

THE COURT FINDS:

1. That, by his Verified Complaint, the Acting Director of Insurance of the State of Illinois seeks an Order of Conservation of Assets against the Defendant, ISBPRIWCT, pursuant to Section 188.1 of the Code, 215 ILCS 5/188.1. By his Verified Complaint, the Acting Director of Insurance of the State of Illinois alleges that sufficient cause exists under Section 188 of the Code, 215 ILCS 5/188, for the entry of an order of conservation, rehabilitation and/or liquidation against the Defendant, ISBPRIWCT, including without limitation, the following facts and circumstances:

- (i) That the Defendant, ISBPRIWCT, is insolvent;
- (ii) That the Defendant, ISBPRIWCT, has failed or refused to observe an order of the Director to make good within the time prescribed by law any deficiency, whenever its required surplus has become impaired;
- (iii) That the Defendant, ISBPRIWCT, is found to be in such condition that its further transaction of business would be hazardous to its policyholders, its creditors, or to the public;

2. That, in light of the foregoing facts and circumstances, sufficient cause exists for the entry of an order of conservation, rehabilitation and/or liquidation against the Defendant, ISBPRIWCT, and that it is in the best interests of ISBPRIWCT's policyholders, members and creditors, and of the general public, that an *ex parte* Order of Conservation of Assets be entered as to and against the Defendant, ISBPRIWCT, in accordance with the provisions of Article XIII of the Code, 215 ILCS 5/187, *et seq.*

IT IS, THEREFORE, HEREBY ORDERED:

A. That this Order of Conservation of Assets be and the same is hereby entered as to and against ILLINOIS STATE BOWLING PROPRIETORS & RECREATIONAL INDUSTRY WORKERS' COMPENSATION TRUST;

B. That Jack Messmore, Acting Director of Insurance of the State of Illinois, and his successors in office, (the "Director") is hereby affirmed as statutory conservator (the "Conservator") of ISBPRIWCT and the Director is hereby authorized and directed, as Conservator, to immediately take possession and control of the property, books, records, accounts, business and affairs, and all other assets of ISBPRIWCT, and of the premises currently occupied, or hereafter occupied, by ISBPRIWCT for the transaction of its business, pursuant to the provisions of Article XIII of the Code, 215 ILCS 5/187, *et seq.*, and to conserve the same for the benefit of the policyholders, members and creditors of ISBPRIWCT, and of the public; and that the Director, as conservator, is further authorized to take such actions as the nature of the cause and the interests of ISBPRIWCT, its policyholders, members, creditors, or the public, may require, subject to the further orders of the Court; and,

C. The Defendant ISBPRIWCT and its present and former, officers, directors, agents, managing general agents, third-party administrators, servants, representatives, employees and their parent, subsidiary and affiliated companies and persons, and all other persons and entities having knowledge of this order, are hereby ordered and directed to give immediate possession and control to the Director, as Conservator, of all property, business, books, records,

accounts, funds, and all other assets of ISBPRIWCT and of any and all premises occupied by ISBPRIWCT; and,

D. That all directors, officers, trustees, agents, managing general agents, third-party administrators, insurers, reinsurers, retrocessionaires, accountants, auditors, actuaries and attorneys of ISBPRIWCT are hereby ordered and directed to deliver to the Director, as Conservator, upon request, copies of all documents in their possession or under their control concerning or relating to ISBPRIWCT and to provide the Director, as Conservator, with such information as he may require concerning any and all business and/or professional relationships between them and ISBPRIWCT and concerning any and all activities, projects, jobs and the like undertaken and/or performed by them at the request of ISBPRIWCT and its officers, directors, agents, servants, representatives and/or employees, or which ISBPRIWCT is, or may be, entitled to as the result of its relationship with such agents, managing general agents, third-party administrators, insurers, reinsurers, retrocessionaires, accountants, auditors, actuaries and/or attorneys; and

E. That ISBPRIWCT and its officers, directors, principals, trustees, shareholders, partners, agents, servants, administrators, representatives and employees, and their parent, subsidiary and affiliated companies and persons, and all other persons and entities having knowledge of this order, are hereby restrained and enjoined from transacting any business of ISBPRIWCT without the prior written approval of the Director, as Conservator, or until further order of the Court; to wit, in the absence of the prior written approval of the Director, as Conservator, or the further order of the Court, ISBPRIWCT and all such persons and entities

shall not: (i) advertise, solicit, sell, issue, mail or deliver any applications for insurance or reinsurance coverage, insurance policies or contracts, certificates of insurance, contracts or certificates of reinsurance, or any other evidence of insurance or reinsurance coverage or participation by ISBPRIWCT; (ii) collect any premiums; (iii) deal with, or dispose of any of the property or assets, whether real, personal or mixed of ISBPRIWCT; or (iv) do or permit to be done any action which might waste or conceal the property or assets of ISBPRIWCT; and,

