

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

State of Florida, ex rel., the
Department of Financial Services of
The State of Florida,

Relator,

v.

CASE NO: 2005-CA-00323

UNION AMERICAN INSURANCE COMPANY,
A Florida Corporation authorized to
Transact an insurance business in Florida,

Respondent,

_____ /

**PETITION FOR ORDER APPOINTING THE FLORIDA DEPARTMENT OF FINANCIAL
SERVICES AS RECEIVER FOR PURPOSES OF LIQUIDATION, INJUNCTION, AND
NOTICE OF AUTOMATIC STAY**

The Florida Department of Financial Services (hereinafter the "Department") hereby petitions this Court pursuant to Sections 631.031 and 631.061, Florida Statutes, for an order of liquidation of Union American Insurance Company (hereinafter the "Respondent" or "Company"). In support of its Petition, the Department states:

1. This Court has jurisdiction pursuant to Section 631.021(1), Florida Statutes, and venue is proper pursuant to Section 631.021(2), Florida Statutes.

2. Respondent was a corporation authorized pursuant to the Florida Insurance Code to transact business in the state of Florida as a domestic property and casualty insurer.

3. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving a Florida domiciled insurer.

4. Sections 631.031 and 631.061, Florida Statutes, empower the Department to petition this Court for an order directing it to liquidate a domestic insurer upon the existence of any of the grounds specified in Section 631.051, Florida Statutes, or if such an insurer is or is about to become insolvent. Further, Section 631.025(2), Florida Statutes, authorizes the Department to initiate delinquency proceedings against any insurer if the statutory grounds are present as to that insurer.

5. Sections 631.051(11) and 631.061, Florida Statutes, authorize the Department to petition this Court for an order directing it to rehabilitate or liquidate a domestic insurer upon the grounds that the insurer has consented to such an order through the majority of its directors, stockholders, members or subscribers.

6. On December 31, 2004, the Office of Insurance Regulation and Union American Insurance Company entered into a Consent Order. A copy of this Consent Order signed by Respondent is included with this Petition as Exhibit "A", and is incorporated by reference herein. Respondent consented to the appointment of the Department as Receiver for the purposes of rehabilitation pursuant to Sections 631.051 and 631.051(11), Florida Statutes.

7. Pursuant to Section 631.031(1), Florida Statutes, by letter dated February 7, 2005, Kevin McCarty, Commissioner of the Office of Insurance Regulation, advised Florida's Chief Financial Officer, Tom Gallagher that the Office of Insurance Regulation

("OIR") concluded grounds existed for the initiation of delinquency proceedings against Respondent. A copy of the letter is attached as Exhibit "B"

8. On February 9, 2005, this Court appointed the Florida Department of Financial Services as Receiver of Union American Insurance Company for the purposes of Rehabilitation. A copy of the Consent Order Appointing the Florida Department of Financial Services as Receiver for Purposes of Rehabilitation, Injunction, and Notice of Automatic Stay is attached hereto as Exhibit "C".

9. The company stopped writing new insurance policies on or about September 2004.

10. The Rehabilitation Order did not cancel any of the insurance policies; however, as of September 18, 2005 all policies have expired in the normal course of business.

11. Since the initiation of this receivership proceeding, the Receiver has made substantial efforts to reduce expenses in the estate while maintaining the ability to maximize value to the claimants.

12. The Receiver has made continuing efforts to resolve all outstanding claims of the company. The Receiver continued to engage the services of United Self Insured Services ("USIS") as a Third Party Administrator ("TPA") to service all open claims. Currently there is one (1) open claim outstanding with the company.

13. The company has been financially impaired since the commencement of the Receivership. As of October 31, 2013, the company's financial condition confirms that the company is now insolvent.

14. The one open worker's compensation claim had been reserved on a "present day settlement value" while the TPA attempted to settle the claim. The settlement attempts were ultimately unsuccessful; therefore as of October 31, 2013 the TPA has adjusted the reserve amount to a "full gross exposure". This change creates a direct impact to the financial condition of the company. A copy of the company's financial statement as of October 31, 2013 is attached hereto as Exhibit "D".

15. Based upon the current facts and circumstances of the company, the obstacles identified are insurmountable and the Receiver has determined that further efforts to rehabilitate the company would be useless. As a result, the Receiver is unable to recommend the company continue in rehabilitation.

16. Given the Company's insolvency, the entry of an Order Appointing the Department as Receiver for Purposes of Liquidation will allow the Department to conserve the assets of Respondent and enable the Department to better assist the policyholders/claimants.

17. Consequently, the Department should be appointed as Receiver for purposes of liquidation without further delay to protect the remaining assets of the company for the benefit of policyholders, creditors and the public.

18. Accordingly it is in the best interests of Respondent, its creditors and insureds that the relief requested in the petition be granted.

WHEREFORE, the Florida Department of Financial Services respectfully petitions this Court to appoint the Department as Receiver for the purposes of liquidation as proposed in the Order attached as Exhibit "E."

RESPECTFULLY SUBMITTED on this 18 day of November, 2013.



