

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF INGHAM

In the Matter of CADILLAC INSURANCE COMPANY,
IN LIQUIDATION

BILL SCHUETTE, Attorney General
of the State of Michigan, ex rel
ANN E. FLOOD, Director of the
Department of Insurance and Financial Services
of the State of Michigan,

File No.: 89-64126-CR

Hon. William E. Collette

Petitioners,

vs.

CADILLAC INSURANCE COMPANY,
a Michigan Corporation,

Respondent.

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ORDER GRANTING LIQUIDATOR'S VERIFIED PETITION
FOR FINDING OF COMPLIANCE WITH PRIOR COURT ORDERS,
APPROVING FURTHER PLANS FOR CLOSURE OF THE ESTATE
AND FOR RELATED RELIEF

At a session of said Court held in the City of Mason, County
of Ingham, State of Michigan on: Dec. 18, 2013

PRESENT: HON. _____
CIRCUIT COURT JUDGE

Factual Findings and Recitals

The Court placed Cadillac Insurance Company (“Cadillac”) in formal liquidation proceedings (“Receivership”) under former Chapter 78 of the Michigan Insurance Code of 1956, MCL 500.7800 *et seq.*, by its order entered January 2, 1990 (“Liquidation Order”);

The Court appointed, pursuant to statute, the then-Insurance Commissioner (n/k/a the Director of the Department of Insurance and Financial Services (“DIFS”)) as Liquidator of Cadillac (the “Liquidator”) and directed the Liquidator to take immediate possession of the assets of Cadillac and to administer those assets under the Court’s general supervision;

The Liquidation Order by operation of law vested legal title to all assets and moneys of Cadillac in the Liquidator;

The Liquidator, or his predecessors, have, since the entry of the Liquidation Order on January 2, 1990, taken possession of Cadillac’s assets, marshaled assets, compromised claims, mitigated liabilities, sought and received recoveries from various individuals and entities, made distributions of assets and administered the business of Cadillac as provided in former Chapter 78 of the Insurance Code of 1956;

The Court (through Ingham County Circuit Court Judges Carolyn Stell, Michael G. Harrison and William E. Collette) has supervised the Liquidation of Cadillac since January 2, 1990, and supervised the previous conservatorship of Cadillac, also under former Chapter 78 of the Michigan Insurance Code of 1956, beginning in 1989;

During the Receivership, the Court has had exclusive jurisdiction over creditor claims against Cadillac;

The Liquidator, with the Court’s supervision and approval, has adjudicated creditor claims and has amicably resolved the priority and value of all such claims;

The Court has entered many orders throughout the course of the Receivership directing the actions of the Liquidator;

The Liquidator has implemented the orders of the Court and has made distribution, within the limits of available financial resources, to parties entitled to distributions thereunder;

The Court has supervised the implementation and application of its orders;

The Court has reviewed the Interim Reports and Accountings for the Receivership for the period of January 2, 1990, through September 30, 2013, which are on public file with the Ingham County Circuit Court, and which are incorporated and adopted herein by reference;

The Liquidator has filed a Verified Petition for Finding of Compliance with Prior Court Orders, Order Approving Further Plans for Closure of the Estate and for Related Relief (“Petition”) and has served it on all persons/entities and/or their counsel who are known to have outstanding or ongoing claims, suits or controversies that affect or that are or may be affected by the Receivership proceeding, consistent with the prior orders of the Court regarding such service. Further, the Liquidator posted a copy of the Petition on the State of Michigan website along with the other Cadillac documents previously posted there;

The Court has reviewed the Petition and has heard argument on it;

No timely response or objection to the Petition was filed with the Court;

The Court has knowledge of the matters brought before the Court for review and approval;

and

Having reviewed the Petition, the Court finds its averment of facts to be accurate and true.

Order

This final Order is based upon the foregoing findings and the extensive and public record of these proceedings from January 2, 1990, to December 18, 2013.

The Court FINDS that service of the Petition and Notice of Hearing as specified in the Petition, in the Proof of Service filed simultaneously with the Petition and the supplemental Proof of Service filed with the Court is adequate, full, fair and sufficient notice of the bases for and relief sought therein by the Liquidator, that such notice is in compliance with applicable law, and that no other notice is required in connection with the Petition.

IT IS ORDERED that because no response of any type or kind to the Liquidator's Petition was filed with this Court by December 11, 2013, ALL OBJECTIONS TO THE LIQUIDATOR'S PETITION ARE COMPLETELY AND FOREVER BARRED.

IT IS FURTHER ORDERED that the Liquidator's Petition is GRANTED for the reasons stated herein and on the record.

IT IS FURTHER FOUND AND ORDERED that all actions taken or not taken by the Liquidator, the Deputy Liquidator, their respective predecessors and successors, the Receivership staff, agents, assigns, accountants, counsel for the Liquidator and/or for Cadillac from the inception of the liquidation proceeding through the date of this Order, have been properly executed, and that such actions meet, have met or will meet the requirements of former Chapter 78 of the Insurance Code, the prior orders of this Court and, in general, the law of the State of Michigan as ascertained by and reviewed by this Court from January 2, 1990, through the date of entry of this Order and, if in accordance with the terms of this Order, then also for any such other actions taken in connection with carrying out the mandates of or pursuant to this Order.

IT IS FURTHER ORDERED that all claims and actions against the Liquidator, the Deputy Liquidator and/or their respective predecessors, successors, officers, directors, agents, attorneys, accountants and assigns, for all actions taken or not taken, events and/or occurrences on or after January 2, 1990, through the date of entry of this final Order, and if in accordance with the terms of this final Order then also for any such other actions taken in connection with carrying out the

mandates of or pursuant to this final Order, are and shall be COMPLETELY AND FOREVER BARRED, whether such claims are reduced to judgment or not, liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, or known or unknown.

IT IS FURTHER ORDERED that, consistent with MCR 2.604(B), this Court expressly DETERMINES that there is no just reason for delay and, therefore, the Court DIRECTS that ALL PRIOR ORDERS of this Court entered in this action (other than Orders already made final orders by their terms) ARE DEEMED TO BE FINAL ORDERS EFFECTIVE UPON ENTRY OF THIS ORDER.

IT IS FURTHER ORDERED that the Liquidator's plan for closure, as set forth in the Petition, is APPROVED, with the understanding that the plan will be implemented on substantially the terms presented to this Court, with adjustments as deemed necessary or prudent by the Liquidator, and which, in the aggregate are not materially different from or inconsistent with the plan presented in the Petition and approved herein.

IT IS FURTHER ORDERED that the transfers of unclaimed property consistent with MCL 500.8145(1) that are described in the Petition are APPROVED and RATIFIED.

IT IS FURTHER ORDERED that the Liquidator and the Deputy Liquidator are AUTHORIZED to execute such documents and take such other actions as may be required to implement the approved closure plan and this Order.

IT IS FURTHER ORDERED, pursuant to court rule, that the Court expressly DETERMINES that there is no just reason for delay, and therefore DIRECTS that this Order is a FINAL ORDER. See MCR 2.604(B); MCR 7.203(A); MCR 7.204(A).

WILLIAM E. COLLETTE
CIRCUIT COURT JUDGE