IN THE CIRCUIT COURT OF JEFFERSON COUNTY, ALABAMA

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ANNE-MARIE ADAMS
Clerk

STATE OF ALABAMA, EX REL. JIM L. RIDLING, as Commissioner of Insurance, Plaintiff,	)	
v.	)	CIVIL ACTION NO. CV200901256
UNIVERSAL LIFE INSURANCE COMPANY, an Alabama corporation, Defendant.	)	

CONSENT ORDER OF REHABILITATION,
PERMANENT INJUNCTION,
APPOINTMENT OF RECEIVER, AND OTHER RELIEF

This cause was submitted to the Court upon the duly verified application of the Plaintiff for a temporary restraining order or a preliminary injunction, appointment of a Receiver and other appropriate relief as prayed for in the sworn Complaint filed in this matter.

On April 24, 2009, the parties appeared before this court whereupon Universal Life Insurance Company (Universal Life) agreed to the entry of a Consent Order of Rehabilitation, Permanent Injunction, and Other Relief without further delay and waived its right to a formal hearing on this issue.

As Universal Life has consented to the entry of a final order in this matter granting Plaintiff full and complete relief as requested in his sworn petition, this Court finds and orders that:

1. The petition for injunctive and other relief is filed in conformity with the applicable provisions of Title 27, *Code of Alabama 1975*, and the Alabama Rules of Civil Procedure. A

show cause order, as requested by the Plaintiff, is hereby granted. As Universal Life consented to the entry of a consent order of receivership without further delay and waived a formal hearing on this issue, therefore, a show cause hearing is not necessary, and a final order of rehabilitation is due to be immediately rendered. Any statutory references as to the date of the issuance of a show cause order shall mean the date of this final order.

2. Universal Life is a life and health insurance company domiciled in the state of Alabama with its principal place of business in Jefferson County, Alabama. This Court has jurisdiction over the parties and of the subject matter of this proceeding and finds that Universal Life is insolvent in the approximate amount of $493,777. An exact insolvency amount shall be determined at a later date. However, the financial condition of Universal Life as stated herein is a ground for the appointment of a Receiver. See Section 27-32-6(1), *Code of Alabama 1975.*

3. Commissioner Ridling has demonstrated to the Court's satisfaction that a permanent injunction and other relief requested in Plaintiff's Petition should be granted immediately because there is a real and present danger that the continued operation of Universal Life is hazardous to policyholders, creditors, and claimants of Universal Life, should such relief not be granted.

4. In accordance with Sections 27-32-1, *et seq.*, and other pertinent sections of Title 27, *Code of Alabama 1975*, Universal Life, its officers, directors, stockholders, policyholders, agents, and employees, all persons in active concert or participation with Universal Life, and all persons and other legal entities, are hereby restrained and enjoined until further order of the Court from:

A. Transacting any further business of Universal Life of whatever kind and nature except as hereinafter provided in further orders of this Court.

B. Exercising any direction, control or influence whatsoever over said business of Universal Life and its subsidiaries or their assets pending further order of this Court.

C. Interfering in any manner, either directly or indirectly, with the Receiver's operation of this receivership or in his possession or control of or in his title, right and interest to the property, books, records and all other assets of Universal Life as authorized by this or further order of this Court.

D. Commencing or further prosecuting any action in law or equity or administrative proceedings against Universal Life except in this Court; obtaining any preferences, judgment, attachments, or other liens against any of the property, personal or real of Universal Life; commencing or continuing any action in the nature of an attachment, garnishment or execution against any of the property, personal or real, of Universal Life making any levy, garnishment or execution of any of the property, personal or real, of Universal Life or its assets or any part thereof except in this Court.

E. Disposing of the property or assets of Universal Life or doing or permitting to be done any action which might waste the assets of Universal Life.

F. Returning any unearned premiums or any money in their possession collected as premiums for enrollment contributions to policyholders. Further, all persons are directed to turn over all funds of Universal Life in their possession, now or hereinafter acquired, to Denise B. Azar, as Receiver of Universal Life, who shall keep and maintain accurate reports of the receipt of any such funds and report same to the Court.

G. Asserting any claim or filing any action against the Alabama Commissioner of Insurance, the Receiver of Universal Life, or their agents and employees, except insofar as such claims or actions arise in the receivership proceedings of Universal Life presently before this Court.

5. Denise B. Azar, as Chief of the Receivership Division of the Alabama Department of Insurance (and her successors in office), pursuant to Sections 27-2-53 and Chapter 32 of Title 27, *Code of Alabama 1975*, is hereby appointed Receiver of all property, business, assets (general or other), affairs and estate of Universal Life, and is directed to take immediate possession, custody and control of said property, both real and personal, wherever subsequently found or located, including but not limited to the home office and other business premises and all rights of action, as well as the books, papers, documents of any kind and nature, evidence of debt and all other property and assets of every kind whatsoever belonging to Universal Life, including but not limited to, all real estate, stocks, bonds, checking and bank accounts, debentures, mortgages, fixtures, furniture, certificates of deposit, receivables, office supplies and rights of action of any kind.

6. Denise B. Azar, as Receiver of Universal Life, in accordance with Section 27-32-11, *et al., Code of Alabama 1975*, shall continue to operate the business of Universal Life with the purpose of rehabilitating, conserving and preserving said company under the present and further order and direction of the Court; that Denise B. Azar, as Receiver of Universal Life, shall proceed to collect any and all debts due said company and shall recommend to the Court reasonable remedies to the causes and conditions which have made receivership necessary, if such remedies exist and are feasible.

7. Denise B. Azar, as Receiver of Universal Life, shall have authority to negotiate sales of property, blocks of Universal Life policyholders, or other assets of Universal Life when necessary or desirable, but if she shall receive an offer for same, before making a private or

public sale, Denise B. Azar, as Receiver, shall report the terms of such offer to the Court for such action or approval as the Court may deem proper.

8. Denise B. Azar, as Receiver of Universal Life, is authorized and directed to hire legal, clerical, managerial and other employees necessary to carry on the business of Universal Life, and the Receiver is also authorized to rent or lease office facilities and to pay reasonable and necessary expenses and salaries incidental thereto.

9. Denise B. Azar, as Receiver of Universal Life, is hereby vested with all of the duties, rights, powers, obligations, immunities and authority placed upon the Commissioner of Insurance by Section 27-32-15 and other pertinent sections of the Alabama Insurance Code, now or hereinafter amended, as provided under the provisions of Sections 27-2-55, *Code of Alabama 1975*.

10. In accordance with Sections 27-2-51, 27-32-5(c) and 27-32-15(d), *Code of Alabama 1975*, neither the Insurance Commissioner nor the Receiver is required at this time to post a bond in connection with these receivership proceedings.

11. Denise B. Azar, as Receiver of Universal Life, is hereby authorized to apply to the Court for further instructions in the discharge of her duties as Receiver.

12. The Court reserves jurisdiction of this cause for such other orders on the premises and matters pertaining to this particular order or this cause in general as it may find necessary, appropriate or desirable to make from time to time and reserves jurisdiction generally of this cause.

DONE and ORDERED at Birmingham, Alabama, on this 24th day of April, 2009 at 10:25 A.M./P.M.

CIRCUIT JUDGE

COUNSEL OF RECORD FOR PLAINTIFFS:

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DEFENDANT MAY BE SERVED AT:

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