

FILED IN DISTRICT COURT
OKLAHOMA COUNTY
IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

MAY 28 2020

STATE OF OKLAHOMA, ex rel.)
GLEN MULREADY, Insurance)
Commissioner,)
)
)
Petitioner,)
)
v.)
)
EQUITY LIFE ASSOCIATION, a licensed)
mutual benefit association in the State of)
Oklahoma,)
)
Respondent.)

RICK WARREN
COURT CLERK
37 _____

) Case No. CJ-2020-2241

**ORDER PLACING EQUITY LIFE ASSOCIATION INTO RECEIVERSHIP AND
APPOINTING RECEIVER**

NOW on this 28 day of May, 2020, there comes before the Court the Agreed Verified Application of Glen Mulready, Insurance Commissioner of the State of Oklahoma for an Order of Receivership filed May 15, 2020.

Petitioner, Glen Mulready, Insurance Commissioner, appears by and through Sara A. Worten, assistant general counsel for the Oklahoma Insurance Department. Defendant, Equity Life Association (hereinafter Equity Life), waives service of process.

The Court, having examined the Petitioner's Agreed Verified Application for Order of Receivership filed May 15, 2020, and agreed to by a majority of its directors, finds as follows:

1. Glen Mulready is the duly qualified and acting Insurance Commissioner of the State of Oklahoma and as such, pursuant to 36 O.S. §§ 2401, et seq., is charged with the duty of regulating mutual benefit associations.
2. Pursuant to 36 O.S. § 2403(B), the provisions of 36 O.S. 1901 et seq. (Rehabilitation and Liquidation) apply to mutual benefit associations.

3. Equity Life Association is a domestic mutual benefit association authorized to transact the business of insurance in the State of Oklahoma. Its address of record with the Oklahoma Insurance Department is 400 NE 50th, Oklahoma City, OK.

4. Venue in this Court is proper pursuant to 36 O.S. § 1902(F).

5. This Court has jurisdiction of this action pursuant to 36 O.S. § 1902(A).

6. Pursuant to 36 O.S. § 1903, the Insurance Commissioner may make application for an order directing an insurer to show cause why an Order of Receivership should not be entered, and the Insurance Commissioner should not be appointed as Receiver.

7. 36 O.S. § 1906 provides that the Insurance Commissioner may apply to the Court for an order appointing the Insurance Commissioner as receiver of and directing the Insurance Commissioner to liquidate the business of a domestic insurer.

8. Pursuant to 36 O.S. § 1911(A), an order to liquidate the business of a domestic insurer shall direct the Insurance Commissioner forthwith to take possession of the property of the insurer to liquidate its business, to deal with its property and business in his own name as Insurance Commissioner or in the name of the insurer as the court may direct, and to give notice to all policyholders and creditors who may have claims against the insurer to present such claims.

9. Equity Life is currently insolvent and in a condition such that the continued operation would be hazardous to the policyholders, its creditors and the general public; therefore, it is appropriate: (1) to place Equity Life in receivership; (2) to appoint Glen Mulready, Insurance Commissioner, as Receiver; (3) for the Court to direct the Insurance Commissioner to liquidate the business of Equity Life and (4) that statutory protections be afforded to the policyholders and creditors of Equity Life as set forth in 36 O.S. §§ 1901 et seq.

10. Equity Life consents to this Order through a majority of its directors in accordance with 36 O.S. § 1905.

11. Sufficient cause and evidence exist for the entry of this Order Placing Insurer into Receivership and Appointing Receiver, Permanent Injunction and Order for Liquidation against Equity Life.

IT IS THEREFORE ORDERED AND DECREED THAT:

1. This Order Placing Insurer into Receivership, Appointing Receiver and for Permanent Injunction is hereby entered as to and against Equity Life Association. This Order is a Final Order.

2. Equity Life is hereby placed into receivership pursuant to the provisions of 36 O.S. §§ 1901 et seq.

3. Glen Mulready, Insurance Commissioner of the State of Oklahoma, is hereby appointed Receiver of Equity Life and is directed to take possession and liquidate Equity Life pursuant to the laws of the State of Oklahoma.

