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IN THE SUPERIOR COURT OF FULTON COUNTY  
STATE OF GEORGIA

STATE OF GEORGIA, Ex. Rel.,  
RALPH T. HUDGENS, Commissioner

Petitioner

v.

GEORGIA MUTUAL INSURANCE,  
A STOCK COMPANY

Respondent

CIVIL ACTION

NO. 2014CV242088



CONSENT ORDER OF REHABILITATION AND LIQUIDATION

The Court enters this Order by consent of the parties, Ralph T. Hudgens, Commissioner of Insurance for the State of Georgia ("Commissioner") and Georgia Mutual Insurance, A Stock Company ("Georgia Mutual").

WHEREAS, Talmadge Vance Turner, President of Georgia Mutual, is authorized by Georgia Mutual to execute this Order on behalf of Georgia Mutual;

WHEREAS, Georgia Mutual has represented that it will attempt to recapitalize Georgia Mutual on or before February 10, 2014;

WHEREAS, Georgia Mutual was placed into administrative supervision by order of the Commissioner dated September 10, 2013; and

WHEREAS, Georgia Mutual is insolvent;

It appearing to the Court that Georgia Mutual is insolvent, that the continuation of its business would substantially increase the risk of loss to the creditors, claimants, policyholders and the public and, further, that it is in the best interest of the company's policyholders and other creditors that Georgia Mutual be placed in receivership, IT IS HEREBY ORDERED as follows:

## TRANSITIONAL REHABILITATION ORDER

1.

That Georgia Mutual is placed into rehabilitation pursuant to O.C.G.A. § 33-37-12 until February 10, 2014, or such later date as the Court approves upon written request of the Commissioner as rehabilitator or the Commissioner's designee (collectively, "Rehabilitator"). The Rehabilitator shall have the authority conferred by the Insurers Rehabilitation and Liquidation Act, O.C.G.A. § 33-37-1 et seq. (the "Act"), and the Commissioner is appointed as Rehabilitator of Georgia Mutual.

2.

The Rehabilitator appoints Mark Ossi, CPA, CFE as Deputy Rehabilitator. Pursuant to O.C.G.A. § 33-37-13(a), the Rehabilitator may also appoint one or more Assistant Deputy Liquidators as deemed necessary.

## ORDER OF LIQUIDATION

3.

Upon the later of February 10, 2014, or such later date as the Court approves upon written request of the Rehabilitator, if any, Georgia Mutual is placed into liquidation in accordance with this Order ("Liquidation Order") pursuant to the Act, specifically, but not limited to O.C.G.A. §§ 33-37-15, 33-37-16, and 33-37-17 on the ground that Georgia Mutual is insolvent and in such condition that the further transaction of business would substantially increase the risk of loss to Georgia Mutual's creditors, policyholders, and the public. Nothing hereunder shall be construed to limit the Liquidator's powers under Chapter 37 of Title 33 of the Georgia Insurance Code.

4.

The Commissioner, is hereby appointed Liquidator of Georgia Mutual (hereinafter "the Commissioner" or "Liquidator") with all the powers and immunities set forth in Title 33, Chapter 37 of the Georgia Insurance Code. The Liquidator shall take possession of the assets of Georgia Mutual and

administer them in accordance with Title 33, Chapter 37 of the Georgia Insurance Code. By operation of law, title to all assets of Georgia Mutual is hereby vested in the Liquidator. The Liquidator shall have ultimate possession and control of all of the assets and property of Georgia Mutual, wherever located, to which the Liquidator is entitled under Georgia law, specifically including but not limited to all bank accounts, including accounts containing premiums due Georgia Mutual, records, books, and property wherever located.

5.