F. That all directors, officers, trustees, third-party administrators, banks, brokerage houses, financial institutions, investment advisors and any and all other companies, persons or entities having knowledge of this order, having in their possession accounts and any other assets which are, or may be, the property of ISBPRIWCT, are hereby restrained and enjoined from disbursing or disposing of said accounts and assets, without the express written consent of the Director, as Conservator, and the aforesaid directors, officers, trustees, third-party administrators, banks, brokerage houses, financial institutions, investment advisors, companies, persons and entities are further restrained and enjoined from disposing of, or destroying, any records pertaining to any business transaction between ISBPRIWCT and such directors, officers, trustees, banks, brokerage houses, financial institutions, investment advisors, companies, persons or entities having done business, or doing business with ISBPRIWCT; and that each such director, officer, trustee, third-party administrator, bank, brokerage house, financial institution, investment advisor, company, person or entity is hereby ordered and directed to immediately turn over and deliver possession and control of any and all such accounts, assets and/or records to the Director, as Conservator; and

G. That all directors, officers, trustees, beneficiaries, agents, managing general agents, third-party administrators and brokers of ISBPRIWCT and their respective agents, servants, representatives and employees, and all other persons and entities having knowledge of this order are hereby restrained and enjoined from returning any assessments, premium or member contribution, earned or unearned, or any other money in their possession, or under their control to claimants, creditors, insureds, members, beneficiaries, insurers or any others; and said directors, officers, trustees, agents, managing general agents, third-party administrators and brokers, and their respective agents, servants, representatives and employees, and all other persons and entities having knowledge of this order are hereby ordered and directed to immediately turn over all such funds in their possession or under their control, or to which they may hereafter acquire possession or control, to the Director, as Conservator, in gross and not net of any commissions which may be due thereon; and

H. That the directors, officers, trustees, third-party administrators, principals, shareholders, partners, members, agents, servants, representatives, employees, parents, subsidiaries and affiliates of ISBPRIWCT, and all other persons, companies and entities having knowledge of this order are hereby restrained and enjoined from: (i) bringing, asserting or further prosecuting any claim, action or proceeding, at law or in equity or otherwise, whether in this State or elsewhere, against ISBPRIWCT, or its property or assets, or against the Director as its Conservator, except insofar as those claims, actions or proceedings arise in or are brought in these conservation proceedings; (ii) obtaining, asserting or enforcing preferences, judgments, attachments, garnishments, or other like liens or encumbrances, including common law retaining liens, or the making of any levy against ISBPRIWCT or its property or assets while in the

possession and control of the Director, as Conservator; (iii) interfering, in any way, with the Director's conduct of the conservation of ISBPRIWCT; and (iv) interfering, in any way, with the Director, as Conservator, in his possession and control of the property, business, books, records, accounts, premises and all other assets of ISBPRIWCT, until further order of the Court; and

I. That a moratorium is hereby established enjoining and prohibiting ISBPRIWCT from paying any claims, loss adjustment expenses, or other contractual obligations incurred by ISBPRIWCT, unless such payments are approved in writing by the Director, as Conservator, or until further order of the Court; and

J. That a moratorium is hereby established enjoining and prohibiting ISBPRIWCT and its directors, officers, trustees, principals, shareholders, partners, members, agents, managing general agents, third-party administrators, servants, representatives, employees, parents, subsidiaries and affiliated companies, and all other persons and entities having knowledge of this order, from paying any contractual obligations of ISBPRIWCT owing to its creditors, insurers, and/or vendors, or their respective assignees, or any other persons, except insofar that such payments are necessary in the administration of the conservation of ISBPRIWCT, as contemplated by Section 202 of the Code, 215 ILCS 5/202, and as authorized in writing by the Director, as Conservator, until further order of the Court; and

K. That any and all persons, companies and entities are hereby restrained and enjoined from construing this order as an anticipatory breach of any contract, including, but not limited to, agreements, treaties, certificates or contracts of insurance or reinsurance, heretofore entered into with ISBPRIWCT; and

L. That the Director, as Conservator, is hereby directed to ascertain the condition of ISBPRIWCT while he is in possession and control of the property, books, records, accounts, assets, premises, business and affairs of ISBPRIWCT, and to make periodic reports to the Court as to the nature and condition of ISBPRIWCT while in conservation; and the Director, as Conservator, is further directed to file with this Court, for its consideration, reports relating to the administration of the conservation of ISBPRIWCT in accordance with Section 202 of the Code, *id.*; and

M. That the Director, as Conservator, is hereby authorized to pay from the assets of ISBPRIWCT those expenses incurred during the course of its conservation, including but not limited to, attorneys' fees, accounting fees and consulting fees, as administrative expenses, pursuant to and in a manner consistent with the provisions of Section 202 of the Code, *id.*; and

N. That all costs of these proceedings shall be taxed and assessed against ISBPRIWCT; and,

O. That the caption in this cause and all pleadings filed in this matter shall hereafter read:

**"IN THE MATTER OF THE CONSERVATION OF ILLINOIS STATE BOWLING
PROPRIETORS & RECREATIONAL INDUSTRY
WORKERS' COMPENSATION TRUST"**

P. That the Court retains jurisdiction in this cause for the purpose of granting such further relief as the nature of the cause, and the interests of ISBPRIWCT, its policyholders, members and creditors, or of the public, may require; and/or as the Court may deem proper in the premises.

Judge Michael B. Hyman

ENTERED: OCT 24 2011

Circuit Court-1921

Judge Presiding

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