

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

IN THE MATTER OF THE LIQUIDATION OF)
GALLANT INSURANCE COMPANY AND VALOR)
INSURANCE COMPANY,)

PEOPLE OF THE STATE OF ILLINOIS, ex rel.)
NATHANIEL S. SHAPO, DIRECTOR OF)
INSURANCE OF THE STATE OF ILLINOIS,)

Plaintiffs,)

v.)

Case No. 02 CH 04056

GALLANT INSURANCE COMPANY, an Illinois)
Domestic Stock, Property and Casualty Insurance)
Company, and VALOR INSURANCE COMPANY,)
an Illinois Domestic Stock, Property and Casualty)
Insurance Company,)

Defendants.)

JUDGE PETER FLYNN

MAR 13 2003

Circuit Court - 1784

AGREED ORDER

THIS CAUSE COMING TO BE HEARD upon the Settlement of this Action, and for a Finding of Insolvency, the Court having jurisdiction of the parties and the subject matter; the Court having reviewed the pleadings filed herein, heard from counsel thereon, and being fully advised of the premises and the parties having stipulated to the contents herein:

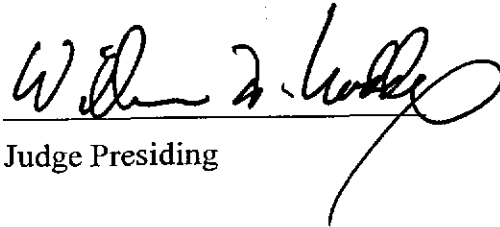
THE COURT FINDS:

1. Based upon the allegations contained in the Director's Complaint for Liquidation With a Finding of Insolvency and the supporting exhibits thereto, including the Director's adjusted balance sheets for Gallant Insurance Company ("Gallant") and Valor Insurance Company ("Valor"), that Gallant and Valor are both currently insolvent, and were in fact insolvent at the time of the entry of the Orders of Liquidation against Gallant and Valor on August 9, 2002.
2. Gallant and Valor have agreed to dismiss with prejudice their pending joint appeal in this case, which is pending before the Appellate Court of Illinois, First District, in Appeal No. 02-2310, within two business days hereof.

3. Gallant and Valor have further waived any and all rights: to appeal, modify, clarify or vacate this Agreed Order.

4. The Court having reviewed the Settlement Agreement in this matter and hereby approving the same.

ENTERED:



Judge Presiding

JUDGE WILLIAM MADDUX

MAR 18 2003

CIRCUIT COURT - 1559

5. The Liquidation Court having reviewed the Settlement Agreement in this matter, and this Order, and hereby approving the same.

