

J85205



THE TREASURER OF THE STATE OF FLORIDA
DEPARTMENT OF INSURANCE

BILL NELSON

May 20, 1999

To: Secretary of State

From: Alden France
Administrative Assistant II
Division of Rehabilitation and Liquidation

400002882324--9

RE: Corporate Dissolution
FIDELITY NATIONAL INSURANCE COMPANY.
J85205

I am providing you with a certified copy of the *Consent Order Appointing The Florida Department Of Insurance As Receiver For Purposes Of Liquidation, Injunction, And Notice Of Automatic Stay*, entered in case number 99-1345 in Leon County Circuit Court on March 15, 1999. Please note per paragraph 40 on page 14 of this order, the corporate existence of FIDELITY NATIONAL INSURANCE COMPANY is hereby dissolved by court order.

According to Florida Statutes Section 631.231 "The department 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 department of any of the powers or duties conferred upon it under this chapter, whether or not such paper or instrument be executed by the department or its employees or attorneys of record and whether or not it is connected with the commencement of any action or proceeding by or against the department, or with the subsequent conduct of such action or proceeding."

If there are any questions please contact me at 922-3179 ext. 4420.

Sincerely,

Alden France

Court ordered
Diss.

5/21/99

sf

TREASURER · INSURANCE COMMISSIONER · FIRE MARSHAL

ALDEN FRANCE · ADMINISTRATIVE ASSISTANT II · DIVISION OF REHABILITATION AND LIQUIDATION
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Affirmative Action / Equal Opportunity Employer

IN THE CIRCUIT COURT OF THE
SECOND JUDICIAL CIRCUIT IN AND
AND FOR LEON COUNTY, FLORIDA

CASE NO: 99-1345

STATE OF FLORIDA, ex. rel., the
DEPARTMENT OF INSURANCE OF
THE STATE OF FLORIDA,

Relator,

vs.

FIDELITY NATIONAL INSURANCE COMPANY,
a Florida corporation authorized
to transact an insurance business
in Florida,

Respondent.

FILED
99 MAY 21 PM 3:44
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**CONSENT ORDER APPOINTING THE FLORIDA DEPARTMENT OF
INSURANCE AS RECEIVER FOR PURPOSES OF LIQUIDATION,
INJUNCTION, AND NOTICE OF AUTOMATIC STAY**

THIS CAUSE was considered on the Petition of the Florida Department of Insurance for a consent order of liquidation of FIDELITY NATIONAL INSURANCE COMPANY. The Court having reviewed the pleadings of record, having heard presentation of counsel, and otherwise being fully informed in the premises, finds:

1. FIDELITY NATIONAL NSURANCE COMPANY, (herein "Respondent") is a Florida corporation and is a domestic insurer authorized to transact an insurance business in the State of Florida.

2. Section 631.021(3), Florida Statutes (1997), provides that a delinquency proceeding pursuant to Chapter 631, Florida Statutes, constitutes the sole and exclusive method of liquidating, rehabilitating, reorganizing, or conserving an insurer.

3. Section 631.061, Florida Statutes (1997), authorizes the Department to apply to this Court for an order directing it to liquidate a domestic insurer upon the existence of any of the grounds specified in Section 631.061 or 631.051, Florida Statutes, or if such insurer is or is about to become insolvent.

4. Section 631.061, Florida Statutes (1997), and Section 631.051(11), Florida Statutes (1997), authorizes the Department to apply to this Court for an order directing it to liquidate a domestic insurer upon the ground that the insurer has consented to such an order through a majority of its directors, stockholders, members, or subscribers.

5. Respondent has consented to the appointment of the Department as Receiver for purposes of liquidation and admits that Respondent is insolvent as defined under Chapter 631, Florida Statutes (1997).

6. Respondent has been found to be insolvent in accordance with Section 631.011(11) and Section 631.061, Florida Statutes (1997).

7. Section 631.397(1), Florida Statutes, requires that the Department, within 120 days of its appointment as Receiver, apply to this Court for approval of a proposal to "disburse assets out of such insurer's marshaled assets, as such assets become available" to each guaranty association entitled thereto. Such distributions to the guaranty associations are commonly referred to as advance or "early access" distributions.

8. The Department at this time anticipates that it will be necessary for it to retain all of Respondent's assets which currently exist or which become available in order to insure payment of the Receiver's expenses in fulfilling its obligations. The Department does not anticipate that sufficient assets of Respondent will be available to make any advance or "early access" distribution to the Florida Insurance Guaranty Association (the "FIGA") within the next several months, if ever.

