

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

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

Relator,

CASE NO.: 2015-CA-0273

v.

Sensible Home Warranty, LLC.,

Respondent

_____ /

**ORDER APPOINTING THE FLORIDA DEPARTMENT OF FINANCIAL
SERVICES AS ANCILLARY RECEIVER AND NOTICE OF AUTOMATIC STAY**

THIS CAUSE was considered on the petition of the Florida Department of Financial Services (hereinafter “Department” or “Ancillary Receiver”) for entry of an order appointing the Department as Ancillary Receiver for Sensible Home Warranty, LLC (“SHW”). This Court having reviewed the pleadings of record, and being otherwise being fully informed in the premises finds that:

1. This Court has jurisdiction over this matter pursuant to section 631.021(1), and venue is proper pursuant to section 631.021(2), Florida Statutes.
2. Sections 631.091, .131(2), and .152, Florida Statutes, authorize the Department to petition this Court for entry of an order appointing the Department Ancillary Receiver for a foreign insurer upon the appointment of a liquidator in the domiciliary state of such insurer.
3. SHW is domiciled in Nevada. The State of Nevada Commissioner of Insurance issued an order for the purpose of setting liquidation procedures on September 24, 2014.

4. Upon information and belief, there are sufficient assets located in this state and there may be other assets to justify the appointment of an Ancillary Receiver pursuant to section 631.152, Florida Statutes.

5. Placing SHW into ancillary receivership is further justified in order to obtain records of SHW to adjudicate the covered claims of Florida policyholders.

THEREFORE, IT IS ORDRED AND ADJUDGED as follows:

6. The Department's application for appointment as Ancillary Receiver is hereby granted.

7. The Department is hereby appointed as Ancillary Receiver of SHW effective immediately.

8. The Ancillary Receiver shall be authorized and directed to:

A. Take immediate possession of all property, assets and estate and all other property of every kind whatsoever and located in this state belonging to SHW pursuant to 631.111 and 631.152, Florida Statutes, including but not limited to; offices maintained by SHW, rights of action, books, papers, electronic records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, however titled, whether in the custody, possession, or control of SHW or its officers, directors, shareholders, trustees, employees, consultants, attorneys, agents or affiliates and all real property of SHW, whether in the possession of SHW or its officers, directors, shareholders, trustees, employees, consultants, attorneys, accountants, actuaries agents or affiliates, or other persons.

B. Take possession of all of SHW's securities and certificates of deposit on deposit with the Florida Department of Financial Services or any other assets found in this state, and

convert to cash as much as may be necessary, in its judgment, to pay the expenses of the administration of this receivership.

C. Liquidate the business and assets of SHW located in this State, including but not limited to, funds held by SHW's agents, subagents, producing agents, brokers, solicitors, service representatives or others under agency contracts of otherwise which are due and unpaid to SHW, including premiums, unearned commissions, agents' balances, agents' reserve funds, and subrogation recoveries.

D. Directing that any officer, director, manager, trustee, agent, accountant, actuary, adjuster, employee, or independent contractor of SHW and any other person who possesses any executive authority over, or who exercises any control over, any segment of the affairs of SHW, including the Bureau of Collateral Management, to fully cooperate with the Department as required by section 631.391, Florida Statutes.

E. 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 SHW in the possession of the Receiver or coming into its possession.

F. 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.

G. Not defend or accept service of process on legal actions wherein SHW, 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 SHW is a nominal

party, as in certain foreclosure actions, and the action does not affect a claim against or adversely affect the assets of SHW, the Receiver may file appropriate pleadings in its discretion.

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

I. Collect all debts which are economically feasible to collect which are due and owing to SHW.

J. Deposit funds and maintain bank accounts in accordance with section 631.221, Florida Statutes.

K. Submit a plan to this Court within 60 days for providing notice to potential claimants of SHW.

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

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

N. Give notice of this proceeding to SHW's agents pursuant to section 631.341, Florida statutes, and to its insureds, if any.

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

IT IS FURTHER ORDERED AND DIRECTED:

9. Title to all property, real or personal, all contracts, rights of action and all books and records of SHW, located within the State, is vested in the Ancillary Receiver pursuant to sections 631.11 and 631.141, Florida Statutes.

10. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of the SHW 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 SHW directly to Ancillary Receiver within 30 days of demand by the Ancillary 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 Ancillary 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 SHW for refund of unearned premium or for any purpose other than payment to the Ancillary Receiver.

11. 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 SHW, shall be required to immediately transfer title, custody and control of all such funds, accounts and other assets to the Ancillary Receiver. The Ancillary 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 Ancillary Receiver's control without the permission of this Court.

12. 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 SHW shall transfer custody and control of such records to the Ancillary Receiver. The Ancillary Receiver shall be authorized to compensate any such entity for the actual use of hardware and software which the Ancillary Receiver finds to be necessary to this proceeding.

Compensation shall be based upon the monthly rate provided for in contracts or leases with SHW which was in effect when this proceeding was instituted, or based upon such contract as may be negotiated by the Ancillary Receiver, for the actual time such equipment and software is used by the Ancillary Receiver.

13. The United States Postal Service shall be directed to provide any information requested by the Ancillary Receiver regarding SHW and to handle future deliveries of SHW's mail as directed by the Ancillary Receiver.

14. All claims shall be filed with the Ancillary Receiver on or before 12:01 a.m., on the date six months from the entry of this Order, or be forever barred, and all such claims shall be filed on proof of claim forms prepared by the Ancillary Receiver.

15. 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.

16. The Receiver shall be vested with all powers, authorities, and rights, express and implied, by the provisions of Part I, Chapter 631, Florida Statutes.

CONTINUATION OF INVESTIGATION

17. The Ancillary Receiver shall be authorized to conduct an investigation as authorized by section 631.391, Florida Statutes, of SHW and its affiliates, as defined above, to uncover and make fully available to the Court the true state of SHW's financial affairs. In furtherance of this investigation, SHW and its affiliates shall be required to make all books, documents, accounts, records, and affairs, which either belong to or pertain to SHW, available for full, free and unhindered inspection and examination by the Ancillary Receiver during

normal business hours (8:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of the Order. SHW and the above specified entities shall be required to cooperate with the Ancillary 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 SHW's officers, directors, managers, trustees, agents, accountants, actuaries, adjusters, employees, or independent contractors of SHW, its affiliates and any other person who possesses any executive authority over, or who exercises any control over, any segment of the affairs of SHW in both their official, representative and individual capacities and the production of all documents that are calculated to disclose the true state of SHW's affairs.

NOTICE OF AUTOMATIC STAY

18. 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 Ancillary 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 SHW, 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, which may proceed under 631.191, Florida Statutes, after the order of liquidation is entered;

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

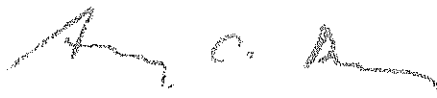
F. The set-off or offset of any debt owing to the insurer except offsets as provided in section 631.281, Florida Statutes.

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

20. 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.

21. The SHW is ordered into liquidation, effective this date.

DONE and ORDERED in Chambers at the Leon County Courthouse in Tallahassee, Florida this 19 day of February, 2015.



CIRCUIT COURT JUDGE

Angela C. Dempsey