The Liquidator appoints Mark Ossi, CPA, CFE as Deputy Liquidator. Pursuant to O.C.G.A. § 33-37-20(a), the Liquidator may also appoint one or more Assistant Deputy Liquidators as deemed necessary. The Deputy Liquidator and any Assistant Deputy Liquidator shall have all powers and responsibilities of the Liquidator granted by this Order and shall serve at the pleasure of the Commissioner as set forth at O.C.G.A. § 33-37-20. The Commissioner retains the right to substitute another person as Deputy Liquidator or Assistant Deputy Liquidator as he may deem necessary. The compensation of the Deputy Liquidator and Assistant Deputy Liquidator shall be fixed by the Commissioner. The compensation of any Deputy Liquidator or Assistant Deputy Liquidator that is not employed by the Department of Insurance shall be paid from the funds of Georgia Mutual. The Liquidator and each Deputy Liquidator and Assistant Deputy Liquidator shall have all constitutional and statutory immunities. Additionally, each Deputy Liquidator and Assistant Deputy Liquidator shall have no personal liability for any acts or omissions in connection with his duties as Deputy Liquidator or Assistant Deputy Liquidator, provided that such acts or omissions are without intentional or willful and wanton misconduct, as set forth at O.C.G.A. § 33-37-8.1.

6.

Georgia Mutual, its officers, directors, agents, shareholders, employees, and all other persons are hereby enjoined and restrained from the transaction of any of the business of Georgia Mutual.

Further, Georgia Mutual, its officers, directors, agents, shareholders, employees, and all other persons are hereby enjoined and restrained from transferring Georgia Mutual's property without the express permission of the Liquidator, wasting Georgia Mutual's assets, or transferring or dissipating any of Georgia Mutual's bank accounts.

7.

Upon the issuance of this Order, the rights and liabilities of Georgia Mutual and its creditors, policyholders, shareholders and any other person interested in its estate shall become fixed except as provided for in O.C.G.A. §§ 33-37-18 and 33-37-36.

8.

Upon the issuance of this Order, no action at law or in equity or in arbitration shall be brought against Georgia Mutual, the Liquidator, any Deputy Liquidator or any Assistant Deputy Liquidator, whether in this state or elsewhere, nor shall any such existing actions be maintained or further presented after issuance of this Order, as set forth at O.C.G.A. § 33-37-23.

9.

All officers, directors, agents, managing general agents, affiliates, shareholders and employees of Georgia Mutual are hereby ordered to immediately deliver to the Liquidator all Georgia Mutual assets, accounts, books, documents or other records or information, equipment or other property in their possession or wherever located, including all Georgia Mutual assets, accounts, books, documents or other records or information, equipment or property in the possession of accountants, accounting firms, investment advisors, attorneys or any other person or entity with which Georgia Mutual has a contract for services.

10.

The Liquidator is hereby authorized to initiate such equitable and legal actions or proceedings in Georgia or other states as may appear to him to be necessary to carry out his duties, responsibilities and

functions as Liquidator, including any actions he deems necessary against any agents, brokers, directors or officers of Georgia Mutual or any affiliate company of Georgia Mutual.

11.

All insurance agents and brokers are hereby ordered to account to the Liquidator, within 15 days of the date of this Order, for all funds of Georgia Mutual held by them in their fiduciary capacity or due to Georgia Mutual, without any deductions for commissions, policy fees, allowance for return premiums, unearned premiums, claims, or any other deductions, as said funds are vested in the Liquidator as provided by law; it is further Ordered that such funds be paid by such insurance agents and brokers to the Liquidator.

12.

In accordance with O.C.G.A. § 33-37-32, an agent, broker, premium finance company, or any other person, other than the insured, responsible for payment of a premium shall be obligated to pay any unpaid premium for the full policy term due Georgia Mutual at the time of this Consent Order of Liquidation, whether earned or unearned, as shown on the records of Georgia Mutual. The Liquidator shall also have the right to recover from such person any part of the unremitted, unearned premium that represents commissions, whether earned or unearned, of such persons. Credit or set-offs or both shall not be allowed an agent, broker or premium finance company for any amounts advanced to the insurer by the agent, broker or premium finance company on behalf of, but in the absence of payment by the insured.

13.

Pursuant to O.C.G.A. § 33-37-32, all insureds are obligated to pay any unpaid earned premium due Georgia Mutual at the time of the declaration of insolvency.