ROBERT V. ELIAS, CHIEF ATTORNEY

Robert.Elias@myfloridacfo.com

Florida Bar No. 530107

YAMILE BENITEZ-TORVISO, SENIOR ATTORNEY

yamile.benitez-torviso@myfloridacfo.com

Florida Bar No. 0151726

Florida Department of Financial Services

Division of Rehabilitation and Liquidation

2020 CAPITAL CIRCLE SE, SUITE 310

Tallahassee, Florida 32301

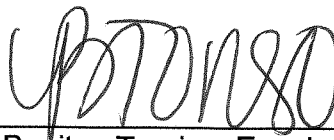
(850) 413-4408 Telephone

(850) 413-3992 – Facsimile

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the following Petition for Order Appointing the Florida Department of Financial Services as receiver for Purposes of Liquidation, Injunction, and Notice of Automatic Stay has been sent by electronic mail, and U.S. Mail this 18 day of November, 2013 to the person(s) listed below:

Jose Alvarez
13825 SW 83 Ct.
Palmetto Bay, FL 33158
pepealvarez13@bellsouth.net



Yamile Benitez-Torviso, Esquire

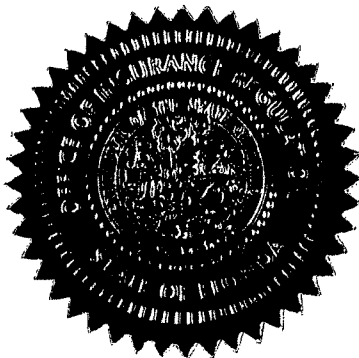
State of Florida



Office of Insurance Regulation Tallahassee, Florida

February 8, 2005

I, the undersigned, Commissioner of the Office of Insurance Regulation of the State of Florida, do hereby certify that the attached is a true and correct copy of the Union American Insurance Company Consent Order, No.: 71808-03-CO that was filed on December 31, 2004.



IN TESTIMONY WHEREOF, I hereto subscribe my name, and affix the Seal of my Office, at Tallahassee, the day and year first above written.

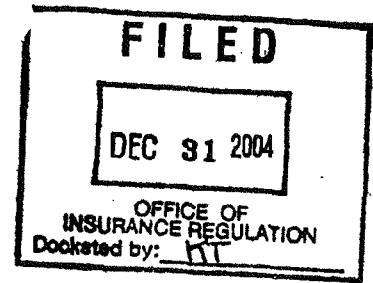
A handwritten signature in cursive script, reading "Kenneth M. Mealy".

Commissioner



OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER



IN THE MATTER OF:

CASE NO.: 71808-03-CO

UNION AMERICAN INSURANCE COMPANY

CONSENT ORDER

THIS CAUSE came on for consideration as a result of the currently existing circumstances of UNION AMERICAN INSURANCE COMPANY and recommendations of the DEPUTY SUPERVISOR. Based upon these circumstances, UNION AMERICAN INSURANCE COMPANY ("UNION") and the OFFICE OF INSURANCE REGULATION of the FINANCIAL SERVICES COMMISSION within the DEPARTMENT OF FINANCIAL SERVICES (hereinafter referred to as the "OFFICE") hereby agree as follows:

1. This Consent Order hereby incorporates all of the terms and conditions of the Consent Order for Administrative Supervision signed on October 29, 2003, and all subsequent orders having been entered in this matter.
2. It has been agreed and consented by UNION that the OFFICE may extend the Administrative Supervision over UNION through January 31, 2005. The OFFICE has determined that the period of Administrative Supervision should be extended. The period of Administrative Supervision is hereby extended until January 31, 2005.
3. On or before January 31, 2005, UNION will cause sufficient assets to be infused into UNION to bring UNION into full statutory compliance. Unless the OFFICE, in its sole

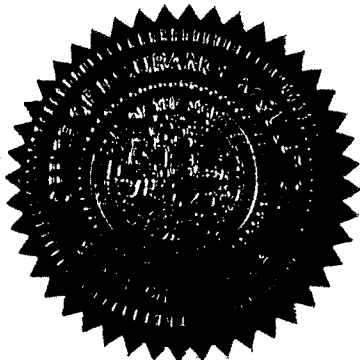
discretion, determines that full compliance has been obtained by this date, Respondent admits that grounds exist for the appointment of a Receiver under Section 631.051, Florida Statutes, and pursuant to Section 631.051(11), Florida Statutes, Respondent consents, through a majority of its directors, stockholders, members, or subscribers, to the entry of an order of Rehabilitation appointing the Department of Financial Services as receiver for purposes of Rehabilitation and consents to any injunctions this Court deems necessary and appropriate. The Joint Resolution Of The President, Directors and Majority Stockholders Of Union American Insurance Company is attached hereto.

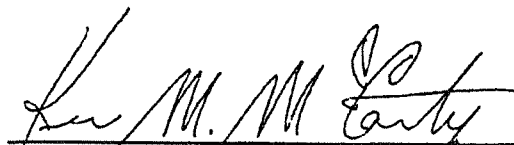
4. UNION expressly waives hearing in this matter and in the matter of the appointment of the Department of Financial Services as receiver for purposes of Rehabilitation and further hereby knowingly and voluntarily waives all rights to challenge or contest this Order in any forum now available to it, including the right to any administrative proceeding, circuit or federal court action or any appeal.

5. The parties agree that this Consent Order will be deemed to be executed when the Director has signed a copy of this Consent Order bearing the signature of UNION or its authorized representative, notwithstanding the fact that the copy was transmitted to the OFFICE by facsimile machine. UNION agrees that if it chooses to transmit the signed Consent Order by facsimile machine, the signature of its authorized representative as affixed to this Consent Order shall be under seal of a Notary Public.

6. This document is effective immediately upon execution by the OFFICE.

DONE AND ORDERED this 31st day of December, 2004.




Kevin M. McCarty
Commissioner

Office of Insurance Regulation

By execution hereof, UNION AMERICAN INSURANCE COMPANY consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind UNION AMERICAN INSURANCE COMPANY to the terms and conditions of this Consent Order.

UNION AMERICAN INSURANCE COMPANY

By: [Signature]

Corporate Seal

Print Name: JOSE M. ALVAREZ

Title: PRESIDENT

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

On December 29, 2004 before me, Cynthia A. Harris, personally appeared Jose M. Alvarez, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon whose behalf the person acted, executed the instrument.

Subscribed and sworn to before me this 29th day of December, 2004.

