☐ EXPEDITE
☐ No Hearing is Set
☑ Hearing is Set
Date: November 4, 2005
Time: 9:00 A.M.
The Honorable Judge Gary Tabor

FILED
SUPERIOR COURT
THURSTON COUNTY WASH

'05 NOV -4 A10:43

BETTY J. GOULD CLERK
BY _____
DEPUTY

ORIGINAL

STATE OF WASHINGTON
THURSTON COUNTY SUPERIOR COURT

MIKE KREIDLER, INSURANCE COMMISSIONER, Petitioner, v. CASCADE NATIONAL INSURANCE COMPANY, Respondent.	NO. 04-2-02427-4 ORDER OF LIQUIDATION AND APPROVAL OF PLAN OF LIQUIDATION

THIS MATTER having come on regularly before the Court on the Verified Petition for Order of Liquidation and Approval of Plan of Liquidation ("Petition") filed by the Insurance Commissioner as Statutory Receiver of Cascade National Insurance Company, and the Court having determined that the grounds for the requested relief have been established, that Cascade National Insurance Company is insolvent, that rehabilitation of the insurer is not a viable option, and that delay would endanger the interests of policyholders, creditors, and the public, and the Court being otherwise fully advised in the premises, now therefore,

IT IS HEREBY ORDERED AS FOLLOWS:

1. Pursuant to Chapters 48.31 and 48.99 RCW, Insurance Commissioner Mike Kreidler, and his successor(s), is hereby appointed Statutory Receiver of Cascade

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National Insurance Company ("Cascade National" or "the Company"), Deputy Insurance Commissioner James T. Odiorne is hereby appointed Receiver of Cascade National, and Marshall McGinnis, Company Licensing Manager for the OIC, is hereby appointed Deputy Receiver of Cascade National. As used herein, the term "Receiver" includes the Statutory Receiver, the Receiver, and the Deputy Receiver.

2. Cascade National is declared to be insolvent. The Receiver is appointed for the purpose of liquidating Cascade National in accordance with the Plan of Liquidation filed in this matter. The Plan of Liquidation is approved and is incorporated by reference herein.

3. Pursuant to RCW 48.31.060 and other provisions of the Insurance Code, the Receiver shall forthwith take possession of all the assets, books, records, files, and reinsurance recoverables, and all of the property, real and personal, contracts, and rights of action of Cascade National located in the State of Washington or elsewhere ("Assets"), shall liquidate the business, shall deal with the property and business of Cascade National in his own name or in the name of Cascade National in receivership, and shall give notice to all creditors who may have claims against the insurer to present such claims. The Receiver shall administer the Assets of Cascade National under the general supervision of the Court.

4. The Receiver is authorized to sue or defend on behalf of Cascade National, or to do so in the interest of Cascade National's policyholders, creditors, and the public in the courts, tribunals, agencies, and arbitration panels of this State and any other states, and to take such other actions as the nature of this cause and the interests of the policyholders, creditors, and the public may require.

5. Cascade National, by and through its directors, trustees, officers, members, employees, agents, attorneys, representatives, investors, creditors, and all other persons shall surrender to the Receiver forthwith its premises, Assets, records,

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and documents pertaining to the business and Assets of Cascade National. Cascade National and its directors, trustees, officers, employees, members, agents, attorneys, representatives, investors, creditors, and all other persons are commanded to peacefully deliver up and surrender to the Receiver or the Receiver's agents or attorneys, all the Assets and records of Cascade National, all keys to all Cascade National premises and to safe deposit boxes, and to advise the Receiver of the combinations to any safes, safe-keeping devices, or restricted access entries of Cascade National.

6. Cascade National and its directors, trustees, officers, members, employees, agents, attorneys, representatives, investors, creditors, and all other persons are hereby enjoined and restrained from interfering with the Receiver's title, possession, control, and use of any and all, or any portion thereof, of the Assets of Cascade National; and from transferring, destroying, disposing of, removing, paying out, parting with, withdrawing, alienating or encumbering any of the Assets of Cascade National without the express written consent of the Receiver. Cascade National and its directors, trustees, officers, members, employees, agents, attorneys, representatives, investors, creditors, and all other persons are hereby enjoined and restrained from conducting the business of the company, except as authorized by the Receiver.