14.

The Liquidator is hereby authorized to avoid all fraudulent transfers made or obligations incurred by Georgia Mutual, as defined by O.C.G.A. § 33-37-25 and to take any action authorized by O.C.G.A. § 33-37-26.

15.

The Liquidator is hereby authorized to avoid any preferences in accordance with O.C.G.A. § 33-37-27.

16.

The Liquidator, pursuant to O.C.G.A. § 33-13-14 and the limitations set forth therein, is hereby authorized to recover on behalf of the insurer the amount of distributions other than stock dividends paid by the insurer on its capital stock at any time during the one years preceding this Order of Liquidation.

17.

The Liquidator, in accordance with O.C.G.A. §§ 33-13-6 and 14 and the Act, is hereby authorized to examine the affairs, transactions, accounts, records, documents, and other assets of Georgia Mutual and its affiliates to determine whether any dividends or other distributions made by Georgia Mutual are recoverable under O.C.G.A. § 33-13-14.

18.

All agents notified of the liquidation of Georgia Mutual in accordance with O.C.G.A. § 33-37-21 shall within 30 days of such notice provide the Liquidator the information in the agent's records related to any policy issued by the insurer through the agent. Additionally, all general agents shall provide the information in the general agent's records related to any policy issued by the insurer through an agent under contract to him including the name and address of such subagent.

19.

The Liquidator is hereby authorized to audit the books and records of all agents of Georgia Mutual insofar as those records relate to the business activities of Georgia Mutual.

20.

All reasonable expenses of any litigation, including attorney's fees and costs, incurred by the Liquidator now or in the future, related to or arising out of the delinquency proceeding or this liquidation shall be paid out of the funds or assets of Georgia Mutual.

21.

The Commissioner shall be relieved from giving bond and, being a public official, he shall be allowed his expenses related to this action, including expenses for clerical or other help as may be necessary, including without limitation, examination, experts' and attorneys' fees, from Georgia Mutual's funds. The Liquidator may employ such clerks, assistants, and other staff as necessary, and the compensation of such clerks, assistants, and staff shall be paid from the funds of Georgia Mutual.

22.

In accordance with O.C.G.A. § 33-37-18, all policies, including bonds and other non-cancelable business, other than life or accident and sickness insurance or annuities, in effect at the time of issuance of this Order shall remain in force only for the lesser of: a period of 30 days from the date of entry of this Order, the expiration of the policy coverage, the date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy, or the date on which the Liquidator effects a transfer of the policy obligation pursuant to O.C.G.A. § 33-37-20(a)(10).

23.

In accordance with O.C.G.A. § 33-37-20(d), the Liquidator shall have no obligation to defend claims or to continue to defend claims subsequent to the entry of this Order.

24.

Upon entry of this Order of Liquidation, the Liquidator shall give or cause to be given notice of the liquidation in accordance with O.C.G.A. § 33-37-21 and require claimants to file with the Liquidator their claims on the Proof of Claim form in a form substantially similar to Exhibit 1 and as approved by this Court. All claims must be filed with the Liquidator with 180 (one hundred and eighty) days of the entry of this Order or be forever barred.

25.

The Liquidator shall report to the Court regarding the status of the liquidation one year from the date of this Liquidation Order, and provide accounting to the Court on an annual basis thereafter.

26.

This Court shall retain exclusive jurisdiction, as provided in O.C.G.A. § 33-37-4, to determine all suits or motions related to the enforcement of this Order or any litigation related to Georgia Mutual or the Liquidator and his deputies, agents, employees or representatives, which shall be determined in this liquidation proceeding.

[SIGNATURES ON NEXT PAGE]



SO ORDERED, this 7 day of February, 2014.



