



**THE COURT FINDS:**

1. That the Relator, Mark Boozell, is the Director of Insurance of the State of Illinois (hereinafter "Director") and, as such, is charged under 215 ILCS 5/401 and 20 ILCS 1405/56 with the rights, powers and duties appertaining to the enforcement and execution of all of the insurance laws of the State of Illinois.

2. That the Defendant, Geneva Assurance Syndicate, Inc. (hereinafter "Geneva"), is a stock, property and casualty insurance syndicate on the Illinois Insurance Exchange, organized under and existing by virtue of the laws of the State of Illinois, having its principal place of business in the City of Chicago, County of Cook, State of Illinois. Further, that Geneva is a domestic company as defined by 215 ILCS 5/2(f).

3. That, pursuant to Section 190 of the Code, 215 ILCS 5/190, the facts stated in the Complaint and the Exhibit(s) thereto are to be taken as prima facie evidence of the facts therein recited, and no evidence to the contrary having been offered, the Court finds therefrom as follows:

(a) That for the reasons stated in the record herein, sufficient cause exists under Section 188 of the Code, 215 ILCS 5/188, for the entry of an order of liquidation against the Defendant, Geneva, based upon, without limitation, the following facts and circumstances:

- (i) the Defendant, Geneva, is insolvent;
- (ii) the Defendant, Geneva, is found to be in such condition that its further transaction of business would be hazardous to its policyholders, or to its creditors, or to the public;
- (iii) the Defendant, Geneva, is found to be in such condition that it could not meet the requirements for organization and authorization as required by law;

- (iv) a majority of the stockholders of the Defendant, Geneva, believe it is in the best interests of Geneva's policyholders and creditors, and of the general public, for Geneva not to oppose the entry of an order of liquidation; therefore, the Defendant, Geneva, has consented by a majority of its stockholders to the entry of this Order of Liquidation With a Finding of Insolvency .
- (b) That the Director has determined that a successful rehabilitation of Geneva is not feasible.
- (c) That it is in the best interest of the Defendant, Geneva, its policyholders, creditors, and the public that it be placed into liquidation in accordance with the provisions of Article XIII of the Code, supra.
- (d) That all of Geneva's assets have heretofore been applied in partial satisfaction of its outstanding obligations and that there remains substantial unpaid insurance contractual obligation justifying the implementation of the protection of the Illinois Insurance Exchange Guaranty Fund and the provisions of Section 15 of the Illinois Insurance Exchange Regulations, effective upon the date of the entry of this Order.

**IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED:**

A. That sufficient cause exists for the entry of an order of liquidation with a finding of insolvency against the Defendant, Geneva, and that this Order of Liquidation be and the same is hereby entered as, to and against Geneva Assurance Syndicate, Inc., with a finding of insolvency;

B. That Mark Boozell, Director of Insurance of the State of Illinois, and his successors in office, be and the same are hereby appointed as Liquidator of the Defendant, Geneva (hereinafter "Director" or "Liquidator"), and are hereby authorized and directed to take immediate possession and control of the property, books, records, accounts, business and affairs,

and all other assets of Geneva, and of the premises occupied by Geneva for the transaction of its business, and to marshal and liquidate the assets, business and affairs of Geneva pursuant to the provisions of Article XIII of the Illinois Insurance Code, 215 ILCS 5/187, et seq.; and to take such further action as the nature of the cause and the interests of Geneva, its policyholders, creditors and stockholders, or the general public may require, subject to the further orders of this Court; further, that the Director is hereby vested, as Liquidator, with title to all property, assets, contracts and rights of action of the Geneva, and that he is hereby authorized to deal with the property, assets, business and affairs of Geneva, and to sue and defend for Geneva, or for the benefit of Geneva's policyholders and creditors in the courts in his name as the Liquidator of Geneva, or in the name of Geneva;

C. That the Defendant, Geneva, its directors, officers, trustees, agents, servants, representatives and employees, and all other persons and entities, are hereby ordered to give immediate possession and control to the Liquidator of all property, books, records, accounts, and all other assets of the Defendant, Geneva, and of any and all premises occupied by the Defendant, Geneva, for the transaction of its business;