9. Pursuant to Section 631.397, Florida Statutes, the Department has therefore

proposed as its initial plan of liquidation as Receiver to use the existing assets of the Respondent, and additional assets as such become available, to marshal and liquidate the assets of the Respondent in accordance with this Order and the provisions of Chapter 631, Florida Statutes. In the event the financial circumstances of the insolvent estate later indicate the feasibility of an advance distribution, the Receiver would apply to this Court for approval of a proposal to disburse assets to the FIGA in accordance with the provisions of Section 631.397, Florida Statutes (1997).

10 It is in the best interests of Respondent, its creditors and insureds that the relief requested in the petition be granted.

IT IS THEREFORE ORDERED and ADJUDGED as follows:

11. The Department of Insurance of the State of Florida is hereby appointed Receiver of Respondent for purposes of liquidation.

12. The Receiver's initial plan of liquidation, as set forth above, is hereby approved.

13. The Receiver is authorized and directed to:

- a) Take immediate possession of all the property, assets, and estate, and all other property of every kind whatsoever and wherever located belonging to Respondent pursuant to Sections 631.111 and 631.141, Florida Statutes (1997), including but not limited to, offices maintained by the Respondent, rights of action, books, papers, evidences of debt, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, bank accounts, stocks, bonds, debentures, mortgages, furniture, fixtures, and office equipment, and all real property of Respondent, wherever situate, whether in the possession of Respondent or its officers, directors, employees, consultants, attorneys, agents or affiliates.

- b) Liquidate the assets of Respondent including but not limited to funds held by Respondent's agents, subagents, producing agents, brokers, solicitors, service representatives or others under agency contracts or otherwise which are due and unpaid to Respondent, including premiums, unearned commissions, agents' balances, agents' reserve funds, subrogation and /or salvage recoveries.
- c) Employ and authorize the compensation of legal counsel, accountants, clerks, and such assistants as it deems necessary, purchase or lease personal or real property as it deems necessary and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, to be paid out of the funds or assets of the Respondent in the possession of the Receiver or coming into its possession.
- d) Reimburse such employees, from the funds of this receivership, for their actual necessary and reasonable expenses incurred while traveling on the business of this receivership.
- e) Not defend or accept service of process on legal actions wherein the Respondent or the Receiver is a party defendant, commenced either prior to or subsequent to this order, without authorization of this Court; except, however, in actions where Respondent is a nominal party, as in certain foreclosure actions and the action does not effect a claim against or adversely affect the assets of Respondent, the Receiver may file appropriate pleadings in its discretion.
- f) Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this receivership proceeding.
- g) Collect all debts, which are economically feasible to collect which are due and owing to the Respondent.
- h) Deposit funds and maintain bank accounts in accordance with Section 631.221,

Florida Statutes (1997).

- i) Take possession of all of Respondent's securities and certificates of deposit on deposit with the Treasurer of Florida, if any, and convert to cash as much as may be necessary, in its judgment, to pay the expenses of administration of this receivership.
- j) Publish notice specifying the time and place fixed for the filing of claims with the Receiver once each week for three consecutive weeks in the Florida Administrative Weekly published by the Secretary of State, and at least once in the Florida Bar News.
- k) Negotiate and settle subrogation and/or salvage claims and Final Judgments up to and including the sum of Twenty Thousand Dollars (\$20,000.00) without further order of this Court.
- l) Sell any salvage recovered having value of not more than Twenty Thousand Dollars (\$20,000.00) without further order of this Court.
- m) Coordinate the operation of the receivership with the FIGA pursuant to Part II of Chapter 631, Florida Statutes (1997). The Receiver may, in its discretion, contract with the guaranty association to provide services as are necessary to carry out the purposes of Chapter 631.
- n) Give notice of this proceeding to Respondent's agents pursuant to Section 631.341, Florida Statutes (1997), and to its insureds, if any.
- o) Apply to this Court for approval of a proposal to disburse assets to the FIGA in accordance with the provisions of Section 631.397, Florida Statutes (1997), at such time as the Receiver determines that the financial circumstances of the insolvent estate indicate the feasibility of such an advance distribution.

IT IS FURTHER ORDERED and ADJUDGED that:

14. All officers, directors, agents and employees and all other persons representing Respondent or currently employed by Respondent in connection with the conduct of its business are discharged forthwith.

