

12-19-97
 @ 1:30 pm
 WH

IN THE DISTRICT COURT OF OKLAHOMA
 STATE OF OKLAHOMA

FILED COUNTY DISTRICT COURT
 OKLAHOMA COUNTY, OKLA.

STATE OF OKLAHOMA, ex rel.)
 JOHN P. CRAWFORD, Insurance)
 Commissioner,)
 Petitioner,)
)
 v.)
)
 CEMARA SECURITY,)
 a licensed domestic insurer in the State)
 of Oklahoma,)
 Respondent.)

DEC - 9 1997

PATRICIA PRESLEY, COURT CLERK
 By [Signature]
 Deputy

Case No. 97-2782-63

DEC 10 1997

APPLICATION FOR LIQUIDATION OR DISMISSAL

COMES NOW John P. Crawford, Insurance Commissioner for the State of Oklahoma and pursuant to the Title 36 O.S. 1900 et.seq., makes application for an order of liquidation.

In support of this Application, the Insurance Commissioner was appointed as Receiver of Cemara Security to liquidate pursuant to Title 19 of the Oklahoma Insurance Code.

The Court has jurisdiction over the matter pursuant to O.S. Title 36 § 1902 (A) and venue is properly had in the District Court of Oklahoma County, pursuant to the provisions of O.S. Title 36, § 1902 (B).

Cemara Security was an Oklahoma Domestic Insurer organized, incorporated, and currently licensed to transact insurance under the laws of the State of Oklahoma, holding Certificate of Authority number 4510. Cemara Security was authorized to transact life, accident and health insurance, and has its home address of 2424 E. 21st Street, Suite 410, Tulsa, Oklahoma 74114. The sole shareholder of Cemara Security is Cemara Health Inc.

The Insurance Commissioner has just completed an examination for the last six years which discloses:

(a) That Cemara Security has done no insurance or other business during such time.

(b) Cemara Security has ceased handling business for the period of one year.

(c) Cemara Security has no insurance outstanding and no policyholders in existence.

On or about 9th day of May, 1997, Cemara Security surrendered to the Oklahoma Insurance Department, Cemara Security's Certificate of Authority to transact insurance business.

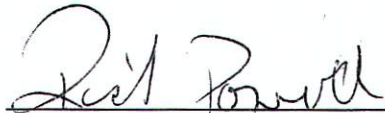
That pursuant to O.S. Title 36 § 1937, notice of any possible unknown creditors or persons who may have a claim against Cemara Security has been given notice by publication, and no parties with claims or creditors have come forward. That no creditors or persons with claims are known from an examination of records of Cemara Security.

That the Insurance Commissioner has levied a fine pursuant to an Administrative Order and Hearing and that certain costs as a result of the liquidation of Cemara Security may still be outstanding and shall be deducted from the security deposit before release to the shareholder of the Company.

That a potential purchaser of Cemara Security has contracted the Insurance Commissioner but as of the date of this Application has not formally acted upon the purchase, but may do so in the immediate future. That the Insurance Commissioner reserves all rights legally vested in his office to carry forth the liquidation process, dismiss the action upon the purchase, or any other legal duty possessed by the Insurance Commissioner subject to the Court's approval.

WHEREFORE, premises considered, the State of Oklahoma by and through John P. Crawford Insurance Commissioner prays the Court to enter an Order of Liquidation subject to the payment of any fines, costs or fees that may be determined at the result of any Administrative Hearing, Reviews or Orders of the Court. In the Alternative to allow the dismissal of this action upon legal purchase of Cemara Security. The right to supplement any order entered by the Court subject to the Court's approval and any other relief that the Court may deem proper and just.

FOSHEE & YAFFE



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Set on the 19 day
of December, 1997,
at 11:30 O'clock P. M.
before Judge Dixon.

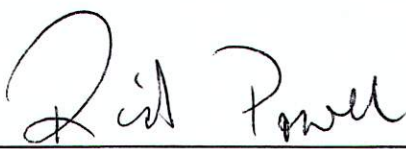
CERTIFICATE OF MAILING

This is to certify that a true and correct copy of the above and foregoing
Application for Liquidation or Dismissal was mailed this ____ day
of _____, 1997, to the following, with postage prepaid thereon:

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RICK E. POWELL