

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

PEOPLE OF THE STATE OF ILLINOIS, *ex rel.*)
ROBERT E. WAGNER, ACTING DIRECTOR OF)
INSURANCE OF THE STATE OF ILLINOIS,)

Plaintiffs,)

v.)

ENFIELD FARMERS MUTUAL INSURANCE,)
COMPANY, an Illinois domestic farm mutual)
company,)

Defendant.)

No. 11 CH 40700

AGREED ORDER OF LIQUIDATION

THIS CAUSE COMING TO BE HEARD upon the Verified Complaint for Liquidation, filed herein by the PEOPLE OF THE STATE OF ILLINOIS, on the relation of ROBERT E. WAGNER, Acting Director of Insurance of the State of Illinois (the "Director"), by and through their attorney, LISA MADIGAN, Attorney General of the State of Illinois, pursuant to the provisions of Article XIII of the Illinois Insurance Code (the "Code"), 215 ILCS 5/187, *et seq.*, against the Defendant, Enfield Farmers Mutual Insurance Company ("Farmers Mutual"); the Court having jurisdiction over the parties hereto and the subject matter hereof; the Court having

reviewed the pleadings filed herein and having considered the arguments of counsel thereon, and the Court then being otherwise advised in the premises, and for good cause appearing therefore;

THE COURT FINDS:

1. That as to Defendant, Farmers Mutual:

(A) Sufficient cause exists for the entry of an order for liquidation of the Defendant, Farmers Mutual; and

(B) Pursuant to Section 191 of the Code, 215 ILCS 5/191, this Order creates an estate comprising of all of the liabilities and assets of Farmers Mutual; and

(C) The Liquidator's statutory authority includes, without limitation, the following:

(i) Pursuant to Section 191 of the Code, 215 ILCS 5/191, the Liquidator is vested by operation of law with the title to all property, contracts, and rights of action of Farmers Mutual; and

(ii) Pursuant to Section 191 of the Code, 215 ILCS 5/191, the Liquidator is entitled to immediate possession and control of all property, contracts, and rights of action of Farmers Mutual; and

(iii) Pursuant to Section 191 of the Code, 215 ILCS 5/191, the Liquidator is authorized to remove any and all records and property of Farmers Mutual to his possession and control or to such other place as may be convenient for purposes of the efficient and orderly administration of Farmers Mutual's liquidation; and

(iv) Pursuant to Section 193(1) of the Code, 215 ILCS 5/193(1), the Liquidator is authorized to deal with the property, business and affairs of Farmers Mutual in his name, as Director, and the Court further Orders that the Liquidator is authorized to deal

with the property, business and affairs of Farmers Mutual either in his name as the Liquidator of Farmers Mutual, or in the name of Farmers Mutual, as the case may be; and

(v) Pursuant to Section 193(2) of the Code, 215 ILCS 5/193(2), the Liquidator, without the prior approval of the Court, is authorized to sell or otherwise dispose of any real or personal property of Farmers Mutual, or any part thereof, and to sell or compromise all debts or claims owing to Farmers Mutual having a value in the amount of Twenty-Five Thousand (\$25,000.00) Dollars, or less. Any such sale by the Liquidator of the real or personal property of Farmers Mutual having a value in excess of Twenty-Five Thousand (\$25,000.00) Dollars, and sale or compromise of debts owing to Farmers Mutual by the Liquidator where the debt owing Farmers Mutual exceeds Twenty-Five Thousand (\$25,000.00) Dollars shall be made subject to the approval of the Court; and

(vi) Pursuant to Section 193(3) of the Code, 215 ILCS 5/193(3), the Liquidator is authorized to bring any action, claim, suit or proceeding against any director or officer of Farmers Mutual or against any other person with respect to that person's dealings with the company including, but not limited to, prosecuting any action, claim, suit, or proceeding on behalf of the policyholders, creditors, or shareholders of Farmers Mutual; and

(vii) Pursuant to Section 194(b) of the Code, 215 ILCS 5/194(b), the Liquidator may, within two (2) years after the entry of the liquidation order prayed for herein or within such further time as applicable law permits, institute an action, claim, suit, or proceeding upon any cause of action against which the period of limitation fixed by

applicable law had not expired as of the filing of the complaint upon which said order was entered; and

(viii) Subject to the provisions of Section 202 of the Code, 215 ILCS 5/202, the Liquidator is authorized to appoint and retain those persons specified in Section 202(a) of the Code, 215 ILCS 5/202(a), and to pay, without the further order of this Court, from the assets of Farmers Mutual all administrative expenses incurred during the course of the liquidation of Farmers Mutual; and

(ix) Pursuant to Section 203 of the Code, 215 ILCS 5/203, the Liquidator shall not be required to pay any fee to any public officer for filing, recording or in any manner authenticating any paper or instrument relating to any proceeding under Article XIII of the Illinois Insurance Code, 215 ILCS 5/187 *et seq.*, nor for services rendered by any public officer for serving any process; and

(x) Pursuant to the provisions of Section 204 of the Code, 215 ILCS 5/204, the Liquidator may seek to avoid preferential transfers of the property of Farmers Mutual and to recover such property or its value, if it has been converted; and