4. The Receiver is vested with all powers and authority, express or implied, under the provisions of 36 O.S. §§ 1901 et seq., in order to liquidate Equity Life.

5. The Receiver shall take possession of the property of Equity Life, liquidate its business, deal with its property and business in the Receiver's name or in Equity Life's name and give notice to all policyholders and creditors who may have claims against Equity Life to present such claims.

6. The Receiver is hereby vested by operation of law with the title to all of the property, accounts, assets, contracts, rights of action and all of the books and records of Equity Life wherever located, now or hereafter discovered, as of the date of this Order.

7. Any and all banks, brokerage houses, financial institutions and any and all other companies, persons or entities having knowledge of this Order and having in its possession accounts or any other assets which are, or may be, the property of Equity Life are restrained from disbursing or disposing of said accounts or assets, and are further restrained from disposing of or destroying any records, pertaining to any business transaction between Equity Life; and such banks, brokerage houses, financial institutions, companies, persons or entities having done business or doing business with Equity Life or having in its possession assets which are, or may be, the property of Equity Life are ordered to immediately deliver any and all such assets and/or property to the Receiver.

8. Equity Life, its respective officers, employees, directors, affiliates, trustees, owners, insurers, agents, representatives, contractors, subcontractors, subscribers, and all other persons are hereby directed to assign, transfer and deliver any and all amounts owed to and/or property of Equity Life to the Receiver.

9. Equity Life, its respective officers, employees, directors, affiliates, trustees, owners, insurers, agents, representatives, contractors, subcontractors, subscribers, and all other persons are hereby permanently enjoined and prohibited from transacting any further business of Equity Life, and are further permanently enjoined and prohibited from wasting, transferring, selling, concealing, destroying, disbursing, disposing of or assigning, in any manner, any assets, contracts, cause of action, funds, records, correspondence, memoranda, or any other documents or other property of Equity Life or any of their respective affiliates.

10. All persons and entities (including secured creditors, unsecured creditors, claimants and/or litigants) are hereby enjoined and prohibited from wasting, transferring, selling, concealing, destroying, disbursing, disposing of or assigning, in any manner, any assets and/or property of

Equity Life; and are further permanently enjoined and prohibited from prosecuting any pending action or litigation involving Equity Life (whether as a plaintiff or defendant or insurer/indemnitor thereto); obtaining any preferences, judgments, attachments, or other liens against Equity Life; making any levy against Equity Life or against its assets or any part thereof; or interfering with the Receiver and/or these receivership proceedings.

11. All agents, brokers and fronting companies of Equity Life and their respective agents, servants, representatives and employees, and all other persons having knowledge of this Order are restrained from returning any unearned premiums or any money in their possession, or under their control, collected from premiums upon policies, contracts or certificates of insurance or reinsurance previously issued by Equity Life to policyholders or others; and all such agents, servants, representatives and employees are directed to turn over all such funds in their possession or under their control, including any premium or money to which they may hereafter acquire possession or control, to the Receiver in gross and not net of any commissions which may be due thereon.

12. All direct policies and/or certificates of insurance heretofore issued by Equity Life are hereby terminated upon the following terms. The termination of policies set forth herein supersedes any contractual or statutory provisions pertaining to the renewal or cancellation of policies:

- a. Direct policies and/or certificates of insurance not cancelled, lapsed or otherwise terminated prior to their next monthly anniversary, will terminate at 12:01 a.m. on their next monthly anniversary.
- b. Upon date after the entry of this order requested by the insured or policyholder of any such direct policy and/or certificate of insurance pursuant to policy

provisions, if the requested cancellation date is prior to the next monthly anniversary.

- c. In the event a direct policy and/or certificate is deemed to have lapsed as of the entry of this Order, such policy will not be reinstated.

