

IN THE DISTRICT COURT FOR OTTAWA COUNTY  
STATE OF OKLAHOMA

FILED  
DISTRICT COURT  
OTTAWA CO. OKLA.

APR 19 2005

STATE OF OKLAHOMA, ex rel,  
KIM HOLLAND, Insurance Commissioner,

Petitioner,

v.

DAVID GUILFORD,  
SUSAN GUILFORD,  
GUILFORD ENTERPRISES, INC.,  
d/b/a GUILFORD THOMAS FUNERAL  
HOME,

Defendants.

CATHY WILLIAMS COURT CLERK

BY

Case No. CJ-05-176

State of Oklahoma  
Ottawa County

I, Cathy Williams, Court Clerk do hereby certify  
that the above is full, true, correct, and complete copy of the  
document in the above entitled case. Case No. CJ-05-176  
as the same remains on file in my office.

In witness whereof I hereunto set my hand and  
affix the seal of said Court of Miami, Oklahoma on the  
12 day of April, 2005

Cathy Williams, County Court Clerk

By

Deputy

AGREED ORDER FOR APPOINTMENT OF RECEIVER AND SUBSTITUTE  
TRUSTEE

Plaintiff, State of Oklahoma, ex rel, Kim Holland, Insurance Commissioner, having filed  
an Application for Appointment of Receiver pursuant to Okla. Stat. tit. 12, § 1551 et seq., and for  
substitute trustee pursuant to Okla. Stat. tit. 60, § 175.39, the Court makes the following findings  
of fact and conclusions of law and enters the following Order:

1. Kim Holland is the Insurance Commissioner for the State of Oklahoma and as  
such is charged with regulating and enforcing all provisions of the Oklahoma Insurance Code,  
Okla. Stat. tit. 36, §§ 101-6951, including the laws pertaining to regulation of prepaid funeral  
benefit trust funds, Okla. Stat. tit. 36, §§ 6121-6136.18.
2. Defendant David Guilford is a resident of Ottawa County, State of Oklahoma, and  
is a co-owner of Guilford Enterprises, Inc.
3. Defendant Susan Guilford is a resident of Ottawa County, state of Oklahoma, and  
is a co-owner and/or employee of Guilford Enterprises, Inc.

4. Defendant Guilford Enterprises, Inc., d/b/a Guilford Thomas Funeral Home, is a domestic for profit business corporation located in Miami, Oklahoma.

5. On or about October 5, 1998, three permits were issued by the Oklahoma Insurance Department pursuant to Okla. Stat. tit. 36, § 6121 authorizing Guilford-Thomas Funeral Home to contract for prepaid funeral benefits in connection with Guilford-Thomas' Afton, Miami and Commerce, Oklahoma, locations and for the purpose of depositing contract proceeds in a trust fund pursuant to Okla. Stat. tit. 36, § 6125 and to act as trustee for individuals contracting to pre-pay Guilford-Thomas funds for funeral merchandise and services.

6. Defendants have failed to deposit and maintain funds in a trust in violation of Okla. Stat. tit. 36, § 6125.

7. Defendants have inappropriately removed and/or transferred funds from the trust in violation of Okla. Stat. tit. 36, § 6125.

8. Defendants have failed to file an annual statement with the Oklahoma Insurance Department for 2004 as required by Okla. Stat. tit. 36, § 6129 and 6129.1.

9. Defendants have wholly breached the duty of fiduciary responsibility as trustee of said trust and should therefore be removed as trustee.

10. The appointment of a receiver and substitute trustee will protect the property of trust participants from further danger of mismanagement of the trust.

11. The instant petition for a receiver goes to the operation of the Guilford Thomas Funeral Home Trust only, and not to any daily functions of selling or liquidating the funeral home or meeting other duties owed by the funeral home other than those directly relating to trust accounts.

## CONCLUSTIONS OF LAW

1. Kim Holland is the Insurance Commissioner for the State of Oklahoma and as such is charged with regulating and enforcing all provisions of the Oklahoma Insurance Code, Okla. Stat. tit. 36, §§ 101-6951, including the laws pertaining to regulation of prepaid funeral benefit trust funds, Okla. Stat. tit. 36, §§ 6121-6136.18.

## ORDER

IT IS THEREFORE ORDERED THAT Kim Holland, Oklahoma Insurance Commissioner, is appointed Receiver and Substitute Trustee of the Guilford-Thomas Funeral prepaid funeral benefit trust to serve without bond and is directed to attempt to rehabilitate the business of the trust, and as Receiver, and Substitute Trustee to:

1. Collect, receive and take exclusive custody, and control, and possession of all records, property and assets of any kind or nature owned beneficially or otherwise by the trust, with full power to sue for, collect, receive and take possession of all bank accounts, brokerage accounts, goods, chattels, rights, deposits, credits, monies, and records of accounts and other papers and property and causes of action of Defendants Guilford-Thomas prepaid funeral benefit trust.