Signature [Signature]
(Signature of Notary Public)

[NOTARIAL SEAL]

My Commission Expires:



Cynthia A. Harris
My Commission DD345041
Expires September 13, 2006

COPIES FURNISHED TO:

Jose Alvarez, President
Union American Insurance Company
8300 West Flagler Street, Suite 250
Miami, Florida 33144

Clyde W. Galloway, Jr.
Volpe, Bajalia, Wickes & Rogerson
Attorneys at Law
150 S. Monroe Street, Suite 303
Tallahassee, Florida 32301

Lee Roddenberry, Bureau Chief
Office of Insurance Regulation
2nd Floor, Larson Building
200 East Gaines Street
Tallahassee, Florida 32399

Dennis K. Threadgill, Chief Assistant General Counsel
Office of Insurance Regulation
Office of Legal Services
612 Larson Building
200 East Gaines Street
Tallahassee, Florida 32399-0333



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY
COMMISSIONER

FINANCIAL SERVICES
COMMISSION

JEB BUSH
GOVERNOR

TOM GALLAGHER
CHIEF FINANCIAL
OFFICER

CHARLIE CRIST
ATTORNEY GENERAL

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

February 7, 2005

The Honorable Tom Gallagher
The Chief Financial Officer
Department of Financial Services
The Capitol, PL-11
Tallahassee, FL 32399

VIA FACSIMILE
(850) 413-2950

Re: Union American Insurance Company

Dear Treasurer Gallagher:

Please be advised that the Office of Insurance Regulation (hereinafter the "Office") has determined that one or more grounds exist for the initiation of delinquency proceedings, pursuant to Chapter 631, Florida Statutes, against the above-referenced company. As such, I am advising you of that determination and including herewith a stipulation and consent to order of rehabilitation signed by the company so that delinquency proceedings can be initiated by the Division of Rehabilitation and Liquidation.

As always, the Office stands ready to provide any additional information or assistance the Department needs in order for this matter to proceed as expeditiously as possible. Thank you for your attention to this matter.

Sincerely,

Kevin M. McCarty

cc: Pete Dunbar, General Counsel
Department of Financial Services

ATTACHMENT "C"

...
KEVIN M. MCCARTY • COMMISSIONER • OFFICE OF INSURANCE REGULATION
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-5914 • FAX (850) 488-3334
WEBSITE: WWW.FLDFS.COM • EMAIL: MCCARTYK@DFS.STATE.FL.US

Affirmative Action / Equal Opportunity Employer

EXHIBIT "B"

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

State Of Florida, ex rel., The
Department Of Financial Services Of
The State Of Florida,

Relator,

v.

CASE NO.: 2005- 323

Union American Insurance Company,
a Florida Corporation authorized to
transact an insurance business in Florida

Respondent.

**CONSENT ORDER APPOINTING THE FLORIDA DEPARTMENT OF
FINANCIAL SERVICES AS RECEIVER FOR PURPOSES OF REHABILITATION,
INJUNCTION, AND NOTICE OF AUTOMATIC STAY**

THIS CAUSE was considered on the Petition of the State of Florida, Department of Financial Services (hereinafter the "Department") for entry of a consent order of rehabilitation of Union American Insurance Company. The Court having reviewed the pleadings of record, and otherwise being fully informed in the premises, finds:

1. Union American Insurance Company (hereinafter "Respondent") is a corporation authorized pursuant to the Florida Insurance Code to transact business in the state of Florida as a domestic property and casualty insurer. Respondent's corporate offices and its principal place of business is 8300 West Flagler Street, Suite 250 Miami, FL 33144.
2. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving a Florida domiciled insurer.

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

4. Section 631.051(11), Florida Statutes, authorizes the Department to apply to this Court for an order directing it to rehabilitate 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. Respondent has consented to the appointment of the Department as Receiver for purposes of rehabilitation.

6. It is in the best interests of Respondent and its creditors and insureds that the relief requested in the petition be granted.

THEREFORE, IT IS ORDERED AND ADJUDGED as follows:

7. The Department of Financial Services of the State of Florida is appointed Receiver of Respondent for purposes of rehabilitation and that the Receiver is authorized and directed to:

A. Conduct the business of Respondent and take all steps, as the Court may direct, toward the removal of the causes and conditions which have made this Order of Rehabilitation necessary and to take such further action, as the Receiver deems necessary or appropriate, to reform and revitalize the Respondent.

B. Take immediate possession of all the property, assets, and estate, and all other property of every kind whatsoever and wherever located, belonging to Respondent, pursuant to Sections 631.111 and 631.141, Florida Statutes, including but not limited to: offices maintained by the Respondent, rights of action, books, papers, evidences of debt,

bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, and all real property of Respondent, wherever situate, whether in the possession of Respondent or its officers, directors, trustees, employees, consultants, attorneys, agents, affiliates, or other persons.

C. 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 the Respondent in the possession of the Receiver or coming into its possession.

D. 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.

E. Not defend or accept service of process on legal actions wherein the Respondent, the Receiver, or the insured is a party defendant, commenced either prior to or subsequent to the 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.

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

G. Collect all debts that are economically feasible to collect which are due and owing to the Respondent.

H. Deposit funds and maintain bank accounts.

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

J. Apply to this Court for further instructions in the discharge of its duties as may be necessary.

IT IS FURTHER ORDERED AND DIRECTED:

8. 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 Respondent's affairs or the affairs of its affiliates is required to fully cooperate with the Receiver, pursuant to Section 631.391, Florida Statutes, notwithstanding the provisions of the above paragraph.

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

10. The Receiver is granted all of the powers of the Respondent's directors, officers, and managers, whose authority shall be suspended, except as such powers are re-delegated in writing by the Receiver. 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 the Respondent.

