

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

CIVIL ACTION NO.: 89-2279

In Re The Ancillary Receivership)
OF AMALGAMATED LABOR LIFE
INSURANCE COMPANY, an Illinois)
corporation.)



CONSENT ORDER APPOINTING ANCILLARY RECEIVER FOR
PURPOSES OF LIQUIDATION AND NOTICE OF AUTOMATIC STAY

THIS CAUSE was considered on Petition of the State of Florida, ex rel., The Department of Insurance for the entry of an Order appointing the Department of Insurance as Ancillary Receiver of AMALGAMATED LABOR LIFE INSURANCE COMPANY (herein "Respondent") for purposes of liquidation, and the Court having reviewed the petition, and being otherwise fully advised in the premises, finds:

1. Sections 631.021, 631.091, 631.131(2), and 631.152, Florida Statutes, authorize the Department of Insurance to apply to this Court for entry of an Order appointing it Ancillary Receiver of a foreign insurer for purposes of liquidation upon the appointment of a liquidator in the domiciliary state of such insurer.

2. Upon an adjudication of insolvency, the Commissioner of Insurance of the State of Illinois was appointed Liquidator of Respondent by an Order entered July 5, 1989, by the Circuit Court of Cook County, Illinois.

3. This Court should appoint an Ancillary Receiver of Respondent for the benefit of Florida residents who may have claims against its estate.

4. The Domiciliary Receiver consents to entry of an order of liquidation of Respondent.

A. The Department of Insurance of the State of Florida is hereby appointed Ancillary Receiver of Respondent for purposes of liquidation and is authorized and directed to:

1. Take immediate possession of all the property, assets which include bank accounts, and estate, and all other property of every kind whatsoever and wherever located in this State belonging to Respondent pursuant to Sections 631.152, 631.181(2), Florida Statutes, including but not limited to, offices maintained by Respondent, rights of action, agents' balances, books, papers, evidences of debt, bank accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and all real property of Respondent, wherever situate in Florida, and to hold all such assets subject to any rights of the Domiciliary Receiver pursuant to Chapter 631, Florida Statutes, and other applicable law, and pending further orders of this Court. All banks in which Respondent has any accounts and other assets are instructed that the Ancillary Receiver has absolute control over such accounts and other assets and the Ancillary Receiver may change the name of such accounts and other assets, withdraw them from such bank or take any other 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 Ancillary Receiver's control without the permission of this Court.

2. Liquidate the assets of Respondent located in Florida pursuant to Chapter 631, Florida Statutes, and other applicable law.

3. Employ, and authorize the compensation of legal counsel, accountants, clerks, and such assistants as it deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, to be paid out of the funds or assets of Respondent in the possession of the Ancillary Receiver or coming into its possession.

4. Reimburse employees, from the funds of this receivership, for their actual necessary and reasonable expenses incurred while traveling on the business of this receivership.

5. Not defend legal actions wherein Respondent or any of its insureds is or may become a defendant, commenced either prior to or subsequent to this order, without authorization of this Court. Except, however, in actions where Respondent is a nominal party, as in certain foreclosure actions and the action does not effect a claim against or adversely affect the assets of Respondent, the Receiver may file appropriate pleadings in its discretion.

6. Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this ancillary receivership proceeding.

7. Collect all debts which are economically feasible to collect which are due and owing Respondent.

8. Take possession of all of Respondent's securities on deposit with the Treasurer of Florida and convert to cash so much of the same as may be necessary, in its judgment, to pay the expenses of administration of this ancillary receivership proceeding.

9. Require any officer, director, manager, trustee, agent, adjuster or attorney of Respondent and any other person who possesses, or possessed, any executive authority over, or who exercises, or exercised, any control over any segment of Respondent's affairs to fully cooperate with the Ancillary Receiver or its Deputies, pursuant to Section 631.391, Florida Statutes.

10. Publish notice specifying the time and place fixed for the filing of claims with the Ancillary or Domiciliary Receiver, once each week for three consecutive weeks, in the Florida Administrative Weekly published by the Secretary of State, and at least once in the Florida Bar News.

11. Negotiate and settle subrogation claims and Final

Judgments up to and including the sum of \$15,000.00 without further Order of this Court.

12. Sell salvage recovered having value of not more than \$15,000.00 without further Order of this Court.

13. Coordinate the operation of the ancillary receivership with the Florida Life and Health Insurance Guaranty Association pursuant to Part III of Chapter 631, Florida Statutes; the Receiver may, in its discretion, contract with the guaranty association to provide services as are proper to carry out the purposes of Chapter 631, Florida Statutes.

It Is FURTHER ORDERED and ADJUDGED that:

B. All attorneys employed by Respondent as of this date shall, within 30 days notice of this Order, report to the Ancillary Receiver on the name, company claim number and status of each file they are handling on behalf of Respondent. Said report shall also include an accounting of any funds received from or on behalf of Respondent. All attorneys described herein are hereby discharged as of the date of the Order unless their services are retained by the Ancillary or Domiciliary Receiver.

C. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of Respondent shall account for and pay all premiums and commissions unearned due to cancellation of policies owed to Respondent directly to the Ancillary Receiver or to the Domiciliary Receiver if so directed by the Ancillary Receiver within 30 days of demand by the Ancillary Receiver or appear before this Court to show good cause, if any they may have, as to why they should not be required to account to the Ancillary Receiver or be held in contempt of Court for violation of the provisions of the Order. No agent, broker or other person shall use premium moneys owed to Respondent for refund of unearned premium or any purpose other than payment to the Ancillary or Domiciliary Receiver.

D. Any premium finance company which has entered into a

contract to finance a premium for a policy which has been issued by Respondent shall pay the premium owed to the Respondent directly to the Ancillary or Domiciliary Receiver.

E. Upon request by the Ancillary Receiver, any company providing telephonic services to Respondent shall provide a reference of calls from the number presently assigned to the Respondent to any such number designated by the Ancillary Receiver or perform any other changes necessary to the conduct of the receivership.

F. Any bank, savings and loan association or other financial institution which has on deposit or in its possession, custody or control of any funds or other assets of Respondent shall immediately transfer title, custody and control of all such funds or assets to the Ancillary Receiver.

G. Any entity furnishing water, electric, sewage, garbage or trash removal services to Respondent shall maintain such service and transfer any such accounts to the Ancillary Receiver as of the date of the Order unless instructed to the contrary by the Ancillary Receiver.

H. Any data processing service which has custody or control of any data processing information and records including but not limited to source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to Respondent shall transfer custody and control of such records to the Ancillary Receiver.

I. The United States Postal Service is directed to provide any information requested regarding Respondent and to handle future deliveries of Respondent's mail as directed by the Ancillary Receiver.

J. All claims shall be filed with the Ancillary Receiver on or before July 19, 1990 or be forever barred, and all such claims should be filed on proof of claim forms prepared by the Ancillary Receiver.

K. Except for those contracts covered by the Florida Life and Health Insurance Guaranty Association under Part III of Chapter 631, Florida Statutes, pursuant to the provisions of Section 631.252, Florida Statutes, all insurance policies or similar contracts or coverage of Respondent issued in Florida and now in force shall continue in force until 30 days from the date of the entry of the Order of Liquidation and shall be determined cancelled as of 12:01 a.m., August 5, 1989, except those policies or contracts of coverage with normal expiration dates prior thereto and policies terminated by insureds or lawfully cancelled by the insurer before such date, will stand cancelled as of such earlier date.

L. Except for contracts of insurance, all executory contracts to be performed in Florida to which the Respondent was a party are hereby cancelled or will stand cancelled unless specifically adopted by the Ancillary or Domiciliary Receiver within 30 days of the date of this Order. The rights of the parties to any such contracts are fixed as of the date of this Order and any cancellation under this provision shall not be treated as an anticipatory breach of such contracts.

M. The Florida Department of Insurance is hereby authorized to cancel and render null and void any certificate of authority issued by the Department of Insurance and required by the Florida Insurance Code in order for Respondent to do business in the State of Florida.

N. Any persons, corporation or other entity failing to abide by this Order shall be directed to appear before this Court to show good cause, if any they may have, as to why they should not be held in contempt of Court for violation of the provisions of this Order.

O. Pending further Order of this Court, all persons, firms, corporations and associations within the jurisdiction of this Court, including but not limited to Respondent, its officers, directors, shareholders, members, agents and

employees, are hereby restrained and enjoined from omitting to be done, and from doing or permitting to be done, any action which may waste the property or assets of Respondent; from in any manner interfering with the conduct of these proceedings; from the transfer of property and assets of Respondent without consent of the Ancillary Receiver and from the removal, concealment or other disposition of its property, books, records and accounts, from the commencement or prosecution of any actions against the Respondent or the obtaining of preferences, judgments, writs of attachment or garnishment or other liens; and from the making of any levy or execution against Respondent or its property and assets.

NOTICE OF AUTOMATIC STAY

P. Notice is hereby given, pursuant to Section 631.041(1), Florida Statutes, the filing of the Department's petition herein operates as an automatic stay applicable to all persons and entities, other than the Ancillary or Domiciliary Receiver, which shall be permanent and survive the entry of this order, and which prohibits:

a. The commencement or continuation of judicial, administrative or other action or proceeding against the insurer or against its assets or any part thereof;

b. The enforcement of judgment against the insurer or an affiliate obtained either before or after the commencement of the delinquency proceeding;

c. Any act to obtain possession of property of the insurer;

d. Any act to create, perfect or enforce a lien against property of the insurer, except a secured claim as defined in Section 631.011(15);

e. Any act to collect, assess or recover a claim against the insurer, except claims as provided for under Chapter 631;

f. The setoff or offset of any debt owing to the insurer except offsets as provided in Section 631.281.

DONE and ORDERED in Chambers at Tallahassee, Leon County, Florida, this 6th day of July, 1989.



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 6th day
of July, 1989

PAUL F. HARTSFIELD
Clerk of Circuit Court

by Gregor Austin D.E.