

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS

THIRTEENTH DIVISION

JAY BRADFORD, INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

PETITIONER 09:17:25
Pat O'brien Pulaski Circuit Clerk
CR01

VS.

NO. CV2010 - 1145

GIBRALTAR NATIONAL INSURANCE COMPANY,
AN ARKANSAS DOMICILED COMPANY

RESPONDENT

PERMANENT INJUNCTION AND ORDER
APPOINTING RECEIVER FOR REHABILITATION

On this day comes to be heard the Petition for Appointment of Receiver and for Permanent Injunction ("Petition") filed by Petitioner, Jay Bradford, Insurance Commissioner for the State of Arkansas, Petitioner appeared by and through his attorney, Steve A. Uhrynowycz. The Court, being well and sufficiently advised in the premises, enters the following:

I.

FINDINGS

1. This Court has jurisdiction of the parties and of the subject matter herein.
2. Petitioner, Jay Bradford, is the duly appointed Insurance Commissioner for the State of Arkansas.
3. Respondent, Gibraltar National Insurance Company, has consented to the entry of this Permanent Injunction and Order Appointing Receiver for Rehabilitation ("Order") and has waived any rights to challenge, contest or appeal this order per the terms of the February 22, 2010 *Confidential Consent Agreement and Order* attached as "Exhibit B" to the Petition, and per

Respondent's failure to comply with the terms of said *Order* as set out in the Affidavit of Brenda Haggard attached as "Exhibit A" to the Petition.

II.

APPOINTMENT OF RECEIVER

It is hereby ordered that Jay Bradford, the duly appointed Insurance Commissioner for the State of Arkansas, be and hereby is appointed Receiver of Respondent, GIBRALTAR NATIONAL INSURANCE COMPANY, for the purpose of rehabilitation and is hereby granted and given all powers and authority under any and all statutes and under the common law of this State authorizing the appointment of a Receiver, including but not limited to the following duties and powers:

1. The Receiver is authorized and directed to take possession of and is granted title to all property and assets of Respondent as described herein, of whatever nature and wherever located, or which directly or indirectly relate to the business of Respondent, including, but not limited to, any statutory or special deposits made by or for Respondent with any officer or agency of any state or the federal government, banks, savings and loan associations and other depositories, and any and all bank deposits, accounts, collateral or the contents of any safe deposit boxes in the name of or belonging to Respondent, and to take charge of and possession of the offices of Respondent and any books and records in the possession of or belonging to Respondent concerning or related to Respondent's business of insurance.

2. The Receiver is hereby granted and given all equitable powers and authority under any and all statutes and under the common law of the State authorizing the appointment of a receiver, and particularly all of the powers granted in Ark. Code Ann. §23-68-101, et seq., and as representative of Respondent, its policyholders, claimants and creditors, to preserve, protect

and recover any assets or property of Respondent, including claims or causes of action belonging to, or that may be asserted by, Respondent.

3. The Receiver is further authorized and directed to file, prosecute and defend or settle any suit or suits heretofore filed or which may hereafter be filed by or against Respondent deemed by the Receiver to be necessary to protect any of the interested parties or any property affected thereby, and to preserve all property and assets of Respondent.

4. The Receiver is empowered to conduct the business of Respondent, to administer the operations of Respondent, and to employ and authorized the compensation of legal counsel, accountants, financial examiners, managers, clerks and such assistants as he deems necessary, and to authorize the payment of the administrative expenses of the receivership estate, to be paid out of the funds or assets of Respondent.

5. Steve A. Uhrynowycz is hereby appointed Deputy Receiver of Respondent.

6. It is ORDERED that the Receiver appointed herein, shall be authorized to supervise, dismiss or exclude from the offices of Respondent any or all of the employees, officers, managers, owners, shareholders and/or directors of Respondent, and to employ such necessary employees and managers, and to pay their salaries, benefits and related reasonable and necessary fees out of the funds or assets of Respondent, as he deems necessary in the performance of his duties.

7. It is ORDERED that the Receiver appointed herein shall be authorized to receive, collect, control, open and review all mail addressed in any manner to Respondent.

8. It is ORDERED that the Receiver appointed herein shall be authorized to take possession of the offices of Respondent to take possession of and remove all books and records

which relate to or are connected with the business of Respondent or which belong to or are in the possession of Respondent.

IT IS FURTHER ORDERED that this Order directing the Receiver to take possession of and granting title to the affairs and assets of Respondent shall continue in full force and effect until further Order of this Court.

III.

INJUNCTIONS

Permanent Injunctions against the following names persons and entities are hereby issued:

TO GIBRALTAR NATIONAL INSURANCE COMPANY; ITS OFFICERS, OWNERS, DIRECTORS, AGENTS, EMPLOYEES, SERVANTS, ATTORNEYS, ATTORNEYS IN FACT, REPRESENTATIVES, STOCKHOLDERS, THIRD PARTY ADMINISTRATORS, ADJUSTERS, MEMBERS, TRUSTEES, POLICYHOLDERS, MANAGERS, ASSOCIATES, AFFILIATES AND THOSE OTHER ACTING IN CONCERT WITH GIBRALTAR NATIONAL INSURANCE COMPANY:

YOU AND EACH OF YOU are hereby ENJOINED AND RESTRAINED from:

