

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

In Re: The Receivership of ARIES
INSURANCE COMPANY, f/k/a THE
ARIES INSURANCE COMPANY,
INC., ORION INSURANCE COMPANY,
AMERICAN SKYHAWK INSURANCE
COMPANY and THE GREEN TREE
INSURANCE COMPANY, INC.
(f/k/a THE GREEN TREE INSURANCE
COMPANY, INC, a Pennsylvania corporation),
a Florida corporation authorized to
transact an insurance business
in Florida,

CASE NO.: 02-CA-1128

**CONSENT ORDER APPOINTING THE FLORIDA DEPARTMENT OF
INSURANCE AS RECEIVER FOR PURPOSES OF LIQUIDATION,
INJUNCTION AND NOTICE OF AUTOMATIC STAY**

THIS CAUSE was considered on the Receiver's Petition for Consent Order Appointing the Florida Department of Insurance (hereafter "Department") as Receiver for Purposes of Liquidation, Injunction and Notice of Automatic Stay. The Court having reviewed the pleadings of record, having heard presentation of counsel, and otherwise being fully informed in the premises, finds that:

1. Aries Insurance Company (hereinafter referred to as "Respondent") is a Florida corporation with its principal place of business at 560 N.W. 165th Street Road, Miami, Florida 33169, and is a domestic insurer authorized to transact an insurance business in this state. This Court ordered Aries into rehabilitation on May 9, 2002.

2. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Part I, Florida Statutes, constitutes the sole and exclusive

method of liquidating, rehabilitating, reorganizing, or conserving a Florida domiciled insurer.

3. Section 631.061, Florida Statutes, authorizes the Department to apply to this Court for an order directing the Department to liquidate a domestic insurer upon the existence of any of the grounds specified in Section 631.051, Florida Statutes.

4. Section 631.051(11), Florida Statutes, authorizes the Department to apply to this Court for an order directing it to liquidate a domestic insurer upon the ground that the insurer has consented to such an order through a majority of its directors, stockholders, members, or subscribers.

5. On May 9, 2002 this Court entered a Consent Order appointing the Department as Receiver for the purposes of rehabilitation based upon Respondent's consent.

6. On November 14, 2002 Respondent consented to the appointment of the Department as Receiver for purposes of liquidation

7. Respondent is insolvent within the meaning of the provisions of Section 631.011, Florida Statutes, and as defined under Chapter 631, Florida Statutes.

8. It is in the best interest of Respondent and its creditors and insureds that the relief requested in the petition be granted and that the Department be appointed as Receiver for purposes of liquidation.

9. The automatic stay provided for in Section 631.041(1), Florida Statutes, provides that the filing of a petition for order to show cause or a petition for a consent shall remain in full force and effect and notice of the automatic stay is republished in this order of liquidation.

10. Sections 631.041(3) and (4), Florida Statutes, authorize this Court to enter such injunctions as it deems appropriate to protect the remaining assets of the Respondent and prevent interference with the conduct of these proceedings.

IT IS THEREFORE ORDERED AND ADJUDGED:

11. The Florida Department of Insurance is hereby appointed Receiver of Respondent for the purposes of liquidation, and is authorized and directed to proceed with the liquidation of Respondent, and to carry out its duties as enumerated under the controlling provisions of Chapter 631, Florida Statutes.

12. Respondent's policies of insurance which are in force as of the date of this Order are cancelled thirty (30) days from the date of this Order, 11:59 p.m., December 14, 2002, in accordance with the provisions of Section 631.252, Florida Statutes; provided, however, that any policies of flood insurance issued by Respondent pursuant to the National Flood Insurance Act of 1968, as amended shall not be cancelled. Policies with a normal expiration date, or those policies that are cancelled for non-payment of premium prior to 11:59 p.m., December 14, 2002, shall stand cancelled as of the earlier time and date.

13. In accordance with Section 631.181(3), Florida Statutes, all claims shall be filed with the Receiver on or before 11:59 p.m., November 14, 2003, or be forever barred and all such claims shall be filed on proof of claim forms provided by the Receiver.