15. Any officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, such as a third party administrator or a managed care service provider, or affiliate of Respondent and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over, any segment of Respondent's affairs or the affairs of its affiliates be required to fully cooperate with the Receiver, pursuant to Section 631.391, Florida Statutes (1997), notwithstanding the provisions of the above paragraph.

16. Title to all property real or personal, all contracts, rights of action and all books and records of Respondent, wherever located, are vested in the Receiver pursuant to Sections 631.111 and 631.141, Florida Statutes (1997).

17. All attorneys employed by Respondent as of the date of this Order, within 10 days notice of this Order, shall report to the Receiver on the name, company claim number and status of each file they are handling on behalf of the Respondent. Said report shall also include an accounting of any funds received from or on behalf of the Respondent. All attorneys employed by Respondent are hereby discharged as of the date of this Order unless their services are retained by the Receiver. All attorneys employed by Respondent are hereby advised that pursuant to Section 631.011 (17), Florida Statutes, a claim based on mere possession does not create a secured claim and all attorneys employed by Respondent, pursuant to In Re the Receivership of Syndicate Two, Inc., 538 So.2d 945 (Fla. 1st DCA 1989), who are in possession of litigation files or other material, documents or records belonging to or relating to work performed by the attorney on behalf of Respondent shall deliver such litigation files, material, documents or records intact and without

purging to the Receiver, on request, notwithstanding any claim of a retaining lien which, if otherwise valid, shall not be extinguished by the delivery of these documents.

18. All agents, brokers or other persons having sold policies of insurance and/or collected premiums on behalf of the Respondent shall account for and pay all premiums owed to the Respondent and commissions rendered unearned due to cancellation of policies by this Order, or in the normal course of business, directly to the Receiver within 30 days of demand by the Receiver or appear before this Court to show cause, if any they may have, as to why they should not be required to account to the Receiver or be held in contempt of Court for violation of the provisions of this Order. No agent, broker, premium finance company or other person shall use premium monies owed to the Respondent for refund of unearned premium or for any purpose other than payment to the Receiver.

19. Any premium finance company, including but not limited to Fidelity Premium Finance Company, which has entered into a contract to finance a premium for a policy that has been issued by the Respondent shall pay any premium owed to the Respondent directly to the Receiver

20. Reinsurance premiums due to or payable by the Respondent shall be remitted to, or disbursed by, the Receiver. Reinsurance losses recoverable or payable by the Respondent shall be handled by the Receiver. All correspondence concerning reinsurance shall be between the Receiver and the reinsuring company or intermediary.

21. Upon request by the Receiver, any company providing telephonic services to the Respondent shall provide a reference of calls from the number presently assigned to the Respondent to any such number designated by the Receiver or perform any other services or changes necessary to the conduct of the receivership.

22. Any bank, savings and loan association, financial institution or other person, including but not limited to the following:

<u>Bank Name and Address</u>	<u>Account Number</u>	<u>Type of Account</u>
Republic Bank	0351006691	Operating
2800 Ponce de Leon Blvd.	2308700058	Money Market
Coral Gables, Fl. 33134	0351006603	Payroll
	0351006702	Trust
	2301000432	Claims Draft
	0351006724	Claims Expense
First Union National Bank	9981991213	Savings
2100 Ponce de Leon Blvd		
Coral Gables, Fl 33134		

and any other bank, savings and loan association or other financial institution which has on deposit, in its possession, custody or control any funds, accounts and any other assets of the Respondent, shall immediately transfer title, custody and control of all such funds, accounts, or assets to the Receiver, and are hereby instructed that the Receiver has absolute control over such funds, accounts and other assets. The Receiver may change the name of such accounts and other assets, withdraw them from such bank, savings and loan association or other financial institution, or take any lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association or other financial institution 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.

23. Any entity furnishing telephone, water, electric, sewage, garbage or trash removal services to the Respondent shall maintain such service and transfer any such accounts to the Receiver as of the date of this order, unless instructed to the contrary by the Receiver.

24. Any data processing service which has custody or control of any data processing information and records including but not limited to source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to the Respondent shall transfer custody and control of such records to the Receiver. The Receiver shall compensate any such entity for the actual use of hardware and software, which the Receiver finds to be necessary to this proceeding. Compensation shall be based upon the monthly rate

provided for in contracts or leases with Respondent which were in effect when this proceeding was instituted, or based upon such contract as may be negotiated by the Receiver, for the actual time such equipment and software is used by the Receiver.