1. Doing, operating and conducting Respondent's business of insurance or any other business of Respondent under any contract for services or, under any charter, certificate of authority, license, or permit, belonging to or heretofore issued to Respondent, except as authorized by the Receiver or by order of this Court;
2. Wasting, disposing of, using, transferring, selling, assigning, canceling, pledging, hypothecating or concealing, in any manner, any books, records, money, accounts, stocks, bonds, assets, notes, equipment, funds, accounts receivables, policies of insurance or other property of

Respondent, wherever situated, including any claims or causes of action, owned by, in the possession of or claimed by Respondent;

3. Disposing of any account, debt, deposit, share account, trust account, or any other asset you may own, owe to, or hold for the benefit of the Respondent, or any account held individually, jointly or severally for Respondent, whether such account, debt, deposit, share account, trust account, or any other asset is owned or held in the name of or for the benefit of Respondent, or under any other name;

4. Removing from the jurisdiction of this Court, or from Respondent's place of business, any office equipment, furniture, fixtures, books, records or other property, of any kind or nature, wherever located, including but not limited to that which has been acquired, purchased or paid for by Respondent, all of which property is hereby placed in custodia legis under these provisions;

5. Interfering, in any way, with the lawful acts of the Receiver, or with these proceedings, and from commencing or prosecuting any action or appeal, including but not limited to arbitration or from obtaining any preference, judgment, attachment, garnishment or other lien, or the making of any levy against Respondent, its assets or any part thereof and from asserting any claims against Respondent, or against the Receiver thereof, except by doing so in the receivership proceedings herein;

6. YOU AND EACH OF YOU ARE FURTHER SPECIFICALLY ENJOINED AND RESTRAINED from interfering with any effort to determine the nature, amount and location of any and all assets, books and records of Respondent, and you are further ordered to immediately surrender all such property to the Receiver or his agents.

TO ANY AND ALL BANKS, SAVING AND LOAN ASSOCIATIONS, TRUST COMPANIES, CREDIT UNIONS, OR ANY OTHER DEPOSITORY INSTITUTIONS AND ALL OTHER PERSONS, FIRMS, CORPORATIONS, ASSOCIATION OR OTHER LEGAL ENTITIES:

YOU AND EACH OF YOU are hereby ENJOINED AND RESTRAINED from:

1. Disposing of, using, releasing, transferring, withdrawing, allowing to be withdrawn or concealing in any manner, any property or assets of Respondent, or from disposing of any account, debt, deposit, share account, trust account or any other asset that you may own, owe to or hold in the name of or for the benefit of Respondent, or any account, debt, share account, trust account or any other asset, whether owned or held individually, jointly or severally for Respondent, except as authorized by the Receiver or by order of this Court;
2. Transacting the business of Respondent in any manner except as authorized by the Receiver or by order of this Court;
3. Interfering, in any way, with the lawful act of the Receiver, or with these proceeding, and from commencing or prosecuting any action or appeal, including but not limited to arbitration, or from obtaining any preference, judgment, attachment, garnishment or other lien, or the making of any levy against Respondent, its assets or any part thereof, and from asserting any claim against Respondent, or against the Receiver thereof, except by doing so in these proceedings, or as otherwise ordered by this Court;
4. Doing anything, directly or indirectly, to prevent the Receiver from gaining access to, acquiring, examining or investigating any assets, accounts, books, documents or records concerning Respondent, its affairs or assets, regardless of the name under which such assets, accounts, books, documents or records may be filed or wherever such assets, accounts, books, documents or records may be found, such assets, accounts, books, documents and records

to include but not be limited to, records of banks, savings and loan associations, trust companies, or any other persons, firms, corporations, associations, depositories, or other legal entities, as well as bank accounts, or any other assets into which have been transferred, deposited, or placed, funds or other assets belonging to or payable to Respondent, or to which Respondent may have claim or title regardless of under what name such bank accounts, debts, deposits, share accounts, safe deposit boxes, trust accounts or other assets are held.

YOU AND EACH OF YOU ARE FUTURE ENJOINED AND RESTRAINED from interfering in any way with the lawful acts of the Receiver who has been appointed herein, or from disposing of, converting, dissipating, or concealing in any manner any of the assets, accounts, books, property, records, or reports of Respondent.

YOU AND EACH OF YOU ARE FURTHER ORDERED to immediately surrender to the Receiver or this designated agents all property, assets, accounts, books and records of Respondent. The Court further specifically finds and orders that the Receiver is vested by operation of law with title to the rights of the Respondent as the customer of any financial institution.

IV.

OTHER ORDERS

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Receiver shall receive and take possession of all assets of Respondent on deposit with any state or federal agency.

IT IS FURTHER ORDERED that the appointment of the Petitioner as Receiver shall continue in full force and effect until further order of this Court.

SIGNED AND ENTERED this MAR 11 2010 day of March, 2010.

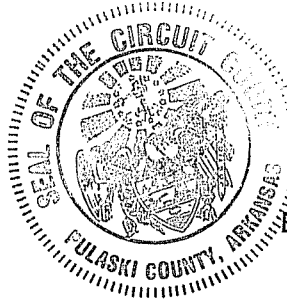
Colin Kilgore

CIRCUIT JUDGE

PREPARED BY:

Steve A. Uhrnowycz

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Pat O'Brien
A TRUE COPY CERTIFIED THIS

PAT O'BRIEN
CIRCUIT COUNTY CLERK

BY *[Signature]*
DEPUTY CLERK