2. Conserve, hold and manage all the property subject to this Receivership in order to prevent to the extent possible loss, damage, and injury to the trust beneficiaries who have entered into prepaid funeral benefit contracts with Defendant Guilford-Thomas; to obtain an accounting thereof, and to protect the interest of such beneficiaries and other persons doing business with the trust, as approved by the Court.

3. Make such payments and disbursements from the property subject to this Receivership and to incur such expenses that may be necessary and advisable in discharging her

duties as Receiver, and to present to this Court from time to time an accounting of all such payments, disbursements and expenses;

4. Institute, defend, compromise, intervene in, seek stays in, or become a party to such suits, actions or other proceedings at law or in equity as may, in the Receiver's opinion, be necessary for the collection, recovery, protection, maintenance, or preservation of property subject to this Receivership.

IT IS FURTHER ORDERED THAT Andrew Downing and the firm Rhodes, Hieronymus, Jones, Tucker & Gable, P.L.L.C are appointed counsel for the Receiver and Trustee.

IT IS FURTHER ORDERED THAT except by leave of this Court, during the pendency of this Receivership, the Defendants and all prepaid funeral benefit contract holders seeking to establish or enforce a claim, right or interest against or on behalf of the trust, and all others acting for or on behalf of such persons including attorneys, trustees, agents, and others be and hereby are stayed from:

5. Commencing, prosecuting, continuing or enforcing any suit or proceeding against the trust except that such actions may be filed to toll any applicable statute of limitations;

6. Commencing, prosecuting, continuing or enforcing any suit or proceeding in the name of or on behalf of the trust;

7. Accelerating the due date of any obligation or claimed obligation, or taking or attempting to take possession of, or retaining possession of, any property of the trust, or attempting to alter or terminate any interest of the trust in any of its property or assets, whether such acts are part of a judicial proceeding or otherwise;

8. Doing any act or thing whatsoever to interfere with the taking control of, possession or management by the Receiver appointed herein of the property subject to this Receivership, or to in any way harass or interfere with said receiver, or to interfere in any manner with the exclusive jurisdiction of this Court over the property and assets of the trust;

IT IS FURTHER ORDERED THAT:

9. Except with respect to this action herein, no person will serve or cause to be served upon the Receiver any legal process, including attachments, garnishments, subpoena, writs of replevin, writs of execution and any other form of process whether described specifically herein or not, without first securing the authorization of this Court or the specific written consent of the Receiver;

10. All banks, savings and loan associations, brokerage firms, institution or other person or entity which has on deposit, in its possession, custody or control any funds, accounts, or any other assets of the trust shall immediately transfer title, custody and control of all such funds or assets to the Receiver and are hereby instructed that the Receiver has absolute control over such accounts and other assets and that the Receiver may change the name on such accounts and other assets, may withdraw them from such bank, savings and loan association, brokerage firm, other institution, person or entity, or take any lesser action necessary for the proper conduct of this Receivership. No bank, savings and loan association, brokerage firm, other institution, person, or entity shall 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 Receiver's control without the permission of this Court.

IT IS FURTHER ORDERED THAT the Defendants are hereby enjoined during the pendency of this action from directly or indirectly:

11. Transacting any of the trust's business or the waste or disposition of its assets, or the obtaining of preferences, judgments, attachments, or other liens, or the making of any levy against the trust;

12. Destroying, defacing, transferring, or otherwise altering or disposing of the books, records, accounts, or any other papers of any kind or nature of the trust;

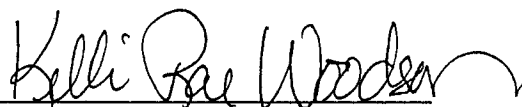
13. Transferring, receiving, altering, selling, encumbering, pledging, signing, liquidating, or otherwise disposing of any assets, funds or property owned, controlled, or in the possession of, or in which an interest is held or claimed by the trust, or the Receiver appointed herein;

14. Obstructing or interfering with the Receiver appointed pursuant to this Order or her duly authorized agent, in the exercise of their lawful authority under the orders of this Court.

DONE IN OPEN COURT this 19 day of April, 2005.

  
Judge of the District Court

Approved:

  
Kelli R. Woodson  
Attorney for Defendants

Approved:

  
Darren T. Ellingson  
Attorney for Plaintiff