D. That all accountants, auditors and attorneys of the Defendant, Geneva, are hereby ordered to deliver to the Director copies of all documents, records and files in their in their possession or under their control concerning or relating to the Defendant, Geneva, and to provide the Director with such information as he may require concerning any and all business and/or professional relationships between them and the Defendant, Geneva, and concerning any and all activities, projects, jobs and the like undertaken and/or performed by them at the request of Geneva, or Geneva's officers, directors, agents, servants, representatives and/or employees, or which Geneva may be, or is, entitled to as the result of its relationship with such accountants, auditors and attorneys;

E. That the Director, as Liquidator, is hereby vested with the rights, title and interest in all funds recoverable under treaties and agreements of reinsurance heretofore entered into by

or on behalf of Geneva as the ceding insurer, and that all reinsurance companies involved with Geneva, are hereby restrained and enjoined from making any settlements with any claimant or policyholder of Geneva or any other person other than the Director as Liquidator, except with the written consent of the Director;

F. That all contracts, treaties and agreements of reinsurance wherein Geneva was, or is, the assuming or retrocessional reinsurer are hereby cancelled on a "cut off" basis; further, that all other treaties, contracts and agreements of reinsurance, wherein Geneva is the ceding company, shall remain in full force and effect pending a determination and recommendation by the Director as to when, and upon what terms, cancellation is appropriate;

G. That all banks, brokerage houses, and all other persons, companies or entities, having in their possession accounts or any other assets which are, or may be, the property of the Defendant, Geneva, are hereby ordered to deliver the possession and control of the same immediately to the Liquidator; and said banks, brokerage houses, and all other persons, companies and entities are hereby restrained and enjoined from disbursing or disposing of said accounts or assets; and all such persons, companies and entities are further enjoined and restrained from disposing of, or destroying, any records pertaining to any business transactions between the Defendant, Geneva, and all such banks, brokerage houses, and any other persons, companies or entities having done business, or doing business, with the Defendant, Geneva, without the express consent of the Liquidator, or until further order of this Court;

H. That all agents and brokers of the Defendant, Geneva, and their respective agents, employees, representatives and servants, and all other persons, are hereby restrained and enjoined from returning any premium, earned or unearned, or any other money in their possession, or under their control, collected in connection with policies, contracts, certificates or treaties of insurance or reinsurance previously issued, or to be issued, by Geneva to policyholders or others, and said agents and brokers, and their respective agents, employees, representatives and servants, and all other persons, are hereby 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 Liquidator, in gross and not net of any commissions which may be due thereon, until further order of this Court;

I. That the Defendant, Geneva, its directors, officers, agents, employees, representatives and servants, and all other persons, are hereby restrained and enjoined from further transacting the business of Geneva, or dealing with, or disposing of, the property or assets of Geneva, whether real, personal or mixed, without the express written consent of the Liquidator; or doing, or permitting to be done, any action which might waste or conceal the property or assets of Geneva Casualty, until further order of this Court;

J. That all persons, companies and entities are hereby restrained and enjoined from bringing, asserting or further prosecuting, any action or claim for relief, counterclaim, set-off, cross-claim, third-party complaint, or otherwise, at law or in equity, or in any other proceeding, whether in this State or elsewhere, against the Defendant, Geneva, or its property or assets, or the Director as its Liquidator, except insofar as those actions or proceedings arise in or are brought in these liquidation proceedings; from interfering, in any way, with the Director's conduct of the liquidation of Geneva; or from obtaining, asserting or enforcing preferences, judgments, attachments or other like liens, including common law retaining liens, or encumbrances, or the making of any levy against the Defendant, Geneva, or its property and assets while in the possession and control of the Director; and from interfering, in any way, with the Liquidator in his right, title and interest to the property, books, records, accounts, premises and all other assets of the Defendant, Geneva, until further order of this Court;

K. That all persons, companies and entities, including policyholders of Geneva, and all persons asserting claims against such policyholders, are hereby restrained and enjoined from instituting or pursuing any action or proceeding in any court or before any administrative agency, including boards and commissions administering worker's compensation or occupational diseases or similar laws of the State of Illinois, or of any other state or of the United States, which seek

in any way, directly or indirectly, to contest or interfere with the Director's exclusive right, title, and interest to funds recoverable under treaties and agreements of reinsurance heretofore entered into by or on behalf of Geneva as the ceding insurer;

L. That the rights and liabilities of Geneva, and of its policyholders, creditors, and stockholders, and of all other persons interested in Geneva's property or assets are hereby fixed as of the date of the entry of this Order of Liquidation, except as provided in Paragraph (M) herein, or as may otherwise be provided by further order of this Court;