11. All attorneys employed by Respondent as of the date of the Order, within 10 days of receiving notice of this Order, are required to report to the Receiver on the name, company claim number and status of each file they are handling on behalf of the Respondent. Said report should also include an accounting of any funds received from or on behalf of the Respondent. All attorneys employed by Respondent are discharged as of the date of the Order unless the Receiver retains their services. All attorneys employed by Respondent are advised that pursuant to Sections 631.011(17) and 631.011(21), 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 1989), 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 are required to deliver such litigation files, material, documents 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.

12. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of the Respondent are required to account for and pay all premiums and commissions unearned due to cancellation of policies in the normal course of business owed to the Respondent directly to the Receiver within 30 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 the Respondent for refund of unearned premium or for any purpose other than payment to the Receiver.

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

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

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

16. Any bank, savings and loan association, financial institution or other person which has on deposit, in its possession, custody or control any funds, accounts and any other assets of the Respondent is directed to immediately transfer title, custody and control of all such funds, accounts and other assets to the Receiver. 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 shall be permitted to 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 unless and until obtaining an order from this Court authorizing such action.

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

18. Any data processing service not affiliated with Union American Insurance Company 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 the Respondent is directed 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 should 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.

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

20. All insurance policies, bonds or similar contracts of coverage issued by the Respondent shall remain in full force and effect until they are cancelled, or otherwise terminated in the normal course of business or by further Order of this Court.

21. All affiliated companies and associations are directed to make their books and records available to the Receiver, to include all records located in any premises occupied by said affiliate, whether corporate records or not, and to provide copies of any records requested by the Receiver whether or not such records are related to Respondent. 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 shall not be withheld from the Receiver's review, but should be safeguarded and presented to this Court for review prior to copying by the Receiver.

22. The Receiver shall have complete access to and control of all computer records of the Respondent and its affiliates at all times including but not limited to Respondent's computer records. Each affiliate shall be given reasonable access to such records for the purpose of carrying out its business operations.

23. Any person, firm, corporation or other entity having notice of the Order that fails to abide by its terms is 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.

24. 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 and employees, are enjoined and restrained: from the further transaction of the insurance business of the Respondent; from doing, doing through omission, or permitting to be done any action which might waste or dispose of the books, records and assets of the 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, and accounts; from the commencement or

prosecution of any actions against the Respondent or the Receiver together with its agents or employees, 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 Sections 119.07(1)(a), and 624.501, Florida Statutes.

25. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with Union American Insurance Company agree to fully cooperate with the Receiver in the effort to rehabilitate Union American Insurance Company.

26. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with Union American Insurance Company having any interest in the computer equipment and software currently used by or for Union American Insurance Company shall make such computer equipment and software available to the Receiver at no charge to the Receiver or Union American Insurance Company to the extent deemed necessary by the Receiver in its sole discretion.

27. All rights in all securities held by the Department of Financial Services belonging to or deposited for the benefit of Union American Insurance Company shall be vested in the Receiver.

CONTINUATION OF INVESTIGATION

28. The Receiver is authorized to conduct an investigation as authorized by Section 631.391, Florida Statutes, of Respondent and its affiliates, as defined above, to uncover and make fully available to the Court the true state of Respondent's financial affairs. In furtherance of this investigation, Respondent's parent corporations, its subsidiaries, and affiliates are required to make all books, documents, accounts, records, and affairs, which either belong to or pertain to the Respondent, available for full, free and unhindered inspection and examination by the Receiver during normal business hours (8:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of the Order. The above-specified entities are required to cooperate with the Receiver to the fullest extent required by Section 631.391, Florida Statutes. Such cooperation should 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.

29. 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 is directed to fully cooperate with the Receiver as required by Section 631.391, 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 directed 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.

30. All Sheriffs and all law enforcement officials of this state shall cooperate with and assist the Receiver in the implementation of this Order.

31. In the event the Receiver determines that reorganization, consolidation, conversion, reinsurance, merger, or other transformation of the Respondent is appropriate, the Receiver shall prepare a plan to effect such changes and submit the plan to this Court for consideration.

32. Upon petition by the Receiver stating that further efforts to rehabilitate Respondent would be useless, this Court will consider entry of an order of liquidation of Respondent.

NOTICE OF AUTOMATIC STAY

33. Notice is hereby 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 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(21), 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.

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

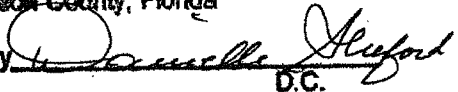
DONE and ORDERED in Chambers at the Leon County Courthouse in Tallahassee, Leon County, Florida this 9th day of February, 2005. 2:00pm EST


CIRCUIT JUDGE

A Certified Copy
Attest

Bob Inzer

Clerk of Circuit Court
Leon County, Florida

By 
D.C.



Union American Insurance Company
As of October 31, 2013

Assets				
		Current Statement Date		
		1	2	3
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)
				4
				December 31 Prior Year Net Admitted Assets
1	Bonds			
2	Stocks:			
	2.1 Preferred stocks			
	2.2 Common stocks			
3	Mortgage loans on real estate:			
	3.1 First liens			
	3.2 Other than first liens			
4	Real estate:			
	4.1 Properties occupied by the company (less encumbrances)			
	4.2 Properties held for the production of income (less \$.....0 encumbrances)			
	4.3 Properties held for sale (less \$.....0 encumbrances)			
5	Cash, cash equivalents and short term investments	394,885		394,885
6	Contract loans (including \$.....0 premium notes)			
7	Derivatives			
8	Other invested assets			
9	Receivables for securities			
10	Aggregate write-ins for invested assets			
11	Subtotals, cash and invested assets (Lines 1 to 10)	394,885		394,885
12	Title plants less \$.....0 charged off (for Title insurers only)			
13	Investment income due and accrued	-		-
14	Premiums and considerations:			
	14.1 Uncollected premiums and agents' balances in the course of collection			
	14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)			
	14.3 Accrued retrospective premiums			
15	Reinsurance:			
	15.1 Amounts recoverable from reinsurers	10,881		10,881
	15.2 Funds held by or deposited with reinsured companies			
	15.3 Other amounts receivable under reinsurance contracts			
16	Amounts receivable relating to uninsured plans			
17.1	Current federal and foreign income tax recoverable and interest thereon			
17.2	Net deferred tax asset			
18	Guaranty funds receivable or on deposit			
19	Electronic data processing equipment and software			
20	Furniture and equipment, including health care delivery assets (\$.....0)			
21	Net adjustment in assets and liabilities due to foreign exchange rates			
22	Receivables from parent, subsidiaries and affiliates	11,686,746	11,686,746	-
23	Health care (\$.....0) and other amounts receivable			
24	Aggregate write-ins for other than invested assets.	-		-
25	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 through 24)	12,092,512	11,686,746	405,766
26	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
27	Total (Lines 25 and 26)	12,092,512	11,686,746	405,766