25. The United States Postal Service is directed to provide any information requested by the Receiver regarding the Respondent and to handle future deliveries of Respondent's mail as directed by the Receiver.

26. All claims shall be filed with the Receiver on or before March 14, 2000 at 11:59 p.m., or be forever barred, and all such claims should be filed on Proof of Claim forms prepared by the Receiver.

27. The Receiver's report and recommendation on claims as specified in Section 631.182, Florida Statutes shall contain the payee(s) or claimant(s) for each claim as it has been filed with the Receiver by submission of a properly executed Proof of Claim form. The Receiver shall make payment to the payee(s) or claimant(s) named on the report. Any and all assignments of claims are a private contract between the payee(s) or claimant(s) and a third party and the Receiver has no administrative responsibility to recognize or reflect the assignment on the report and recommendation. The Receiver shall not be responsible for and shall not recognize or accept any assignment of a claim by the payee(s) or claimant(s) of record to any third party.

28. Pursuant to the provisions of Section 631.252, Florida Statutes (1997), other than policies covered by Part III of Chapter 631, Florida Statutes (1997), all insurance policies, bonds or similar contracts of coverage of the Respondent issued in Florida and now in force shall continue in force until 30 days from the date of the entry of this Order of Liquidation and shall be determined canceled as of 11:59 p.m. on April 14, 1999, except that those policies or contracts of coverage with normal expiration dates prior thereto and policies terminated by an insured(s) or lawfully canceled by the insurer before such date, shall stand canceled as of such earlier date.

29. Except for contracts of insurance, all executory contracts to which the Respondent was a party are hereby canceled and will stand canceled unless specifically adopted by the Receiver within 30 days of the date of this Order. The rights of the parties to any such contracts are fixed as of the date of this Order and any cancellation under this provision shall not be treated as an anticipatory breach of such contracts.

30. All affiliated companies including but not limited to, Fidelity National Group Corporation and Fidelity Premium Finance Company, are hereby directed to make their books and records available to the Receiver, to include all records located in any premises occupied by said affiliate, whether corporate records or not, and to provide copies of any records requested by the Receiver whether or not such records are related to Respondent. The Receiver has title to all policy files and other records of, and relating to Respondent, whether such documents are kept in offices occupied by an affiliate company or any other person or corporation. The Receiver is authorized to take possession of any such records, files, documents, and to remove them to any location in the Receiver's discretion. Any disputed records shall not be withheld from the Receiver's review, but shall be safeguarded and presented to this Court for review prior to copying by the Receiver.

31. The Receiver shall have complete access to all computer records of the Respondent and its affiliates at all times, including but not limited to Respondent's computer records.

32. Any person, firm, corporation or other entity having notice of this Order that fails to abide by its terms shall be directed to appear before this Court to show good cause, if any they may have, as to why they should not be held in contempt of Court for violation of the provisions of this Order.

33. The Florida Department of Insurance is hereby authorized to cancel and render null and void any certificate of authority issued by the Department of Insurance and required by the Florida Insurance Code in order for Respondent to do business in the State of Florida.

34. Pursuant to Sections 631.041(3) and (4), Florida Statutes (1997), all persons, firms, corporations and associations within the jurisdiction of this Court, including but not limited to Respondent and its affiliates, Fidelity National Insurance Company, Fidelity National Group Corporation, Fidelity Premium Finance Company, and managing general agent Fidelity National Underwriting Corporation, and the respective officers, directors stockholders, members, agents, and employees are enjoined and restrained from the further transaction of the insurance business of the Respondent; and are further enjoined and restrained from doing, doing through omission, or permitting to be done any action which might cause waste to the assets of Respondent and/or to dispose, conceal or in any way make or cause to be made unavailable to the Receiver the books, records and assets of the Respondent; from in any means interfering with the Receiver or these proceedings; from the transfer of property and assets of Respondent without the consent of the Receiver; from the removal, concealment, or other disposition of Respondent's property, books, records, and accounts; from the commencement or prosecution of any actions against the Respondent or the Receiver, the service of process and subpoenas, or the obtaining of preferences, judgments, writs of attachment or garnishment or other liens; and from the making of any levy or execution against Respondent or any of its property or assets. Notwithstanding the provisions of this paragraph, the Receiver shall be permitted to accept and be subpoenaed for non-party production of claims files in its possession, including medical records, which may be contained therein. In such cases, the requesting party shall submit an affidavit to the Receiver stating that notice of the non-party production was appropriately issued and provided to the patient and that the patient was given the opportunity to object and either did not object to the non-party production, or objected and the Court overruled the objection, in which case a copy of the Court's ruling must be attached to the affidavit. The Receiver shall be authorized to impose a charge for copies of such claim files pursuant to the provisions of Section 119.07(1)(a), Florida Statutes.