(D) Pursuant to Section 194 of the Code, 215 ILCS 5/194, the rights and liabilities of Farmers Mutual, and of its respective policyholders, creditors and stockholders, and all other persons interested in its assets, except for those persons entitled to file contingent claims or to have their claims estimated, are fixed as of the date of the entry of the order of liquidation prayed for herein. The rights of persons entitled to file contingent claims or to have their claims estimated shall be determined as provided in Sections 209(4)(b), (6) and (7) of the Code, 215 ILCS 5/209(4)(b), (6) and (7); and

(E) Pursuant to Section 209(5) of the Code, 215 ILCS 5/209(5), the obligation of Farmers Mutual, if any, to defend or continue the defense of any claim or suit under a liability insurance policy, including a certificate of insurance, is terminated upon the entry of the order of liquidation prayed for herein.

IT IS HEREBY ORDERED THAT:

A. This Order of Liquidation is entered as to and against Farmers Mutual and the conservation of Farmers Mutual is hereby terminated; and

B. There being no just reason for delaying enforcement or appeal of this Order, this Order of Liquidation is a final order within the meaning of Illinois Supreme Court Rule 307(a)(5); and

C. Robert E. Wagner, Acting Director of Insurance of the State of Illinois, and his successors in office, is affirmed as the statutory liquidator (the "Liquidator") of Farmers Mutual, with all of the powers appurtenant thereto; and

D. Subject to the further orders of the Court, the Liquidator is authorized to take such actions as the nature of the cause and the interests of Farmers Mutual, its policyholders, creditors and stockholders, or the public may require including, but not limited to, the following:

(i) The Liquidator shall proceed to take immediate possession and control of the property, books, records, accounts, business and affairs, and all other assets of Farmers Mutual, and of the premises occupied by Farmers Mutual for the transaction of its business, and to marshal and liquidate the assets, business and affairs of Farmers Mutual pursuant to the provisions of Article XIII of the Code, *supra*, and the Liquidator is further directed and authorized to wind down and terminate the business and affairs of Farmers

Mutual, and to make the continued expenditure of such wages, rents and expenses as he may deem necessary and proper for the administration of the liquidation of Farmers Mutual; and

(ii) The Liquidator may both sue and defend on behalf of Farmers Mutual, or for the benefit of the certificate holders, policyholders and creditors of Farmers Mutual, in the courts either in his name as the Liquidator of Farmers Mutual, or in the name of Farmers Mutual, as the case may be; and

E. The caption in this cause and all pleadings filed in this matter shall read:

**"IN THE MATTER OF THE LIQUIDATION OF ENFIELD
FARMERS MUTUAL INSURANCE COMPANY"**

F. All costs of these proceedings are taxed and assessed against the Defendant, Farmers Mutual; and

G. Pursuant to its authority under Section 189 of the Code, 215 ILCS 5/189, the Court hereby issues the following mandatory and prohibitive injunctions:

(i) All accountants, auditors and attorneys of Farmers Mutual are ordered to deliver to the Liquidator, at his request, copies of all documents in their possession or under their control concerning or related to Farmers Mutual, and to provide the Liquidator with such information as he may require concerning any and all business and/or professional relationships between them and Farmers Mutual, and concerning any and all activities, projects, jobs and the like undertaken and/or performed by them at the request of Farmers Mutual, or its agents, servants, officers, directors and/or employees, or which Farmers Mutual may be, or is, entitled to as the result of its relationship with such accountants, auditors and attorneys; and

control of the property, business, books, records, accounts, premises and all other assets of Farmers Mutual, until the further order of this Court; and

(v) Any and all banks, brokerage houses, financial institutions and any and all other companies, persons or entities having knowledge of this Order having in its possession accounts and any other assets which are, or may be, the property of Farmers Mutual, are restrained from disbursing or disposing of said accounts and assets and are further restrained from disposing of or destroying any records pertaining to any business transaction between Farmers Mutual, and such banks, brokerage houses, financial institutions, companies, persons or entities having done business, or doing business, with Farmers Mutual, or having in their possession assets which are, or may be, the property of Farmers Mutual, and further, that each such person or entity is ordered to immediately deliver any and all such assets and/or records to the Liquidator; and

(vi) All agents and brokers of Farmers Mutual, and its agents, servants, representatives and employees, and all other persons, are restrained from returning any unearned premiums or any money in their possession, or under their control, collected from premiums upon policies, contracts or certificates of insurance or reinsurance previously issued by Farmers Mutual, to their policyholders, certificate holders or others, and all said agents and brokers, and agents, representatives, employees and servants of Farmers Mutual are directed to turn over all such funds in their possession or under their control, or to which they may hereafter acquire possession or control, to the Liquidator in gross and not net of any commissions which may be due thereon; and

H. All insurance policies heretofore issued by Farmers Mutual are hereby cancelled upon the entry of this Order of Liquidation.

I. This Court retains jurisdiction in this cause for the purpose of granting further relief as the nature of this cause may require and/or as the Court may deem proper in the premises.

ENTERED: **ENTERED**

Judge Presiding JAN 24 2012

Judge Richard J. Billik, Jr.
Circuit Court-1585

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