. The Liquidator shall serve an inventory of assets and a list of assets transferred from PRS Group to CGIC on the Intervenor within 60 days of the entry of this Order. The Liquidator shall provide to Reliance Insurance Company and its affiliates copies of all documents relating to its insurance programs with CGIC and/or PRS Group within 30 days from the date hereof. The Liquidator shall provide to the PRS Group all PRS Group documents currently in possession of CGIC as soon as possible. The Liquidator shall respond to all other written requests by the Intervenor for documents within sixty days of the receipt of such requests. The parties and Intervenor have the right to conduct discovery as provided by the Ohio Rules of Civil Procedure.

38. Plaintiff having withdrawn his motion for approval of sale of assets, the briefing schedule set forth in the Court's order entered on December 21, 2000 is hereby vacated.

IT IS SO ENTERED THIS 4th DAY OF JANUARY, 2001.

THE STATE OF OHIO
Franklin County, ss. }
JOHN O'GRABY, CLERK
OF THE COURT OF COMMON
PLEAS, WITHIN AND FOR
SAID COUNTY

WHEREBY CERTAIN INSTRUMENTS AND PROCEEDINGS
BEFORE THE COURT AND FOR THE RECORD
HEREIN

ORDER

NOW ON FILE IN MY OFFICE

WITNESS MY HAND AND SEAL OF SAID COUNTY
THIS 5th DAY OF Jan A.D. 2001

JOHN O'GRABY, Clerk

By [Signature] Deputy

[Signature]
JUDGE