DETAILS OF WRITE-INS

1101				
1102				
1103				
1198	Summary of remaining write-ins for Line 11 from overflow page			
1199	Totals (lines 1101 through 1103 plus 1198)(Line 11 above)	-	-	-
2501	Note Receivable			
2502	Other Receivable			
2503				
2598	Summary of remaining write-ins for Line 25 from overflow page			
2599	Totals (lines 2501 through 2503 plus 2598)(Line 25 above)	-	-	-

UNAUDITED

Union American Insurance Company
As of October 31, 2013

Liabilities, Surplus and Other Funds

	1 Current Statement Date	2 December 31, Prior Year
1 Losses (current accident year \$.....0)		33,800
2 Reinsurance payable on paid losses and loss adjustment expenses		
3 Loss adjustment expenses		965
4 Commissions payable, contingent commissions and other similar charges		
5 Other expenses (excluding taxes, licenses and fees)	10,000	11,634
6 Taxes, licenses and fees (excluding federal and foreign income taxes)	271,938	271,929
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8 Borrowed money \$.....0 and interest thereon \$.....0		
9 Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0)		
10 Advance premium		
11 Dividends declared and unpaid:		
11.1 Stockholders.		
11.2 Policyholders		
12 Ceded reinsurance premiums payable (net of ceding commissions)		
13 Funds held by company under reinsurance treaties		52,088
14 Amounts withheld or retained by company for account of others.		
15 Remittances and items not allocated		
16 Provision for reinsurance	202,429	
17 Net adjustments in assets and liabilities due to foreign exchange rates.		
18 Drafts outstanding		6,069
19 Payable to parent, subsidiaries and affiliates		23,003
20 Derivatives		
21 Payable for securities		
22 Liability for amounts held under uninsured plans		
23 Capital notes \$.....0 and interest thereon \$.....0		
24 Aggregate write-ins for liabilities.	114,925	97,594
25 Total liabilities excluding protected cell liabilities (Lines 1 through 24)	599,292	497,082
26 Protected cell liabilities		
27 Total liabilities (Lines 25 and 26)	599,292	497,082
28 Aggregate write-ins for special surplus funds.		
29 Common capital stock	5,000,000	5,000,000
30 Preferred capital stock.		
31 Aggregate write-ins for other than special surplus funds		
32 Surplus notes.	4,500,000	4,500,000
33 Gross paid in and contributed surplus.	8,135,000	8,135,000
34 Unassigned funds (surplus)	(17,828,526)	(17,569,489)
35 Less treasury stock, at cost:		
35.10.000 shares common (value included in Line 29 \$.....0)		
35.20.000 shares preferred (value included in Line 30 \$.....0)		
36 Surplus as regards policyholders (Lines 28 to 34, less 35)	(193,526)	65,511
37 Totals	405,766	562,593
DETAILS OF WRITE-INS		
2501 Escheat Reserve Liability for checks dated 2002-2012 to be disbursed to the Florida Bureau of Unclaimed Property	62,153	44,822
2502 Deferred FFJUA fees	52,772	52,772
2503		
2598 Summary of remaining write-ins for Line 25 from overflow page		
2599 Totals (Lines 2501 through 2598)(Line 25 above)	114,925	97,594

UNAUDITED

Union American Insurance Company

As of October 31, 2013

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year Ended December 31
UNDERWRITING INCOME		
1 Premiums earned:		
1.1 Direct		
1.2 Assumed		
1.3 Ceded		
1.4 Net		
DEDUCTIONS:		
2 Losses incurred (current accident year \$.....0):		
2.1 Direct	(14,628)	(110,331)
2.2 Assumed		
2.3 Ceded		
2.4 Net	(14,628)	(110,331)
3 Loss adjustment expenses incurred	14,702	(30,307)
4 Other underwriting expenses incurred	132,937	194,942
5 Aggregate write-ins for underwriting deductions		
6 Total underwriting deductions (Lines 2 through 5)	133,011	54,304
7 Net income of protected cells		
8 Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(133,011)	(54,304)
INVESTMENT INCOME		
9 Net investment income earned	4,556	14,609
10 Net realized capital gains (losses) less capital gains tax of \$.....0		
11 Net investment gain (loss) (Lines 9 + 10)	4,556	14,609
OTHER INCOME		
12 Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)		
13 Finance and service charges not included in premiums		
14 Aggregate write-ins for miscellaneous income	71,847	7,318
15 Total other income (Lines 12 through 14)	71,847	7,318
16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(56,608)	(32,377)
17 Dividends to policyholders		
18 Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(56,608)	(32,377)
19 Federal and foreign income taxes incurred		-
20 Net income (Line 18 minus Line 19) (to Line 22)	(56,608)	(32,377)
CAPITAL AND SURPLUS ACCOUNT		
21 Surplus as regards policyholders, December 31 prior year	65,511	95,288
22 Net income (from Line 20)	(56,608)	(32,377)
23 Net transfers (to) from Protected Cell accounts		
24 Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0		
25 Change in net unrealized foreign exchange capital gain (loss)		
26 Change in net deferred income tax		
27 Change in nonadmitted assets		2,600
28 Change in provision for reinsurance	(202,429)	
29 Change in surplus notes		
30 Surplus (contributed to) withdrawn from protected cells		
31 Cumulative effect of changes in accounting principles		
32 Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33 Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34 Net remittances from or (to) Home Office		
35 Dividends to stockholders		
36 Change in treasury stock		
37 Aggregate write-ins for gains and losses in surplus		
38 Change in surplus as regards policyholders (Lines 22 through 37)	(259,037)	(29,777)
39 Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	(193,526)	65,511

