

IN THE CIRCUIT COURT OF THE
SECOND JUDICIAL CIRCUIT, IN
AND FOR LEON COUNTY, FLORIDA

STATE OF FLORIDA, ex rel.,)
The Department of Insurance)
of the State of Florida,)

Relator,)

vs.)

ALLIED FIDELITY INSURANCE)
COMPANY, a foreign)
corporation authorized to)
transact an insurance)
business in Florida,)

Respondent.)

CIVIL ACTION NO.: 86-788



ORDER APPOINTING ANCILLARY
RECEIVER FOR PURPOSES OF CONSERVATION

THIS CAUSE, coming on this day to be heard on the Motion of the Department of Insurance of the State of Florida for entry of an Order appointing the Department of Insurance as Ancillary Receiver of Allied Fidelity Insurance Company, and the Court being fully advised in the premises, finds:

1. Allied Fidelity Insurance Company (hereinafter "Respondent") a foreign corporation, was authorized to and does transact an insurance business in Florida and has assets in Florida sufficient to warrant the appointment of an Ancillary Receiver.

2. Section 631.071, Florida Statutes, authorizes the Department of Insurance of the State of Florida to apply to the Court for appointment as Ancillary Receiver of a foreign insurer for purposes of conservation if any of the grounds for conservation set forth in Sections 631.051 and 6731.61, Florida Statutes, exist, or upon the sequestration of said foreign insurer's property.

3. Property of the Respondent has been sequestered in its state of domicile.

4. This Court should appoint a Florida Ancillary Receiver for the purposes of conserving the assets of Respondent.

5. The Respondent has assets in Florida including securities on deposit with the State Treasurer in the approximate par value of \$1,110,000.

In view of the Court's findings and the court being fully advised in the premises, it is

ORDERED and ADJUDGED that:

The Department of Insurance of the State of Florida is hereby appointed Ancillary Receiver of Allied Fidelity Insurance Company, and said Ancillary Receiver is authorized and directed to:

1. Take immediate possession of all property, assets and estate, including, but not limited to, all offices maintained by Respondent and all rights of action, books, data processing records, papers, evidence of debt, and all property of every kind whatsoever located in this state, belonging to or in the possession of said Respondent or its officers, directors, employees or agents pertaining to the Respondent's business including, but not limited to, all bank accounts, savings accounts, stocks, bonds, debentures, mortgages, furniture, fixtures and office equipment, and all real property of said Respondent and to hold all such assets pending further Order of this Court.

2. Apply to this Court for further instructions or orders in the discharge of its duties.

3. Appoint Deputy Ancillary Receivers and employ such counsel, clerks and assistants and to pay all expenses of taking possession of the assets of Respondent and the expenses of conducting these proceedings (including all necessary travel expenses) as fixed by the Ancillary Receiver and approved by this Court, such payment to be made out of the funds or assets of the Respondent in the possession of the Ancillary Receiver.

4. Commence and maintain all legal actions necessary for the conduct of this Ancillary receivership.

5. Not defend any legal action in which the Respondent or any of its insureds is, or may become, a defendant, commenced before or after the entry of the Order appointing a Receiver, without authorization of this Court.

IT IS FURTHER ORDERED that:

6. All banks, savings and loan associations and all other financial institutions, including but not limited to Sun Bank of Pasco County, Freedom Bank, Miami, Florida, Freedom Bank, Winter Park, Florida and Sun Bank, Tampa, Florida, in which Respondent has accounts and other assets are instructed that title to all assets is vested with the Receiver and all assets are under the absolute control of the Ancillary Receiver by virtue of this order and the Ancillary Receiver may change the name of any accounts and other assets to that of the Ancillary Receiver, withdraw such accounts and other assets from such bank or take any lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association or other financial institution shall exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court.

7. All policies of insurance or similar contracts of coverage issued by the insurer shall remain in force until further order of this Court; provided, however, that a policy of insurance or similar contract may be cancelled or terminated if any one of the following events occurs:

- a. normal expiration of the policy or contract coverage,
- b. insured has replaced coverage with another insurer,
- c. insured terminates the coverage,
- d. non-payment of premium to Respondent,

e. premium finance company advises Respondent that the insured has failed to pay the premium finance company under the provisions of a premium finance contract and requests lawful cancellation.

8. Pending a determination of the financial status of the Respondent, no new insurance shall be written or issued to residents of this State by the Respondent. Any renewals, endorsements or other increases or additions of Respondent's liability in this State shall be at the Receiver's discretion.

9. All persons, firms, corporations and associations including, but not limited to, the Respondent, its officers, directors, stockholders, agents and employees, are enjoined from the wasting of the Respondent's property or assets, interfering with the conduct of this proceeding, the transfer of property and assets of the Respondent, the removal, concealment or other disposition of its property, books, records or accounts, the commencement or prosecution of any actions against the Respondent or the obtaining of preferences, judgments, writs of attachment or garnishment, or other liens, or the making of any levy or execution against the Respondent, pending further Order of this Court.

DONE and ORDERED in Chambers at Tallahassee, Leon County, Florida, this 14th day of March, 1986.

William E. Barry

CIRCUIT JUDGE

STATE OF FLORIDA, COUNTY OF LEON
I HEREBY CERTIFY that the above and foregoing
is a true and correct copy of an instrument recorded
in the Official Records of Leon County, Florida,
WITNESS my hand and seal of office this 14 day
of March, 1986

PAUL F. HARTSFIELD, Clerk

Gregory Anderson