14. The Receiver's report and recommendation on claims as specified in Section 631.182, Florida Statutes, shall contain the payee(s) or claimant(s) for each claim as it has been filed with the Receiver by submission of a properly executed Proof of Claim form. The Receiver shall make payment to the payee(s) or claimant(s) named on the report. Any

and all assignments of claims are a private contract between the payee(s) or claimant(s) and a third party and the Receiver has no administrative responsibility to recognize or reflect the assignment on the report and recommendation. The Receiver shall not be responsible for and shall not recognize or accept any assignment of a claim by the payee(s) or claimant(s) of record to any third party.

15. The Florida Department of Insurance is 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.

16. Pursuant to Section 631.111(3), Florida Statutes, the corporate existence of Respondent is dissolved. The Secretary of State is directed to reflect such dissolution in its records upon the receipt of a certified copy of this Order.

17. The Receiver is authorized to negotiate and settle subrogation claims and Final Judgments up to and including the sum of \$20,000.00 without further order of this Court.

18. The Receiver is authorized to sell salvage recovered, having value of not more than \$20,000.00 without further order of this Court.

19. The Receiver shall give notice of this proceeding to Respondent's general agents and licensed agents, pursuant to Section 631.341, Florida Statutes. The general agents and licensed agents shall in turn give notice as required in Section 631.341, Florida Statutes.

20. The Receiver is authorized to coordinate the operation of the receivership with the Florida Insurance Guaranty Association pursuant to Part II of Chapter 631, Florida Statutes, the Florida Workers' Compensation Association pursuant to Part V of Chapter

631, Florida Statutes, and, in the Receiver's discretion, to enter into such contracts with any applicable guaranty associations as may be required to provide services as are necessary to carry out the purpose of Chapter 631, Florida Statutes.

21. The Receiver is authorized and directed to take immediate possession of all the property, assets and estate, and all other property of every kind whatsoever and wherever located belonging to, or in the possession of, Respondent, pursuant to Chapter 631, Florida Statutes, including but not limited to: all offices maintained by Respondent, rights of action, books, papers, data processing records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, investments, software, electronic data, e-mail, websites, furniture, fixtures, office supplies and equipment, and all real property of Respondent, wherever situated, whether in the possession of Respondent or its officers, directors, employees, managers, consultants, trustees, adjusters, attorneys, agents, or affiliates.

22. The Receiver is authorized and directed to liquidate the assets of Respondent including but not limited to funds held by Respondent's agents, sub-agents, producing agents, brokers, solicitors, service representative or others under agency contracts or otherwise which are due and unpaid to Respondent including premiums, unearned commissions, agents' balances, agents' reserve funds and subrogation recoveries, appoint one or more special agents and employ and authorize the compensation of legal counsel, actuaries, accountants, clerks, consultants and such assistants as it deems necessary, purchase or lease personal or real property 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 Receiver or coming into its possession.

23. The Receiver is authorized and directed to reimburse such employees, from the funds of this receivership, for their actual necessary and reasonable expenses incurred while traveling on the business of this receivership.

24. The Receiver is authorized and directed to not defend or accept service of process on legal actions wherein Respondent, the Receiver, or the insured is a party 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 affect a claim against, or adversely affect the assets of Respondent, the Receiver may file appropriate pleadings in its discretion.

25. Process servers shall not serve any paper on Respondent or the Receiver, except as set out in paragraph 24, absent permission of this Court or waiver by the Receiver.

26. The Receiver is authorized and directed to commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this receivership proceeding.

27. The Receiver is authorized and directed to collect any and all debts which are economically feasible to collect which are due and owing to Respondent, including but not limited to, funds or premiums held by agents of Respondent under agency contracts or otherwise.

28. The Receiver is authorized and directed to deposit funds and maintain bank accounts in accordance with Section 631.221, Florida Statutes.

29. The Receiver is authorized and directed to take possession of all of Respondent's securities and certificates of deposit on deposit with the Treasurer of Florida, if any, and convert to cash or reinvest as much as may be necessary, in its judgment, to pay the expenses of administration of this receivership, or otherwise best benefit the estate.

30. The Receiver is authorized and directed to publish notice specifying the time and place fixed for the filing of claims with the 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.

31. The Receiver is authorized and directed to apply to this Court for further instructions in the discharge of its duties as may be necessary.

32. Any officer, director, manager, trustee, attorney, agent, actuary, broker, employee, adjuster, independent contractor, or affiliate 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, or the affairs of its affiliates, shall be fully required to cooperate with the Receiver, pursuant to Section 631.391, Florida Statutes.