UNAUDITED

Union American Insurance Company
As of October 31, 2013

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATION		
1 Premiums collected net of reinsurance		
2 Net investment income	5,683	19,425
3 Miscellaneous income	4,839	7,318
4 Total (lines 1 through 3)	10,522	26,743
5 Benefit and loss related payments	43,560	46,320
6 Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7 Commissions, expenses paid and aggregate write-ins for deductions	133,747	185,837
8 Dividends paid to policyholders		
9 Federal and foreign income taxes paid		
10 Total (Lines 5 through 9)	177,307	232,157
11 Net cash from operations (line 4 minus line 10)	(166,785)	(205,414)
CASH FROM INVESTMENT		
12 proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	-	-
13 Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	-	-
14 Net increase (decrease) in contract loans and premium notes		
15 Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	-	-
CASH FROM FINANCING AND MISCELLANEOUS SOURCE		
16 Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)		
17 Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus 16.5 plus Line 16.6)	-	-
RECONCILIATION OF CASH, CASH EQUIVALENT AND SHORT-TERM INVESTMENT		
18 Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(166,785)	(205,414)
19 Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	561,670	767,084
19.2 End of period (line 18 plus Line 19.1)	394,885	561,670

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

State of Florida, ex rel., the
Department of Financial Services of
The State of Florida,

Relator,

v.

CASE NO: 2005-323

UNION AMERICAN INSURANCE COMPANY,
A Florida Corporation authorized to
Transact an insurance business in Florida,

Respondent,

_____ /

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

THIS CAUSE was considered on the Petition of the State of Florida, Department of Financial Services (hereinafter the "Department") for entry of an Order of liquidation of Union American Insurance Company (hereinafter the "Respondent" or "Company"). The Court, having reviewed the pleadings of record, and otherwise being fully informed in the premises finds that:

1. This Court has jurisdiction pursuant to section 631.021(1), Florida Statutes, and venue is proper pursuant to Section 631.021(2), Florida Statutes.
2. Respondent was a corporation authorized pursuant to the Florida Insurance Code to transact business in the state of Florida as a domestic property and casualty insurer.
3. Section 631.021(3), Florida Statutes, provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and

exclusive method of liquidating, rehabilitating, reorganizing, or conserving an insurer.

4. Sections 631.031 and 631.061(1), Florida Statutes, authorize the Department to apply to this Court for an Order directing it to liquidate a domestic insurer upon the existence of any grounds specified in Section 631.051, Florida Statutes, or if an insurer is or is about to become insolvent. Further, Section 631.025(2), Florida Statutes, authorizes the Department to initiate delinquency proceedings against any insurer if the statutory grounds are present as to that insurer.

5. Section 631.031 directs the Department to initiate such delinquency proceedings after receiving notification from the Director of the Office of Insurance Regulation as to the existing grounds for the initiation of such proceedings.

6. On December 31, 2004, the Office of Insurance Regulation and Union American Insurance Company entered into a Consent Order. Respondent consented to the appointment of the Department as Receiver for the purposes of rehabilitation pursuant to Sections 631.051 and 631.051(11), Florida Statutes.

7. On February 7, 2005, pursuant to Section 631.031(1), Florida Statutes, Kevin McCarty, Commissioner of the Florida Office of Insurance Regulation ("Office"), advised by letter to Florida's Chief Financial Officer, Tom Gallagher, that the Office determined grounds existed for the initiation of delinquency proceedings against Respondent.

8. On February 9, 2005 this Court entered an Order Appointing the Florida Department of Financial Services as Receiver for Respondent for Purposes of Rehabilitation.

9. Sections 631.051(11) and 631.061, Florida Statutes authorize the

Department to apply to this Court for an Order directing it to liquidate a domestic insurer upon grounds that the insurer has consented to such an order through the majority of its directors, stockholders, members or subscribers; or if the Respondent consented to the appointment of the Department as Receiver for purposes of rehabilitation and if subsequently determined by the Receiver, entry of an Order of Liquidation.

10. Respondent is insolvent within the meaning of 631.061(1), Florida Statutes.

11. Respondent must be liquidated to protect the remaining assets of Respondent for the benefit of its policyholders, creditors, and the public.

12. Pursuant to Sections 631.051(11) and 631.061, Florida Statutes, this Court finds that it is in the best interests of Respondent, its creditors and its members that the relief requested in the Department's Petition be granted.

THEREFORE, IT IS ORDERED AND ADJUDGED as follows:

13. The Department of Financial Services of the State of Florida shall be and is hereby appointed Receiver of Respondent for purposes of Liquidation, effective immediately.

14. The Receiver shall be authorized and directed to:

A. Take immediate possession of all the property, assets, and estate, and all other property of every kind whatsoever and wherever located belonging to Respondent pursuant to Sections 631.111 and 631.141, Florida Statutes, including but not limited to: offices maintained by Respondent, rights of action, books, papers, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies

and equipment, wherever situate and however titled, whether in the possession of Respondent or its officers, directors, shareholders, trustees, employees, consultants, attorneys, agents or affiliates and all real property of Respondent, wherever situate, whether in the possession of Respondent or its officers, directors, shareholders, trustees, employees, consultants, attorneys, agents or affiliates or other persons.

