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OFFICE OF THE COMMISSIONER OF INSURANCE
STATE OF GEORGIA

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REGULATORY SERVICES
SECTION

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

Petitioner

v.

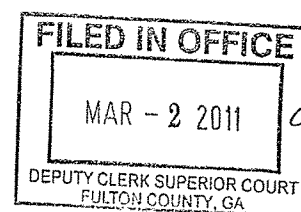
ROOFING AND SHEET METAL CONTRACTORS
ASSOCIATION OF GEORGIA WORKERS
COMPENSATION TRUST FUND

Respondent

CIVIL ACTION

NO. 2011CW197221

**CONSENT ORDER OF PERMANENT INJUNCTION
AND APPOINTMENT OF PERMANENT RECEIVER**



The Court enters this Order by consent of the parties, Ralph T. Hudgens, Commissioner of Insurance for the state of Georgia ("Commissioner") and Roofing and Sheet Metal Contractors Association of Georgia Workers Compensation Trust Fund ("Roofing").

It appearing to the Court that Respondent 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 Roofing be liquidated, IT IS HEREBY ORDERED as follows:

1.

Ralph T. Hudgens, Commissioner of Insurance of the State of Georgia, is hereby appointed Permanent Receiver of Roofing (hereinafter "Receiver"), pursuant to O.C.G.A. § 34-9-168, with all powers and immunities set forth in Title 33, Chapter 37 of the Georgia Insurance Code.

2.

The Receiver shall take possession of the assets of Roofing and administer them under the general supervision of this Court. By operation of law, title to all assets of Roofing is hereby vested in the Receiver. The Receiver shall have ultimate possession and control of all of the assets and property of



Roofing, wherever located, to which the Receiver is entitled under Georgia law, specifically including but not limited to all bank accounts, including accounts containing premium due Roofing, records, books, and property wherever located.

3.

The Receiver appoints Donald F. Roof, CFE as Deputy Receiver. Pursuant to O.C.G.A. § 33-37-20(a), the Receiver may also appoint one or more Assistant Deputy Receivers as deemed necessary. The Deputy Receiver and any Assistant Deputy Receiver shall have all powers and responsibilities of the Receiver 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 Receiver or Assistant Deputy Receiver as he may deem necessary. The compensation of the Deputy Receiver and Assistant Deputy Receiver shall be fixed by the Commissioner. The compensation of any Deputy Receiver or Assistant Deputy Receiver that is not employed by the Department of Insurance shall be paid from the funds of Roofing. The Receiver and each Deputy Receiver and Assistant Deputy Receiver shall have all constitutional and statutory immunities; additionally each Deputy Receiver and Assistant Deputy Receiver shall have no personal liability for any acts or omissions in connection with his duties as Deputy Receiver or Assistant Deputy Receiver, 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.

4.

Roofing, its officers, trustees, administrators, directors, agents, employees and all other persons are hereby enjoined and restrained from the transaction of any of the business of Roofing. Further, Roofing, its officers, trustees, administrators, directors, agents, employees and all other persons are hereby enjoined and restrained from transferring Roofing's property without the express permission of the Receiver, wasting Roofing's assets, or transferring or dissipating any of Roofing's bank accounts.

5.

Upon issuance of this Order, no action at law or in equity or in arbitration shall be brought against Roofing, the Receiver, any Deputy Receiver or any Assistant Deputy Receiver, 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.



6.

All officers, directors, trustees, agents, managing general agents, affiliates, administrators and employees of Roofing are hereby ordered to immediately deliver to the Receiver all Roofing assets, accounts, books, documents or other records or information, equipment or other property in their possession or wherever located, including all Roofing 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 Roofing has a contract for services.

7.

The Receiver 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 Receiver, including any actions he deems necessary against any agent, broker, director, trustee, officer, member, or insured of Roofing or any affiliate of Roofing.

8.

All insurance agents and brokers are hereby ordered to account to the Receiver, within 15 days of the date of this Order, for all funds of Roofing held by them in their fiduciary capacity or due to Roofing, 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 Receiver as provided by law; it is further Ordered that such funds be paid by such insurance agents and brokers to the Receiver.

9.

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 Roofing at the time of this Consent Order, whether earned or unearned, as shown on the records of Roofing. The Receiver 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-off 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.



10.

Pursuant to O.C.G.A. § 33-37-32, all insureds are obligated to pay any unpaid earned premium due Roofing at the time of this Consent Order.

11.

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

12.

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

13.

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

14.

The Commissioner shall be relieved from giving bond and, being a public official, 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 Roofing's funds. The Receiver 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 Roofing.

15.

The Receiver shall evaluate any and all outstanding claims against Roofing, and shall make a determination of any amounts necessary to pay outstanding claims. If additional amounts are needed to pay outstanding claims, the Receiver shall send a notice of assessment to each member of Roofing pursuant to the provisions of O.C.G.A. Title 34, Chapter 9, Article 5. The Receiver is authorized to take any and all necessary action to collect assessments from members to pay outstanding claims against Roofing.



16.

The Receiver is authorized to distribute assets in accordance with the scheme of distribution set forth in O.C.G.A. § 33-37-41.

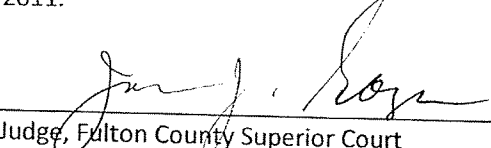
17.

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

18.

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 Roofing or the Receiver and his deputies, agents, employees or representatives, which shall be determined in this proceeding.

SO ORDERED, this 2 ^{March} day of ~~February~~, 2011.



Judge, Fulton County Superior Court

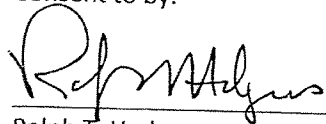
Presented by:

Amy C. M. Burns
Georgia Bar # 452851
Assistant Attorney General
Office of the Attorney General
40 Capitol Square, SW
Atlanta, GA 30334-1300

Consent to by:

(Signatory)

Consent to by:



Ralph T. Hudgens
Commissioner of Insurance
State of Georgia



Jeffrey J. Lancaster
Chairman (Title)

Roofing and Sheet Metal Contractors
Association of Georgia Workers
Compensation Trust Fund

Sworn and subscribed
Before me this 18th day of February 2011

Lisa A. May [SEAL]
Notary Public, State of Georgia
My Commission Expires _____

LISA A. MAY
Notary Public, Chatham County, GA
My Commission Expires May 27, 2013



GEORGIA, FULTON COUNTY

I DO CERTIFY THAT THE WITHIN AND FOREGOING IS A TRUE,
COMPLETE AND CORRECT COPY OF THE ORIGINAL IN SAID
CASE, AS APPEARS BY THE ORIGINAL ON FILE IN THE OFFICE
OF THE CLERK OF FULTON SUPERIOR COURT, CONSISTING
OF 6 PAGES.

WITNESS MY HAND AND THE SEAL OF SAID COURT THIS THE

2nd DAY OF March, 2011

A. Whitfield

DEPUTY CLERK, FULTON SUPERIOR COURT

Cathelene Robinson
CLERK OF THE SUPERIOR COURT
OF FULTON COUNTY, GEORGIA