

4. Plaintiff states that Defendant, upon examination by Plaintiff, was found to be in such condition that the further transaction of business would be hazardous, financially, to its policyholders, creditors or the public, as described in R.C. 3903.12(A).

5. Plaintiff further states that further operation of Defendant without a Rehabilitator being appointed will likely cause grave public harm, waste of the insurer's assets, and dissipation and transfer of bank accounts and other property of Defendant.

6. Plaintiff further states that this action is necessary, that the interests of policyholders, creditors or the public will be endangered by delay, that there is imminent danger of loss, great damage, irreparable injury and that there is a present and urgent necessity for immediate action by this Court.

7. Plaintiff further states that on June 25, 1986, Defendant (A) read and examined this Complaint for Rehabilitation and a Journal Entry and Order Appointing Rehabilitator prepared in accordance therewith, (B) consented to the appointment of a Rehabilitator, and (C) waived both service of process and the holding of a formal hearing to show cause in connection in the said appointment (See Attachment A).

WHEREFORE, Plaintiff, pursuant to the provisions of R.C. Chapter 3903 and specifically R.C. 3903.12(A), prays for the following relief:

a. A Finding that sufficient cause exists for the rehabilitation of Defendant Merchants and Manufacturers

Insurance Company and appointment of Plaintiff as Rehabilitator;

b. An Order of Rehabilitation against Defendant;

c. An Order appointing Plaintiff George Fabe, Superintendent of Insurance for the State of Ohio, as Rehabilitator of Defendant and directing him to take possession of the property of all assets, property, business and affairs of Defendant;

d. An Order appointing Plaintiff's Chief Examiner Stafford Maguire as Chief Deputy Rehabilitator and Examiner Phillip Dye as Deputy Rehabilitator and vesting them with all authority given them pursuant to the provisions of R.C. Chapter 3903;

e. An Order vesting Plaintiff as Rehabilitator with the title to all property, contracts and rights of action of Defendant and directing that the Rehabilitator shall have all the powers of the directors, officers and managers, whose authority shall be suspended, except as they are specifically redelegated by the Rehabilitator;

f. An Order directing Plaintiff to secure all of the assets, property, books records, accounts and other documents of Defendant;

g. An Order prohibiting the officers, directors, agents, employees, servants, representations and the persons acting in concert with Defendant from disposing, using, transferring or concealing any property of Defendant without the express written authority of the Rehabilitator;

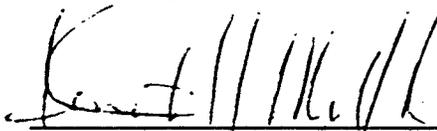
h. An Order prohibiting any bank, savings and loan association or other financial institution or other legal entity from disposing of, allowing to be withdrawn or concealing in any manner any property or asset of Defendant, except under the express authorization of the Rehabilitator or by the further order of this Court;

i. An Order vesting Plaintiff with all other authority given him pursuant to R.C. Chapter 3903;

j. An order including such further and other relief as this Court may deem just and proper under the circumstances.

Respectfully submitted,

ANTHONY J. CELEBREZZE, JR.
Attorney General



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Assistant Attorney General
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30 East Broad Street
Columbus, Ohio 43215
(614) 466-8614

COUNSEL FOR PLAINTIFF

MERCHANTS AND
MANUFACTURERS INSURANCE COMPANY

2600 CAREW TOWER...P.O. BOX 2429, CINCINNATI, OHIO 45201

FRIENDLY SERVICE SINCE 1876

RECEIVED EXAM-AUDIT
JUL -3 1986
DEPARTMENT OF INSURANCE

June 25, 1986

Mr. George Fabe
Superintendent of Insurance
State of Ohio
2100 Stella Court
Columbus, Ohio 43215

Dear Mr. Fabe:

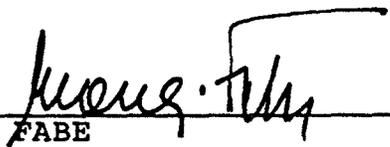
Merchants and Manufacturers Insurance Company has read and examined the "Complaint for Rehabilitation" and "Journal Entry and Order Appointing Rehabilitator" in the form attached hereto and hereby consents to the appointment of a Rehabilitator and waives service of process and the holding of a formal hearing to show cause in connection with the appointment of such Rehabilitator as set forth in the attached Complaint and Journal Entry.

Sincerely,


W. G. Alpaugh
Chairman

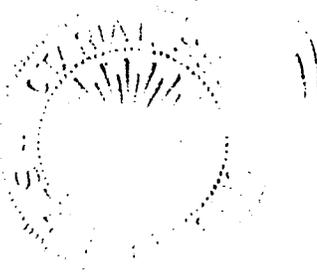
STATE OF OHIO :
 : SS.
COUNTY OF FRANKLIN :

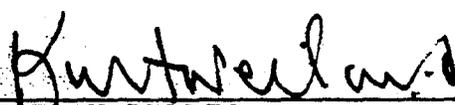
George Fabe, being first duly cautioned and sworn according to law, says that he is the duly appointed and qualified Superintendent of Insurance of the State of Ohio and Plaintiff in this matter and that the facts and all allegations made in the Complaint are all true as he verily believes.



GEORGE FABE

Sworn to and subscribed to before me this 17th day of July, 1986.





NOTARY PUBLIC
KURT H. WEILAND
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION HAS NO EXPIRATION DATE.