Judge, Fulton County Superior Court

Presented by:

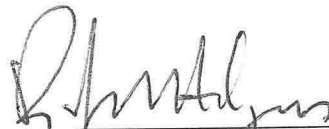
\_\_\_\_\_  
Daniel Walsh  
Georgia Bar # 735040  
Senior Assistant Attorney General  
Jeffrey W. Stump  
Georgia Bar # 690425  
Senior Assistant Attorney General  
Office of the Attorney General  
40 Capitol Square, SW  
Atlanta, GA 30334-1300

Consent to by:



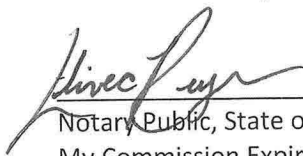
\_\_\_\_\_  
Talmadge Vance Turner  
President  
Georgia Mutual Insurance, a Stock Company

Consent to by:

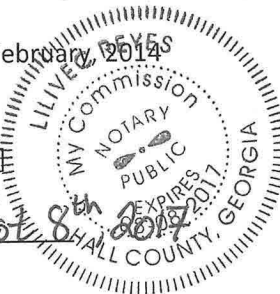


\_\_\_\_\_  
Ralph T. Hudgens  
Commissioner of Insurance  
State of Georgia

Sworn and subscribed  
Before me this 7th day of February, 2014



\_\_\_\_\_  
[SEAL]  
Notary Public, State of Georgia  
My Commission Expires August 8th 2017



Copies to:

Daniel Walsh, Esq.

\* Jeffrey W. Stump, Esq.

(\* counsel shall copy all interested parties)

2014 CV 242088: Consent Order of Rehabilitation / Liquid.

GEORGIA MUTUAL INSURANCE, A STOCK COMPANY, IN LIQUIDATION

PROOF OF CLAIM NO. \_\_\_\_\_  
DATE RECEIVED: \_\_\_\_\_

READ ALL MATERIALS CAREFULLY BEFORE  
COMPLETING THIS FORM – COMPLETE ALL SECTIONS  
– FILL IN ALL BLANKS – PLEASE PRINT CAREFULLY  
OR TYPE

Name of claimant

Address of claimant

Phone No: XXX-XXX-XXXX

If applicable, name of Georgia Mutual Insurance, A Stock Company policyholder and policy number.

Policyholder Name:

Policy Number:

This claim is for:

- ☐ Loss under policy (Claim by insured of Georgia Mutual for policy benefits)
- ☐ Unearned premium refund (Portion of paid premium not earned due or retro or audit adjustment)
- ☐ General Creditor (Attorney fees, Adjuster fees, Vendors, Landlords, Lessors, Consultants, Cedants, & Reinsurers)
- ☐ All Other (Describe)

In the space below give a concise statement of facts giving rise to your claim:

AMOUNT OF CLAIM: \$ \_\_\_\_\_

ATTACH COPIES OF ANY SUPPORTING DOCUMENTS SUCH AS CORRESPONDENCE, LAWSUITS,  
JUDGEMENTS, PREMIUM RECEIPTS, CANCELED CHECKS, ETC.

State of

County of

I HEREBY SWEAR OR AFFIRM UNDER PENALTY OR PERJURY THAT, TO THE BEST OF MY  
KNOWLEDGE AND BELIEF, THE STATEMENTS AND ATTACHED SUPPORTING DOCUMENTS IN THIS  
CLAIM ARE TRUE AND CORRECT.

X

Claimant's Signature

Date

Notary Public

My Commission Expires:

**NOTICE: ALL CLAIMS MUST BE RECEIVED BY THE LIQUIDATOR AT THE FOLLOWING ADDRESS ON OR BEFORE xxxxxxxxx , OR BE FOREVER BARRED.**

