

IN THE DISTRICT COURT WITHIN AND FOR OKLAHOMA COUNTY  
STATE OF OKLAHOMA

FILED  
DISTRICT COURT  
OKLAHOMA COUNTY, OK

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TEM PETUSKEY,  
COURT CLERK

DEPUTY

STATE OF OKLAHOMA, ex rel. )  
CATHY J. WEATHERFORD, Insurance )  
Commissioner, )  
 )  
Petitioner, )  
 )  
vs. )  
 )  
EMPLOYERS NATIONAL INSURANCE )  
CORPORATION, a licensed domestic )  
insurer in the State of Oklahoma, )  
 )  
Respondent. )

**CJ 94 256**  
Case No.

ORDER APPOINTING RECEIVER AND PRELIMINARY INJUNCTION

NOW on this 12th day of January, 1994, there came on for hearing the verified application of Cathy J. Weatherford, Insurance Commissioner, State of Oklahoma, seeking appointment as Receiver of and for Employers National Insurance Corporation. The Court, having examined such application and being well advised in the premises, finds as follows:

I.

Cathy J. Weatherford is the duly qualified Insurance Commissioner of the State of Oklahoma, and as such is charged with the duty of regulating the insurance industry in this state pursuant to the Constitution of the State of Oklahoma and the Oklahoma Insurance Code and the commencement of proceedings for the rehabilitation

or liquidation of an insurance company under the laws and Constitution of the State of Oklahoma.

II.

Employers National Insurance Corporation ("Employers National") is an Oklahoma domestic insurer licensed in the State of Oklahoma for the transaction of accident, health, property, casualty, marine and vehicle insurance.

III.

Pursuant to 36 O.S. 1981 §1905, grounds exist for the appointment of Cathy J. Weatherford, Insurance Commissioner of the State of Oklahoma, as Receiver for Employers National. This is based upon the January 6, 1993 insolvency of its parent company Employers Casualty Company, a Texas domestic insurance company.

ORDER

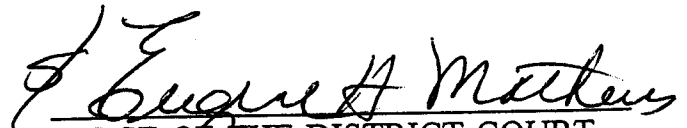
IT IS THEREFORE ORDERED that Cathy J. Weatherford, Insurance Commissioner of the State of Oklahoma be and is hereby appointed Receiver of and for Employers National and directed to rehabilitate Employers National; take charge of its property; conduct and continue its business; ascertain its assets and liabilities as Receiver without bond; and, as Receiver appoint such assistant, counsel, clerks and other employees as may be deemed necessary, giving such persons such power to assist her as she may consider necessary and proper.

IT IS FURTHER ORDERED that the compensation of such persons shall be fixed by the Receiver, subject to the approval of the Court and paid out of the funds and assets of Employers National.


IT IS FURTHER ORDERED that the Receiver provide notice to the Oklahoma Property and Casualty Insurance Guaranty Association of the Receivership.

IT IS FURTHER ORDERED that Employers National, its officers, directors and stockholders be and are hereby restrained from the waste or dispositions of its assets and removal of corporate books and records from the premises.

IT IS FURTHER ORDERED that the commencement of prosecution of any actions or the obtaining of any preferences, judgments, attachments or other liens or the making of any levy against Employers National or its assets or any part thereof, be and hereby are stayed until further Order or the Court.

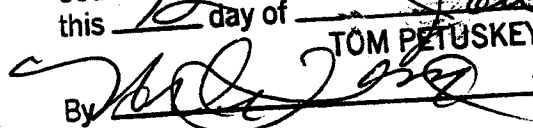
  
JUDGE OF THE DISTRICT COURT

APPROVED AS TO FORM BY:

  
DEKOVAN L. BOWLER, O.B.A. #15193  
Assistant General Counsel  
Oklahoma Insurance Department

injunc.ord

I, TOM PETUSKEY, Court Clerk for Oklahoma County, Okla., hereby certify that the foregoing is true, correct and complete copy of the instrument herewith set out as appears of record in the District Court Clerk's Office of Oklahoma County, Okla. this 10 day of June, 1994

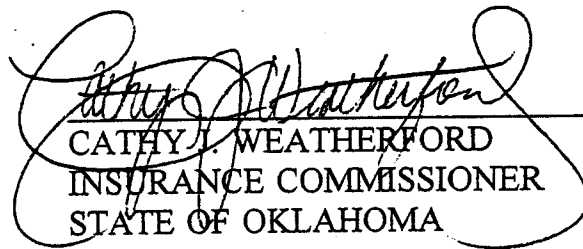
  
TOM PETUSKEY, Court Clerk  
Deputy

VERIFICATION

STATE OF OKLAHOMA                    )  
  )  
COUNTY OF OKLAHOMA                )        SS:

I, Cathy J. Weatherford, being of lawful age and being duly sworn and under oath state:

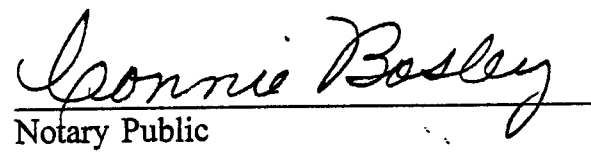
That I am the Insurance Commissioner of the State of Oklahoma, and that I have read the foregoing Application for Order Appointing Receiver, and that the contents thereof and the facts set forth therein are within my personal knowledge and are true to the best of my knowledge.

  
CATHY J. WEATHERFORD  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

Subscribed and sworn to before me this 12 day of January,  
1994 by Cathy J. Weatherford.

My Commissioner Expires:

6-25-95  
(SEAL)

  
Notary Public

receiver.ord

IN THE DISTRICT COURT IN AND FOR OKLAHOMA COUNTY  
JUDICIAL DISTRICT SEVEN  
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel., )  
Insurance Commissioner, )  
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Petitioner, )  
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vs. )  
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EMPLOYERS NATIONAL INSURANCE )  
CORPORATION, a licensed )  
domestic insurer in the State )  
of Oklahoma, )  
 )  
Respondent. )

Case No. CJ-94-256-06

NOTICE OF ENTRY OF LIQUIDATION ORDER  
AND TERMINATION OF POLICIES

Notice is given that upon the Petition of the Insurance Commissioner, State of Oklahoma, the District Court of Oklahoma County, Oklahoma, placed Employers National Insurance Corporation (the "Company"), into receivership and ordered the liquidation of the Company on February 14, 1994.

In the Order of Liquidation, the Court:

- (a) Appointed Commissioner as Receiver of the Company;
- (b) Appointed Jerry L. Lanier as Assistant Receiver;
- (c) Ordered termination of all policies of insurance issued by the Company, not otherwise cancelled or expired on March 16, 1994; and
- (d) Ordered that policyholders, claimants and creditors having claims against the Company must file a proof of claim, together with proper proof of loss with the Assistant Receiver.

You are further advised that insurance policies which have been cancelled or had previously expired are not extended by entry of the Order of Liquidation.