

specified grounds, including that the insurer is insolvent; is in a condition such that the continued operation of the company would be hazardous to the policyholders, creditors or the general public; has failed to comply with an order of the Insurance Commissioner to make good an impairment of capital or surplus or both; and/or if the company has consented to such an order through a majority of its directors, stockholders, members or subscribers. PNIC currently meets all of the aforesaid criteria.

5. Pursuant to 36 OS. § 1911, an Order to Liquidate the business of a domestic insurer shall direct the Receiver forthwith to take possession of the property of the insurer, to liquidate its business, to deal with the insurer's property and business in the Receiver's own name or in the name of the insurer, as the Court may direct, and to give creditors who may have claims against the insurer notice to present such claims.

6. The Receiver (and/or Assistant Receiver) has taken custody of and accounted for the books and records and remaining assets of PNIC. Since entry of the Order of Rehabilitation, the Receiver has actively attempted to rehabilitate PNIC and investigate the viability of selling PNIC as a going concern. Since the Court's Order of Rehabilitation, and despite the efforts of the Receiver, PNIC continues to be insolvent and is in a condition such that the continued operation of the company would be hazardous to the policyholders, creditors or the general public. Moreover, as evidenced by the *Consent to Order of Liquidation* attached to and made a part of the proposed *Order of Liquidation with a Finding of Insolvency*, the sole shareholder and management of PNIC has consented to PNIC's liquidation.

7. The Receiver has determined that PNIC cannot be rehabilitated and, to date, efforts to sell PNIC have not been successful. The continuation of these efforts any further are not reasonably likely to succeed. Further, the expenditure rate of estate assets makes it prohibitive to continue rehabilitation and/or sale efforts any further, other than marketing and selling the insurance charters themselves and other individual assets of PNIC, which the Receiver seeks authorization from this Court to do pursuant to 36 O.S. § 1901, *et seq.* ("OUILA").

8. The continued transaction of the business of PNIC will result in the further depletion of the limited remaining PNIC assets to the detriment of PNIC, and ultimately to the detriment of PNIC policyholders, creditors and the public. As set forth herein, the Receiver respectfully requests an Order of Liquidation be entered directing the Receiver to liquidate the business of PNIC, to deal with PNIC property and business in the Receiver's

name or in the name of PNIC, to give notice to all creditors who may have claims against PNIC, to adjudicate and present such claims to the Court, and to take all other action necessary to facilitate the liquidation of PNIC.

9. Pursuant to 36 O.S. § 1930, the Receiver requests that the Court set a one hundred eighty (180) day claims filing period and that the Court order the claims bar deadline to occur one hundred eighty (180) days from filing date of the liquidation order.

10. The Receiver further requests that all direct policies not previously cancelled, non-renewed or otherwise terminated, and/or certificates of insurance heretofore issued by PNIC be cancelled upon the following terms:

a. All direct policies and/or certificates of insurance which may give rise to "covered claims" as defined and set forth in the Oklahoma Property and Casualty Insurance Guaranty Association Act, 36 O.S. § 2001, *et seq.*, or which may give rise to "covered claims" of a similar organization in any other state, as defined by the provisions of such similar statute in any other state, shall be cancelled:

(i) At 12:01 a.m., local time of the insured or policyholder of any such direct policy and/or certificate of insurance, on the thirty-first (31st) day following the date of entry of the Order of Liquidation; or

(ii) Upon the expiration of any such direct policy and/or certificate of insurance, if the expiration date is within thirty (30) days from the date of entry of the Order of Liquidation; or

(iii) Upon the date 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 within thirty (30) days following the date of entry of the Order of Liquidation.

b. All other direct policies and/or certificates of insurance issued by PNIC shall be cancelled effective as of the date of entry of the Order of Liquidation.

c. Further, the aforementioned is predicated and contingent upon premium payments continuing to be paid when due during the post-liquidation cancellation period, otherwise the policy shall cancel/terminate upon non-payment of premium pursuant to policy provisions.

d. In the event a policy is deemed to have lapsed as of the entry of the Order of Liquidation or within (30) days following the date of entry of the Order of Liquidation, such policy will not be reinstated.

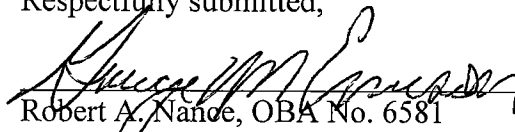
11. The Receiver further requests that the rights, duties and powers of the Receiver set forth in the Receivership Order be reaffirmed by the Court, that the injunctive relief set forth in the Receivership Order be continued and reaffirmed by the Court, and that the Court further enjoin and order that all claims and/or litigation involving PNIC and/or for which PNIC may be required or requested to pay under any policy of insurance be stayed pending activation/engagement of the respective state guaranty associations and assumption of the claims and/or litigation by said guaranty associations.

12. The Receiver also requests the following stay language be included in the Order of Liquidation, in accordance with the Oklahoma Property and Casualty Insurance Guaranty Association Act (36 O.S. § 2020) and/or similar statutes in other states governing the states' respective Guaranty Association:

All proceedings in which PNIC, its policyholder(s), or any Guaranty Association (in this state or another state in which PNIC is licensed) is a party shall be stayed one hundred (120) days (or the time period set forth in any similar statute in other states) from the date of this Order of Liquidation to permit proper legal action by the Guaranty Association on any matters germane to its powers and duties. As to judgment under any decision, order, verdict or finding based on default, the Guaranty Association may apply to have such judgment set aside by the same court that made such judgment and shall be permitted to defend against such suit on the merits.

WHEREFORE, premises considered, the State of Oklahoma, *ex rel*, John D. Doak, Insurance Commissioner, as statutory Receiver prays the Court enter an Order of Liquidation and grant the specific relief requested herein.

Respectfully submitted,



Robert A. Nance, OBA No. 6581

George M. Emerson, OBA No. 13159

RIGGS, ABNEY, NEAL, TURPEN,

ORBISON & LEWIS

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ATTORNEYS FOR RECEIVER

CERTIFICATE OF MAILING

I, hereby certify that on this 27th day of July, 2013, I caused to be mailed a true and correct copy of the within and foregoing instrument to:

Matt Petcoff, President
Pride Holdings, Inc.
5217 Maryland Way
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Brentwood, TN 37027

J. Angela Ables
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Assistant Receiver
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