B. Liquidate the assets of Respondent, including but not limited to, funds held by Respondent's agents, subagents, producing agents, brokers, solicitors, service representatives 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.

C. 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 the Respondent in the possession of the Receiver or coming into its possession.

D. 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.

E. 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 the 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.

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

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

H. Deposit funds and maintain bank accounts in accordance with Section 631.221, Florida Statutes.

I. Take possession of all of Respondent's securities and certificates of deposit on deposit with the Chief Financial Officer of Florida or any similar official of any other state, if any, and convert to cash as much as may be necessary, in its judgment, to pay the expenses of administration of this receivership.

J. 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 and to publish notice by similar methods in all states where Respondents may have issued insurance policies.

K. Negotiate and settle subrogation claims and Final Judgments without further order of this Court.

L. Sell any salvage-recovered property without further order of this Court.

M. Coordinate the operation of the Receivership with Florida Workers' Compensation Insurance Guaranty Association pursuant to Part II, Chapter 631, Florida Statutes. The Receiver may in its discretion, contract with the appropriate guaranty

association to provide services as are necessary to carry out the purposes of Chapter 631.

N. Give notice of this proceeding to Respondent's agents pursuant to Section 631.341, Florida Statutes, and to its insureds, if any.

O. For purposes of this Order, the term "affiliate" shall be defined in accordance with Section 631.011(1), Florida Statutes and includes but is not limited to AIB Financial Group, Inc., and AIB Insurance Group.

P. The Receiver is granted all of the powers of the Respondent's directors, officers, and managers, whose authority is hereby suspended, except as such powers are re-delegated in writing by the Receiver. 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 the Respondent.

Q. Apply to this Court for further instructions in the discharge of its duties as the Receiver deems necessary.

IT IS FURTHER ORDERED AND DIRECTED:

15. 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 Respondent's affairs or the affairs of its affiliates shall be required to fully cooperate with the Receiver, pursuant to Section 631.391, Florida Statutes, notwithstanding the provisions of the above paragraph. Any person who fails to cooperate with the Receiver, interferes with the Receiver, or fails to follow the instructions of the Receiver, may, at the Receiver's

discretion, be excluded from Respondent's business premises.

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

17. All officers, directors, trustees, administrators, agents and employees and all other persons representing Respondent or currently employed or utilized by Respondent in connection with the Conduct of its business are discharged forthwith; provided, however, the Receiver may retain such persons in the Receiver's discretion.

18. All attorneys employed by Respondent as of the date of the Order, within 10 days notice of the Order, are required to report to the Receiver on the name, company claim number and status of each file they are handling on behalf of the Respondent. Said report shall also include an accounting of any funds received from or on behalf of the Respondent. All attorneys employed by Respondent shall be discharged as of the date of the Order unless their services are retained by the Receiver. All attorneys employed by Respondent shall be advised that pursuant to Section 631.011(21), 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 1989), 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 shall be required to deliver such litigation files, material, documents or records intact and without purging to the Receiver, on request, notwithstanding any claim of a retaining lien which, if otherwise valid, shall not be extinguished by the delivery of these documents.

19. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of the Respondent shall be required to account for and pay all premiums and commissions unearned due to cancellation of policies by the Order or in the normal course of business owed to the Respondent directly to Receiver within 30 days of demand by the Receiver or appear before this Court to show cause, if any they may have, as to why they shall 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 shall use premium monies owed to the Respondent for refund of unearned premium or for any purpose other than payment to the Receiver.

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

21. Reinsurance premiums due to or payable by Respondent shall be remitted to, or disbursed by, the Receiver. Reinsurance losses recoverable or payable by Respondent shall be handled by the Receiver. All correspondence concerning reinsurance shall be between the Receiver and the reinsuring company or intermediary.

22. Upon request by the Receiver, any company providing telephonic services to Respondent shall be required to 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.

23. Any bank, savings and loan association, or other financial institution which has on deposit, in its possession, custody or control any funds, accounts and any other

assets of Respondent, shall be required to immediately transfer title, custody and control of all such funds, accounts and other assets to the Receiver. The Receiver shall be 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 shall be permitted to 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.

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

25. 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 directed to transfer custody and control of such records to the Receiver. The Receiver shall be 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 should be based upon the monthly rate provided for in contracts or leases with Respondent which was 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.

26. The United States Postal Service shall be 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.

27. All claims shall be filed with the Receiver on or before 11:59:59 p.m. EST, six months following the date of the entry of this Order, or be forever barred, and all such claims shall be filed on proof of claim forms prepared by the Receiver.

28. In order to assure the validity of claim assignments, to assure that the processing of assignments does not create an undue burden on estate resources, and to assure that assignment decisions are made using the best information available, the Receiver shall not recognize or accept any assignment of claim by the claimant of record unless the following criteria are met:

A. A distribution petition has not been filed with this Court;

B. The Receiver has been provided with a fully executed and notarized assignment of claim agreement entered into between the parties; and

C. The Receiver has been provided with a fully executed and notarized Receiver's Assignment of Claim Change Form and required supporting documentation.

D. The Receiver's Assignment of Claim Change Form shall contain an acknowledgement by the claimant, or someone authorized to act on behalf of the claimant, that:

1. The claimant is aware that financial information regarding claims distributions and payments published on the Receiver's website or otherwise

available can assist the claimant in making an independent and informed decision regarding the sale of the claim;

2. The claimant understands that the purchase price being offered in exchange for the assignment may differ from the amount ultimately distributed in the receivership proceeding with respect to the claim;

3. It is the claimant's intent to sell their claim and have the Receiver's records be permanently changed to reflect the new owner; and

4. The claimant understands that that they will no longer have any title, interest, or rights to the claim including future mailings and distributions if they occur.