CONTINUATION OF INVESTIGATION

35. The Receiver shall be authorized to conduct an investigation as authorized by Section 631.391, Florida Statutes (1997), of Respondent and its affiliates, as defined above, to uncover and make fully available to the Court the true state of Respondent's financial affairs. In furtherance of this investigation, Respondent and its parent corporations, its subsidiaries, and affiliates shall make all books, documents, accounts, records, and affairs, which either belong to or pertain to the Respondent, available for full, free and unhindered inspection and examination by the Receiver during normal business hours (9:00 a.m. to 5:00 p.m.) Monday through Friday, from the date of the Order. The Respondent and the above specified entities shall cooperate with the Receiver to the fullest extent required by Section 631.391, Florida Statutes (1997). Such cooperation should include, but not be limited to, the taking of oral testimony under oath of Respondent's officers, directors, managers, trustees, agents, adjusters, employees, or independent contractors of Respondent, its affiliates and any other person who possesses any executive authority over, or who exercises any control over, any segment of the affairs of Respondent in both their official, representative and individual capacities and the production of all documents that are calculated to disclose the true state of Respondent's affairs.

36. Any officer, director, manager, trustee, administrator, attorney, agent, accountant, actuary, broker, employee, adjuster, independent contractor, such as a third party administrator or managed care services provider, or affiliate of Respondent and any other person who possesses or possessed any executive authority over, or who exercises or exercised any control over, any segment of the affairs of Respondent or its affiliates should be required to fully cooperate with the Receiver as required by Section 631.391, Florida Statutes

(1997), and as set out in the preceding paragraph. Upon receipt of a certified copy of the Order, any bank or financial institution should be required to immediately disclose to the Receiver the existence of any accounts of Respondent and any funds contained therein and any and all documents in its possession relating to Respondent for the Receiver's inspection and coping.

NOTICE OF AUTOMATIC STAY

37. Notice is hereby given that, pursuant to Section 631.041(1), Florida Statutes (1997), the filing of the Department's initial petition herein operates as an automatic stay applicable to all persons and entities, other than the Receiver, which shall be permanent and survive the entry of this order, and which prohibits:

- a) The commencement or continuation of judicial, administrative or other action or proceeding against the insurer or against its assets or any part thereof;
- b) The enforcement of a judgment against the insurer or an affiliate obtained either before or after the commencement of the delinquency proceeding;
- c) Any act to obtain possession of property of the insurer;
- d) Any act to create, perfect or enforce a lien against property of the insurer, except a secured claim as defined in Section 631.011(17), Florida Statutes (1997);
- e) Any action to collect, assess or recover a claim against the insurer, except claims as provided for under Chapter 631;
- f) The set-off or offset of any debt owing to the insurer except offsets as provided in Section 631.281, Florida Statutes (1997).

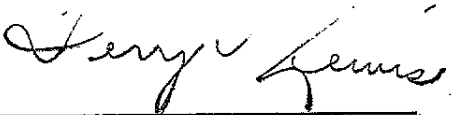
38. All Sheriffs and all law enforcement officials of this state shall cooperate with and assist the Receiver in the implementation of the Order

39. This Court retains jurisdiction of this cause for the purpose of granting such other

and further relief as from time to time shall be deemed appropriate.

40. The corporate entity known as FIDELITY NATIONAL INSURANCE COMPANY is herein dissolved.

ORDERED in Chambers at Tallahassee, Leon County, Florida, this 15th day of March, 1999.



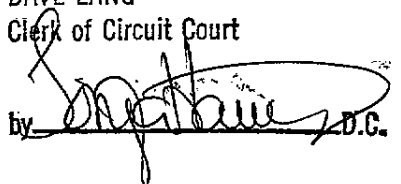
CIRCUIT JUDGE

STATE OF FLORIDA, COUNTY OF LEON

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of an instrument recorded in the official records of Leon County, Florida. WITNESS my hand and seal of office this 15th day of March, 1999



DAVE LANG
Clerk of Circuit Court

by  D.C.