33. Title to all property, real or personal, all contracts, rights of action and all books and records of Respondent, wherever located, shall be vested in the Receiver, pursuant to Sections 631.111 and 631.141, Florida Statutes.

34. The Receiver is granted all of the powers of the Respondent's directors, officers and managers, whose authority is suspended. The Receiver has full power to direct and manage the affairs of Respondent, to hire and discharge employees, and to deal with the property and business of Respondent.

35. All attorneys employed by Respondent (excluding attorneys representing Aries Insurance Company in connection with this rehabilitation and/or liquidation proceeding) as of the date of this Order, within ten (10) days notice of the Order, shall be required to report to the Receiver on the name, company claim number and status of each file they are handling on behalf of Respondent. Said report should also include an accounting of any funds received from, or on behalf of, Respondent. All such attorneys employed by Respondent are advised that pursuant to Section 631.011, Florida Statutes, a claim based on mere possession does not create a secured claim and all attorneys employed by Respondent, pursuant to In Re the Receivership of Syndicate Two, Inc., 538 So.2d 945 (Fla. 1st DCA 2000), who are in possession of litigation files or other material, documents or records belonging to or relating to work performed by the attorney on behalf of Respondent is required to deliver such litigation files, material, documents, electronic data, e-mails or records intact and without purging to the Receiver, on request, notwithstanding any claim of a retaining lien which, if otherwise valid, should not be extinguished by the delivery of these documents. All attorneys described herein are hereby discharged as of the date of this Order unless otherwise retained by Receiver.

36. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of Respondent are required to account for and pay all premiums, unearned commissions or any other commissions due to cancellation of

policies by this Order or in the normal course of business, owed to Respondent directly to the Receiver within 20 days of demand by the Receiver or appear before this Court to show cause, if any they may have, as to why they should not be required to account to the Receiver or be held in contempt of Court for violation of the provisions of the Order. No agent, broker, premium finance company or other person should use premium monies owed to Respondent for refund of unearned premium or for any purpose other than payment to the Receiver.

37. Any premium finance company, which has entered into a contract to finance a premium for a policy, which has been issued by Respondent, is required to pay any premium owed to Respondent directly to the Receiver.

38. Reinsurance premiums due to or payable by Respondent are to be remitted to, or disbursed by, the Receiver. The Receiver will handle reinsurance losses recoverable or payable by the Respondent. All correspondence concerning reinsurance will be between the Receiver and the reinsuring company or intermediary.

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

40. Any bank, savings and loan association, financial institution or any other entity or person, which has on deposit or in its possession, custody or control any funds, accounts and any other assets of Respondent shall immediately transfer title, custody and control of all such funds, accounts or assets to the Receiver and are hereby instructed that the Receiver has absolute control over such funds, accounts and other assets. The

Receiver is authorized to change the name of such accounts and other assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association, or other financial institution is permitted to exercise any form of set-off, alleged set-off, lien, or 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.

41. Except for contracts of insurance, all executory contracts to which Respondent was a party are cancelled unless specifically adopted by the Receiver within thirty (30) days of the date of this Order. The rights of the parties to any such contracts are fixed as of the date of the order, and any cancellation under this provision should not be treated as an anticipatory breach of such contracts.

42. Any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to Respondent is required to maintain such service and transfer any such accounts to the Receiver as of the date of this order, unless instructed to the contrary by the Receiver.

43. 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 is required to transfer custody and control of such records to the Receiver. The Receiver is authorized to compensate any such entity for the actual use of hardware and software, which the Receiver finds to be necessary to this proceeding. Compensation will be based upon the monthly rate provided for in contracts or leases with Respondent which were in effect when this proceeding was

instituted, or based upon such contract as may be negotiated by the Receiver, for the actual time such equipment and software is used by the Receiver.