29. All executory contracts to which the Respondent was a party shall be cancelled and stand cancelled unless specifically adopted by the Receiver within ninety (90) days of the date of this Order or from the date of the Receiver's actual knowledge of the existence of such contract, whichever is later. "Actual Knowledge" means the Receiver has in its possession a written contract to which the Respondent is a party, and the Receiver has notified the vendor in writing acknowledging the existence of the contract.

Further, the Receiver shall have the authority to do the following:

1) Pay for services provided by any of Respondent's vendors, in the ninety (90) day period prior to assuming or rejecting the contract, which are necessary to administer the Receivership estate;

2) Once the Receiver determines Respondent's vendor is

necessary in the continued administration of the Receivership estate for a period to exceed the ninety (90) days from the date of this order, or from the date of Receiver's actual knowledge of such contract, whichever is later, the Receiver may make minimal modifications to the terms of the contract, including, but not limited to, the expiration date of the agreement, the scope of the services to be provided, and/or the compensation to be paid to Respondent's vendor pursuant to the contract. "Minimal Modifications" shall mean any minimum alteration made to the contract in order to adapt to the new circumstances of the Receivership estate. In no event will any minimal modification be construed as the receiver entering into a new contract with Respondent's vendor.

Any vendor, including but not limited to, any and all employees / contractors of insurer, claiming the existence of a contractual relationship with the insurer shall provide notice to the Receiver of such relationship. This notice shall include any and all documents and information regarding the terms and conditions of the contract, including a copy of the written contract between the vendor and the insurer, if any, what services or goods were provided pursuant to the contract, any current, future and/or past due amounts owing under the contract, and any supporting documentation for third party services or goods provided. Failure to provide the required information may result in vendors' contractual rights not being recognized by the Receiver. The rights of the parties to any such contracts are fixed as of the date of the Order and any cancellation under this provision shall not be treated as an anticipatory breach of such contracts.

30. All affiliated companies and associations, including but not limited to AIB

Financial Group, Inc., and AIB Insurance Group shall make their books and records available to the Receiver, to include all records located in any premises occupied by said affiliate, whether corporate records or not, and to provide copies of any records requested by the Receiver whether or not such records are related to Respondent. The Receiver shall have 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 shall be 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 shall not be withheld from the Receiver's review, but shall be safeguarded and presented to this Court for review prior to copying by the Receiver.

31. The Receiver shall have complete access to and administrative control of all information technology resources of the Respondent and its affiliates at all times including, but not limited to, Respondent's computer hardware, software and peripherals. Each affiliate shall be given reasonable access to such records for the purpose of carrying out its business operations.

32. Any person, firm, corporation or other entity having notice of the Order that fails to abide by its terms is directed to appear before this Court to show good cause, if any they may have, as to why they shall not be held in contempt of Court for violation of the provisions of this Order.

33. It does not appear that any policies of insurance issued by Respondents remain in effect. To the extent that any policies may remain in effect, except as noted in the following paragraph, pursuant to the provisions of 631.252,

Florida Statutes, all policies of insurance or similar contracts of coverage that have not expired are cancelled effective 12:01 a.m. EST on the date this Order is entered. Policies or contracts of coverage with normal expiration dates prior to the dates otherwise applicable under this paragraph, or which are terminated by insureds or lawfully cancelled by the Receiver or insurer before such date, shall stand cancelled as of the earlier date.

34. 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 and employees, are enjoined and restrained from the further transaction of the insurance business of the Respondent; from doing, doing through omission, or permitting to be done any action which might waste or dispose of the books, records and assets of the 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, and accounts; from the commencement or prosecution of any actions against the Respondent or the Receiver together with its agents or employees, 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 Receivers should be 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 should be authorized to impose a charge for copies of such claim files pursuant to the provisions of Sections 119.07(1)(a), and 624.501, Florida Statutes.

35. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with Respondent shall fully cooperate with the Receiver in the effort to liquidate Respondent.

36. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with Respondents having any interest in any facility in which Respondents may operate, shall make available, at that location and at no charge to the Receiver or to Respondents, office space, and related facilities (telephone service, copiers, computer equipment and software, office supplies, parking, etc.) to the extent deemed necessary by the Receiver in its sole discretion.

37. All subsidiaries, affiliates, parent corporations, ultimate parent corporations, and any other business entity affiliated with Respondent having any interest in the computer equipment and software currently used by or for Respondent shall make such computer equipment and software available to the Receiver at no charge to the Receiver or Respondent to the extent deemed necessary by the Receiver in its sole discretion.

CONTINUATION OF INVESTIGATION

38. The Receiver shall be authorized to conduct an investigation as authorized by Section 631.391, Florida Statutes, of Respondent and its affiliates, as defined above, 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 affiliate shall be required to 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 by the Receiver during normal business hours (8:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of the Order. Respondent and the above specified entities shall be required to cooperate with the Receiver to the fullest extent required by Section 631.391, 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.

39. 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 be required to fully cooperate with the Receiver as required by Section 631.391, Florida Statutes, and as set out in the preceding paragraph. Upon receipt of a certified copy of the Order, any bank or financial institution shall be 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.

40. All Sheriffs and all law enforcement officials of this state shall cooperate with and assist the Receiver in the implementation of this Order.

41. In the event the Receiver determines that reorganization, consolidation, conversion, reinsurance, merger, or other transformation of the Respondent is appropriate, the Receiver shall prepare a plan to effect such changes and submit the plan to this Court for consideration.

NOTICE OF AUTOMATIC STAY

42. Notice is hereby 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 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, 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(21), 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.

43. This Court retains 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 at the Leon County Courthouse in Tallahassee, Florida this ____ day of _____, 2013.

TERRY P. LEWIS, CIRCUIT JUDGE

Copies to:

Yamile Benitez-Torviso, Esquire

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