13. Pursuant to 36 O.S. § 1914(F), the Receiver may appoint one or more assistant commissioners or receivers to act for him and may employ such counsel, clerks, and assistants as he deems necessary. The compensation of the assistant commissioners or receivers, counsel, clerks or deputies, and all expenses of taking possession of Equity Life, and of conducting the proceedings, shall be fixed by the Receiver, subject to approval of this Court, and shall be paid out of the funds or assets of Equity Life, as appropriate and approved by the Court. Within the limits of duties imposed upon them, any assistant commissioner or assistant receiver shall possess all of the powers given to the Receiver and, in the exercise of those powers, shall be subject to all of the duties, powers and limitations imposed upon the receiver with respect to these proceedings. The Receiver's selection of Donna L. Wilson as Assistant Receiver is hereby approved. The Receiver's use of state employees in connection with this action is hereby approved and reaffirmed, and reimbursement to the Oklahoma Insurance Department for the actual cost to the Oklahoma Insurance Department of the salary and benefits of such employees is hereby approved as an expense of the estate.

14. Any and all authority of Equity Life's officers and directors is hereby terminated.

15. All expenses of these proceedings shall be taxed and assessed against Equity Life as approved by the Court.

16. Until further order of the Court, no obligation, claim or debt of Equity Life shall be paid except those, which the Receiver deems to be necessary or appropriate to facilitate the taking

of possession or furtherance of liquidation. Except as provided for herein, no distribution of the property of Equity Life will be made without approval of the Court.

17. This Court, being duly informed, authorizes the Receiver to pay any and all remaining conservatorship expenses which were incurred during the conservation of Equity Life, but which may not have been fully invoiced and paid during the conservatorship of Equity Life prior to the inception of this receivership.

18. Pending the Receiver's first application to the Court for approval of administrative fees and expenses, the Receiver is authorized to utilize funds not to exceed \$11,000.00 to cover the initial expenses of this receivership. These expenses shall be itemized and presented to the Court for approval in the Receiver's first application for approval of administrative fees and expenses.

19. The Receiver is hereby vested by operation of law to assert and prosecute common claims on behalf of policyholders and creditors of the estate.

20. If any legal action is commenced against the Insurance Commissioner, Receiver, assistant commissioners or receivers, retained counsel, deputies, and/or any of their employees or personnel, whether personally or in an official capacity, alleging property damage, property loss, personal injury, or other civil liability caused by or resulting from any alleged act, error, or omissions of any such person, the Insurance Commissioner, Receiver, assistant commissioners or receivers, deputies, retained counsel, and/or any of their employees or personnel shall be immune from liability and indemnified as defined and set forth under 36 O.S. § 1937.

21. Pursuant to 36 O.S. § 1923, the Insurance Commissioner shall not be required to pay any fee to any public officer in this state for filing, recording, issuing a transcript or certificate or authenticating any paper or instrument pertaining to the exercise by the Insurance

Commissioner, as Receiver, of any of the powers or duties conferred upon him, whether or not such paper or instrument be executed by the Insurance Commissioner or his assistants, deputies, employees or attorneys of records and whether or not it is connected with the commencement of any action or proceeding by or against the Insurance Commissioner, or with the subsequent conduct of such action or proceeding.

22. Unless otherwise ordered by this Court, any violation of this Order or the injunctive relief set forth herein shall be deemed a contempt of Court and shall subject the violating party to such penalties as allowed by law.

Signed and entered this 28 day of May, 2020.

THOMAS E. PRINCE

JUDGE OF THE DISTRICT COURT

CERTIFIED COPY
AS FILED OF RECORD
IN DISTRICT COURT

MAY 28 2020

RICK WARREN COURT CLERK
Oklahoma County

Rick Warren

CERTIFICATE OF MAILING

I, Debra Crowe *for Sara Worten*, hereby certify that a true and correct copy of the above and foregoing Order Placing Equity Life Association into Receivership and Appointing Receiver was mailed by certified mail, postage prepaid with return receipt requested, on this 28 day of May, 2020 to:

James A Mueller
15820 Chappel Ridge Lane
Edmond OK 73103

James D Mueller
8401 NW 124th Circle
Oklahoma City OK 73142-2242

Donald Eugene Hensley
2904 NW 160th St
Edmond OK 73013-3775

Helen K Moore
c/o Equity Life Association
3613 NW 56 Suite 330
Oklahoma City OK 73112

Sara Worten by D Crowe
Sara A. Worten