44. The United States Postal Service is directed to provide any information requested by the Receiver regarding Respondent and to handle future deliveries of Respondent's mail as directed by the Receiver. The United States Postal Service is also directed to continue to forward directly to Aries Insurance Company's place of business, 560 N.W. 165th Street Road, Miami, Florida 33169, all mail addressed to Onyx Insurance Group, Inc., Onyx Underwriters, Inc., Onyx Capital Corporation, Green Tree Insurance Group, Inc., Gamma Adjusters, Inc., Insurance Collections Services, Inc., Green Tree Insurance Company, Inc., American Skyhawk Insurance Company, Orion Insurance Company, Omega Finance Corporation, The Fenix Group, Inc., Golden Glades Office Park Condominium until further notice from Receiver. The affiliates shall have the option to appoint a representative (excluding any officers or directors and/or any former officers and directors of Aries and its affiliates) to be present each day (at a time of day mutually agreed upon) for the opening and review of any such mail addressed to them and to retain any such mail which does not pertain to Respondent. In the event the affiliates do not have a representative present, the Receiver agrees that any mail addressed to the affiliates which does not pertain to Respondent will be forwarded to the affiliates within thirty-six (36) hours to a post office box to be supplied to the Receiver by the affiliates.

45. All affiliated companies and associations including, but not limited to, The Firemark Global Insurance Fund, L.P., The Fenix Group, Inc., Fenix Financial Group, Inc., Onyx Insurance Group, Inc., Onyx Capital Corporation, Green Tree Insurance

Group, Inc., Onyx Underwriters, Inc., Gamma Adjusters, Inc., Insurance Collections Services, Inc., Omega Finance Corporation, Omega Finance Corp., Octagon Computer Solutions, Continental Premium Finance Co. Inc., Southern Inspections Group, Inc., Golden Glades Office Park Condominium Association III, Inc., Golden Glades Park Office Park Condominium, The Aries Insurance Group, Inc., American Skyhawk Insurance Group, Inc. EB Group, Inc., Seguros Carabobo, C.A., Palmetto Development Group, Inc., Gardens Commercial Holdings, Ltd., Gardens Commercial Investments, Inc., Mantle Business, Inc., Media Group, Inc., Paul Fraynd, President and Director, Saul Fraynd, Secretary and Director, Fanny Fraynd, Treasurer, Vice-President and Director, Gladys Fraynd, Vice-President and Director, Marcos Fraynd, Director, Tamara Fraynd, Director, Salomon Singer, Director, are directed to make their books and records available to the Receiver, and to provide copies of any records requested by the Receiver. The Receiver has title to all policy files and other records of, and relating to Respondent, whether such documents are kept in offices occupied by an affiliate company or any other person, corporation, or association. The Receiver is authorized to take possession of any such records, files, and documents, and to remove them to any location in the Receiver's discretion. Any disputed records should not be withheld from the Receiver's review, but safeguarded and presented to this Court for review prior to copying by the Receiver.

46. The Receiver shall have complete access to all computer records of Respondent and its affiliates at all times including but not limited to Respondent's computer records.

47. Any person, firm, corporation or other entity having notice of this Order that fails to abide by its terms may 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.

48. Pursuant to Sections 631.041(3) and (4), Florida Statutes, all persons, firms, corporations and associations within the jurisdiction of this Court, including, but not limited to, Respondent and its officers, directors, stockholders, members, subscribers, agents employees and affiliates, are hereby enjoined and restrained from doing, doing through omission, or permitting to be done any action which might waste or dispose of the books, records, electronic data, e-mail, and assets of Respondent or pertaining to Respondent; from in any means interfering with the Receiver or these proceedings; from the transfer of property and assets of Respondent without the consent of the Receiver; from the removal, concealment, or other disposition of Respondent's property, books, records, electronic data, e-mail, and accounts; from the commencement or prosecution of any actions against Respondent or the Receiver, or the service of process and subpoenas, 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 any of its property or assets. Notwithstanding the provisions of this paragraph, the Receiver is permitted to accept and be subpoenaed for non-party production of claims files in its possession, including medical records, which may be contained therein. In such cases, the requesting party must submit an affidavit to the Receiver stating that notice of the non-party production was appropriately issued and provided to the patient and that the patient was given the opportunity to object and either did not object to the non-party production, or objected and the Court overruled the objection, in which case a copy of the Court's ruling must be attached to the affidavit. The Receiver is authorized to impose a

charge for copies of such claim files pursuant to the provisions of Section 119.07(1)(a), Florida Statutes.

