

FILED IN DISTRICT COURT  
OKLAHOMA COUNTY

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

AUG 21 2014

TIM RHODES  
COURT CLERK  
75 *[Signature]*

STATE OF OKLAHOMA, ex rel. JOHN D. )  
DOAK, Insurance Commissioner, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
RED ROCK INSURANCE COMPANY, )  
a licensed insurer in the State of Oklahoma, )  
 )  
Defendant. )

Case No. CJ-2014-4353

AMENDED ORDER DIRECTING INSURER TO SHOW CAUSE  
AND ALLOWING INJUNCTIVE RELIEF

Before the Court is the Oklahoma Insurance Commissioner's Application for Order Directing Insurer to Show Cause and for Injunctive Relief. This Application requests the Court: (1) to enter an order directing Red Rock Insurance Company ("Red Rock") to show cause why an Order of Receivership should not be entered directing the liquidation of Red Rock and; (2) a Temporary Injunction. The Court, having examined such Application and being well advised in the premises, finds as follows:

1. John D. Doak is the duly qualified and acting Insurance Commissioner of the State of Oklahoma and as such is charged with the duty of administering and regulating the state's insurance industry. The Insurance Commissioner has the authority to appear in the District Court to make application for an order directing the insurer to show cause why an Order of Liquidation should not be entered and a Receiver appointed. 36 O.S. § 1901.

2. The Court has jurisdiction over this matter pursuant to the provisions of 36 O.S. § 1902(A), which gives the District Court exclusive original jurisdiction of such proceedings against any insurer.

3. Venue is proper in the District Court within Oklahoma County pursuant to the provisions of 36 O.S. § 1902(F).

4. Red Rock Insurance Company, f/k/a BancInsure Inc., is an Oklahoma domestic insurer, licensed to transact insurance under the laws of the State of Oklahoma holding certificate of authority number 1132, NAIC Company Code 18538. Red Rock is authorized to transact accident and health, property, casualty, marine, vehicle, surety, and workers' compensation insurance in the State of Oklahoma.

5. The Commissioner has alleged that Red Rock is insolvent and impaired, in unsound condition, such to render its further transaction of insurance presently or prospectively hazardous to its policyholders and that it has failed to abate the requirements in the Notice of Hazardous Financial Condition and Order entered against it on March 13, 2014; the Order of Supervision entered against it on May 19, 2014 and the Agreed Order of Conservatorship entered against it on July 1, 2014. The Commissioner has alleged that Red Rock has failed to contribute liquid assets to increase its capital to an amount that exceeds a 300% Risk Based Capital.

**THEREFORE**, Red Rock's continued operation is hazardous to its policyholders, creditors, and the public. Accordingly, the Court concludes that, under 36 O.S. §§ 1905 and 1906, the Insurance Commissioner may apply to the District Court for an Order appointing the Insurance Commissioner as Receiver of, and directing the Insurance Commissioner to liquidate

Red Rock upon the grounds specified above. Furthermore, the Court concludes that 36 O.S. §1904(A) allows the Commissioner to seek certain injunctive relief without notice.

**IT IS THEREFORE ORDERED AND DECREED** that Red Rock shall appear at a hearing before the Court on August 21, 2014, at 10:00 o'clock a.m. to show cause why an Order of Receivership should not be entered, why John D. Doak should not be appointed as Receiver of and for Red Rock, and Red Rock's deposit to the Oklahoma Insurance Company should not be released to the Receiver under 36 O.S. § 1707(3). Pending this hearing, Nestor Romero is hereby appointed as Assistant Receiver to begin marshalling Red Rock's assets and to ensure that this Order is complied with. It is further ordered that the law firm of Riggs, Abney, Neal, Turpen, Orbison and Lewis is hereby appointed as Counsel for the Receiver.

**IT IS FURTHER ORDERED AND DECREED** that Red Rock, its officers, directors, stockholders, members, subscribers, agents and all other persons are hereby enjoined and prohibited from wasting and disposing of Red Rock's assets until further order of the Court; that all persons and entities are enjoined and prohibited from interfering with the Insurance Commissioner or these proceedings; that all persons and entities are enjoined and prohibited from wasting the assets of Red Rock, commencing or prosecuting any actions against Red Rock, obtaining any preferences, judgments, attachments, or other liens against Red Rock, or making of any levy against Red Rock or its assets or any part thereof.

**IT IS FURTHER ORDERED AND DECREED** that John D. Doak, Insurance Commissioner, take possession of Red Rock property and to conduct the business thereof, and to take such steps to remove the causes and conditions which have made liquidation necessary as

the Court may direct after hearing. Therefore, the Court directs that any person, business, corporation, or other legal entity of any kind that has property, assets, or anything of Red Rock in its possession return it to the Commissioner immediately.

*4p* An order placing into Receivership and Liquidation has been entered contemporaneously herewith

Tim E. [Signature]  
JUDGE OF THE DISTRICT COURT

TIM RHODES Court Clerk for Oklahoma County, Okla. certify that the foregoing is a true, correct and complete copy of the instrument as appears of record in the District Court Clerk's Office of Oklahoma County, Okla. this Aug 21st day of 2014

[Signature] Deputy  
TIM RHODES, Court Clerk

**CERTIFICATE OF MAILING**

I, Julie Meaders, hereby certify that a true and correct copy of the attached Amended Order Directing Insurer to Show Cause and Allowing Injunctive Relief was mailed regular mail and e-mail on August 21, 2014 to:

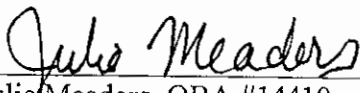
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