M. That all direct policies and/or certificates of insurance heretofore issued by Geneva are hereby cancelled upon the following terms:

1. All direct policies and/or certificates of insurance which may give rise to "covered claims" of the Illinois Insurance Exchange Guaranty Fund, as defined in Section 15 of the Illinois Insurance Exchange Regulations, are hereby cancelled on the earliest of:
  - (a) At 12.01 a.m., local time of the insured or policyholder of any such direct policy and/or certificate of insurance, thirty-one (31) days after the date this Order of Liquidation is entered; or
  - (b) Upon the expiration date of any such direct policy and/or certificate of insurance, if the expiration date is less than thirty-one (31) days after the entry of this Order of Liquidation; or
  - (c) Upon the date the insured or policyholder of any such direct policy and/or certificate of insurance replaces the direct policy and/or certificate of insurance, or on request effects cancellation, if the insured or policyholder does so within thirty-one days after the entry of this Order of Liquidation.

2. All other direct policies and/or certificates of insurance issued by Geneva are hereby cancelled effective upon the entry of this Order of Liquidation.

N. That this Order of Liquidation With a Finding of Insolvency is hereby deemed a final order within the meaning of Illinois Supreme Court Rule 307(a)(5), and that there be no just reason for delaying enforcement and/or appeal hereof;

O. That the Director's operation of Geneva during the conservation proceeding and all acts taken by the Director and his deputies, agents, employees, attorneys, assistants and clerks in connection with such operation, are hereby authorized and approved; and further, that the Director is hereby authorized to pay administrative expenses, upon such subsequent approval of this Court as is necessary pursuant to Section 202 of the Code, 215 ILCS 5/202, including all attorneys' fees, accounting fees, consulting fees, and other administrative expenses incurred during the course of conservation;

P. That the Director, as Liquidator, is hereby directed and authorized to wind down and terminate Geneva's business and affairs, and to make the continued expenditure of such wages, rents and expenses as he may deem necessary and proper for administration of the liquidation of Geneva;

Q. That the Director, as Liquidator, is hereby directed to make periodic reports to this Court of the status of Geneva while in liquidation, and the Director, as Liquidator, is further directed to file with this Court, for its consideration, periodic reports of the Liquidator's receipts and disbursements of Geneva;

R. That the Director, as Liquidator, is hereby authorized to pay, from the assets of the Defendant, Geneva, those expenses incurred during the course of the liquidation of Geneva, 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, 215 ILCS 5/202;

S. That the Director, as Liquidator, is hereby authorized to sell, at a reasonable price, any items of personal property of Geneva having a market value of the amount of Twenty Five Thousand (\$25,000.00) Dollars, or less, without the prior approval of this Court, and the Director, as Liquidator, is hereby authorized to abandon or dispose of any items of personal property of Geneva having no sale value whatsoever, without the prior approval of this Court, and that any such sale, abandonment or disposal of the personal property of Geneva shall be reported by the Liquidator to this Court in his periodic reports of the receipts and disbursements of Geneva;

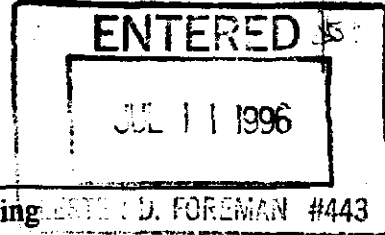
T. That all costs of these proceedings are hereby taxed and assessed against the Defendant, Geneva;

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

**"IN THE MATTER OF THE LIQUIDATION OF  
GENEVA ASSURANCE SYNDICATE, INC."**

V. That this Court shall retain jurisdiction in this cause for the purpose of granting such other and further relief as the nature of the cause and the interests of the Defendant, Geneva, its policyholders, creditors and stockholders, or of the public, may require.

ENTERED:



Judge Presiding ESTER D. FOREMAN #443

James E. Ryan  
Attorney General of Illinois  
Attorney for the PEOPLE OF  
THE STATE OF ILLINOIS

Roger P. Flahaven  
Andrew N. Levine  
Assistant Attorney General  
100 West Randolph Street  
Thirteenth Floor  
Chicago, Illinois 60601  
(312) 814-2822  
Attorney Code #99000

OF COUNSEL:

Peter G. Gallanis  
Dale A. Coonrod  
Counsel to the Receiver  
222 Merchandise Mart Plaza  
Suite 1450  
Chicago, Illinois 60654  
(312) 836-9500  
Attorney Code # 16819