7. No bank, financial institution, or any other person having in their possession Assets or records belonging to Cascade National, or holding funds or deposits of Cascade National or any of its affiliates may offset said Assets, funds or deposits against any amounts owing to such bank, financial institution, or any other person without the express written consent of the Receiver.

8. RCW 48.31.131 prohibits an action at law or equity or in arbitration against the insurer or the Receiver, whether in this state or elsewhere, and additionally

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prohibits an existing action to be maintained or further presented after the issuance of this Order. The Receiver is specifically authorized to pursue all claims against third parties on behalf of the receivership estate of Cascade National, and to take all action necessary to pursue such claims, including the hiring of outside counsel or other necessary professionals.

9. The Receiver shall keep accountings of the liquidation proceedings of Cascade National, and render and file with the Court such accountings at such intervals as are deemed reasonable and/or necessary by the Receiver, but in no event less frequently than every ~~six months~~ Quarterly.

TJP

10. Upon entry of this Order, title to all the Assets of Cascade National hereby vests in the Receiver by operation of law.

11. The Receiver is authorized and directed to administer the Assets of Cascade National and conduct the receivership proceedings under the provisions of Title 48 RCW applicable to liquidation proceedings.

12. Pursuant to Chapters 48.31 and 48.99 RCW, absent further order of this Court or the express written consent of the Receiver, all persons are enjoined and restrained from:

a. Instituting or further prosecuting any action, at law or in equity, or in other proceedings to determine, enforce, collect, or assert any claims against Cascade National, its Assets, or the Receiver;

b. Asserting or obtaining preferences, judgments, attachments, garnishments, or other liens or encumbrances, or making any levy against Cascade National, its Assets, or the Receiver;

c. Taking any action or interfering in any way with the Receiver's title, possession, or control of Cascade National, or its Assets;

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d. Taking any other action that may lessen the value of Cascade National's Assets or prejudice the rights of Cascade National's creditors as a whole, its Assets, or the administration of the receivership proceeding; and

e. Taking any action that may waste, or wasting, Cascade National's Assets, in whole or in part.

13. Any person who violates an injunction issued in this matter or this Order may be liable to the Receiver and the estate of Cascade National for reasonable costs and attorneys' fees incurred in enforcing the injunction or any costs related thereto and any reasonably foreseeable damages.

14. Any attachments, garnishments, or other liens or encumbrances, or levies made, created, or perfected against Cascade National, its Assets, or the Receiver on or after the date of Cascade National being placed in receivership are set aside, voided, expunged, and released. A copy of this Order, as determined to be appropriate by the Receiver, may be recorded in state or local offices where instruments affecting title to property are regularly filed.

15. To effectively and efficiently administer the Assets of Cascade National, any claim against Cascade National, its Assets or the Receiver must be raised or asserted within this receivership proceeding, and in such instance, all persons are hereby enjoined and restrained from asserting such claim against Cascade National, its Assets or the Receiver which arise out of or in connection with or as a result of this receivership, except insofar as such claim is brought in this proceeding.

16. The Clerk shall provide the Receiver with sixty (60) certified copies of this Order and additional copies as are needed by the Receiver without charge as required under RCW 48.31.230. In addition, filing fees for this action are waived for the Receiver pursuant to RCW 48.31.230.

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17. This Court reserves jurisdiction to amend this Order or the Plan of Liquidation or issue such further orders as it deems just, necessary, and appropriate.

IT IS SO ORDERED this 4 day of Nov, 2005.

THE HONORABLE JUDGE GARY R. TABOR

Presented by:
ROB MCKENNA
Attorney General

CHRISTINA GERSTUNG BEUSCH
WSBA # 18226
Assistant Attorney General
Attorneys for Office of the Insurance Commissioner

Approved as to form,
Notice of Presentation Waived

Eisenhower & Carlson, PLLC
Attorney for Columbia State Bank
WSBA # 15193

Approved As To Form

Michael Abrecht