

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
2001 JAN -5 AM 9:22
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**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 Intervenor 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.

THE STATE OF OHIO
Franklin County, ss

JOHN O'GRADY, CLERK
OF THE COURT OF COMMON PLEAS, WITHIN AND FOR SAID COUNTY

ORDER

NOW ON FILE IN MY OFFICE

WITNESS MY HAND AND SEAL OF SAID COUNTY
THIS 13th DAY OF Jan A.D. 2001

JOHN O'GRADY, Clerk

By [Signature] Deputy

[Signature]
JUDGE