GEORGIA MUTUAL INSURANCE, A STOCK COMPANY, IN LIQUIDATION

3635 Peachtree Industrial Boulevard, Suite 200

Duluth, GA 30096

PHONE (xxx) xxx-xxxx

## NOTICE OF LIQUIDATION

**TO:** All Persons and Entities having an interest in Georgia Mutual

**FROM:** Ralph T. Hudgens, Commissioner of Insurance of the State of Georgia as Liquidator of Georgia Mutual

### INTRODUCTION

On xx/xx/2014, Georgia Mutual was declared insolvent and ordered liquidated pursuant to Order entered by the Honorable \_\_\_\_\_, Judge of the Superior Court of Fulton County, Georgia, in Civil Action File No. \_\_\_\_\_CV\_\_\_\_\_. Ralph T. Hudgens, the Commissioner of Insurance of the State of Georgia, was appointed Liquidator of Georgia Mutual. The Liquidator was directed to take possession of the assets of Georgia Mutual and to administer them under the supervision of the Liquidation Court. The Liquidator is vested by operation of law with title to all the property, contracts and rights, and all books and records of Georgia Mutual, wherever located.

This notice contains instructions for all persons and entities having an interest in Georgia Mutual. This notice is issued pursuant to the Official Code of Georgia Annotated 33-36-8 and 33-37-21 and by Order of the Superior Court of Fulton County, Georgia ("Liquidation Court").

### NOTICE OF CANCELLATION

In accordance with O.C.G.A. § 33-37-18, all policies, including bonds and other non-cancelable business, other than life or accident and sickness insurance or annuities, in effect at the time of the issuance of this Order shall remain in force only for the lesser of: xx/xx/xxxx, the expiration of policy coverage, the date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy, or the date on which the Liquidator effects a transfer of the policy obligation pursuant to O.C.G.A. § 33-37-20(a)(10).

### CLAIM PROCEDURES

The Liquidation Court has directed that notice be given to all persons who may have a claim against Georgia Mutual. If you have such a claim and wish to be considered in the Liquidation proceedings, *you must follow the procedure described below or you will be forever barred from asserting a claim.*

The Liquidation Court has established xx/xx/xxxx, as the "bar date" for the filing of claims against Georgia Mutual. To have your claim considered in the Georgia Mutual liquidation, *a Proof of Claim form must be properly completed, mailed, and postmarked no later than x/xx/xxxx.*

#### 1. CLAIMS FOR LOSS UNDER THE POLICY:

If your claim is for **POLICY BENEFITS** and if your claim is already filed with Georgia Mutual, you need to complete the proof of claim form, but you do not need to resubmit documentation to support your claim. If additional information is required, you will be contacted. **If this is a new claim**, please attach documentation to support claim.

#### 2. RETURN OF UNEARNED PREMIUM OR OTHER PREMIUM REFUNDS:

If your claim is for the **Return of Unearned Premium or Other Premium refunds**, please complete the front of this form. Please attach the appropriate documentation to support claim.

#### 3. GENERAL CREDITOR CLAIM:

If your claim is that of a **General Creditor**, please attach copies of all outstanding invoices to this form.

#### 4. ALL OTHER:

If you have **Any Other** type of claim, describe your claim, i.e., stockholder, employee, taxes, license fees, assessments. Please attach copies of information to support you claim.

If you are a policyholder or have a claim against a policyholder of Georgia Mutual your claim may be covered by the Georgia Insurers Insolvency Pool ("Insolvency Pool"). You may contact the Insolvency Pool at 2177 Flintstone Drive, Suite R, Tucker, Georgia 30084 or by calling (770) 621-9835.

**PROOF OF CLAIM FORM**

The Proof of Claim must be completed in its entirety and all questions must be answered. Should there be questions that do not apply to your situation, simply complete each blank not requiring an answer with "N/A" or "not applicable". Make sure that your form is *signed under oath before a notary public*. Mail it together with all supporting documentation to the address shown below. Proof of Claim forms must be *postmarked no later than x/xx/xxxx*. Mail Proof of Claim to:

GEORGIA MUTUAL INSURANCE, A STOCK COMPANY, IN LIQUIDATION  
3635 Peachtree Industrial Boulevard, Suite 200

Duluth, GA 30096

*All claimants must keep the Liquidator advised of any address changes subsequent to the filing of the Proof of Claim or receipt of this notice. All communications to the Liquidator should identify the claim number to the extent known.*

By Order of the Liquidation Court dated xx/xx/xxxx