CONTINUATION OF INVESTIGATION

49. The Receiver may conduct an investigation as authorized by Chapter 631, Florida Statutes, of Respondent and its affiliates, as defined above and by Section 631.011(1), Florida Statutes, to uncover and make fully available to the Court the true state of Respondent's financial affairs. In furtherance of this investigation, Respondent and its parent corporations, its subsidiaries, its affiliates and its third party administrator, including but not limited to The Firemark Global Insurance Fund, L.P., The Fenix Group, Inc., Onyx Insurance Group, Inc., Onyx Capital Corporation, Green Tree Insurance Group, Inc., Onyx Underwriters, Inc., Gamma Adjusters, Inc., Insurance Collections Services, Inc., Omega Finance Corporation, Omega Finance Corp., Octagon Computer Solutions, Continental Premium finance Co. Inc., Southern Inspections Group, Inc., Golden Glades Offices, Inc., Golden Glades Office Park Condominium Association III, Inc., Golden Glades Park Office Park Condominium, The Aries Insurance Group, Inc., American Skyhawk Insurance Group, Inc., EB Group, Inc., Segurous Carabobo, C.A., Palmetto Development Group, Inc., Gardens Commercial Holdings, Ltd., Gardens Commercial Investments, Inc., Mantle Business, Inc., Media Group, Inc., any officer, director, manager, trustee, agent, adjuster, employee or independent contractor, shall make all books, documents, accounts, records, and affairs, which either belong to or pertain to Respondent, available for full, free and unhindered inspection and examination and copying (at cost to the Receiver) by the Receiver during normal business hours (9:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of the Order. Respondent and

the above-specified entities shall fully cooperate with the Department in accordance with Chapter 631, Florida Statutes. Such cooperation shall include, but not be limited to, the taking of oral testimony under oath of Respondent's officers, directors, managers, trustees, agents, adjusters, employees, or independent contractors of Respondent, its affiliates and any other person who possesses any executive authority over, or who exercises any control over, any segment of the affairs of Respondent in both their official, representative and individual capacities and the production of all documents that are calculated to disclose the true state of Respondent's affairs.

50. Any officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, or affiliate 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 the affairs of Respondent or its affiliates shall fully cooperate with the Receiver as required by Chapter 631, Florida Statutes and as set out in the preceding paragraph. Upon receipt of a certified copy of the Order, any bank or financial institution is required to immediately disclose to the Receiver the existence of any accounts of Respondent and any funds contained therein and any and all documents in its possession relating to Respondent for the Receiver's inspection and copying, including but not limited to all records, statements.

NOTICE OF AUTOMATIC STAY

51. Notice is given that, pursuant to Section 631.041(1), Florida Statutes, the filing of the Department's initial petition herein operates as an automatic stay applicable

to all persons and entities, other than the Receiver, which shall be permanent and survive the entry of the 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 a judgment against the insurer or an affiliate, provided that such affiliate is owned by or constitutes an asset of Respondent, 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, Florida Statutes;
- E. Any action to collect, assess or recover a claim against the insurer, except claims as provided for under Chapter 631;
- F. The set-off or offset of any debt owing to the insurer except offsets as provided in Section 631.281, Florida Statutes.

52. Notice is further given that, pursuant to Sections 631.67 and 631.924, Florida Statutes, all proceedings in which the Respondent is a party or is obligated to defend a party in any court or before any quasi-judicial body or administrative board in this state shall be stayed for six (6) months, or for a period of time greater than six (6) months from the date of this Order, granted by a court of competent jurisdiction.

53. All Sheriffs and all law enforcement officials of this state are required to cooperate with and assist the Receiver in the implementation of this Order.

54. This Court shall retain jurisdiction of this cause for the purpose of granting such other and further relief as from time to time shall be deemed appropriate.

DONE AND ORDERED in Chambers in Tallahassee, Leon County, Florida this 14 day of November, 2002.



JANET E. FERRIS
Circuit Judge

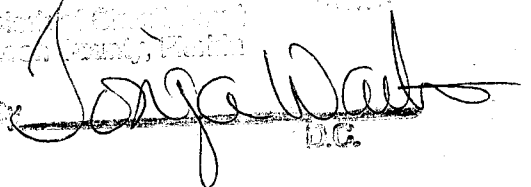
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A Certified Copy
Attest:

Bob Inman

Clerk of the Court
Tallahassee, Florida

By


D.C.