

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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**FINAL ORDER GRANTING LIQUIDATOR'S VERIFIED PETITION
TO APPROVE THE ACTIONS OF THE LIQUIDATOR,
DISCHARGE THE LIQUIDATOR, TERMINATE RECEIVERSHIP,
DISSOLVE INSURANCE CORPORATION, CLOSE THE CASE
AND FOR RELATED RELIEF**

At a session of said Court held in the City of Mason, County
of Ingham, State of Michigan on: Aug 6, 2019

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 her predecessors, have, since the inception of the Receivership on October 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 a full distribution 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, or her predecessors, 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 full 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;

On December 18, 2013, the Court entered its 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 ("Compliance Order"), which 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 through the date of the Compliance Order had 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 and reviewed by this Court from January 2, 1990, through the date of entry of the Compliance Order, and if in accordance with the terms of the Compliance Order, then also for any such other actions taken in connection with carrying out the mandates of or pursuant to the Compliance Order;

The Liquidator has filed a Verified Petition to Approve the Actions of the Liquidator, Discharge the Liquidator, Terminate Receivership, Dissolve Insurance Corporation, Close the Case and For Related Relief ("Petition to Terminate") 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 to Terminate on the State of Michigan website along with the other Cadillac documents previously posted there;

The Court has reviewed the Petition to Terminate and has heard argument on it;
No timely response or objection to the Petition to Terminate 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 to Terminate, 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 August 6, 2014.

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

The Court further FINDS that the liquidation of Cadillac has been accomplished and that all assets justifying the expense of collection and distribution have been collected and distributed consistent with former Chapter 78 of the Insurance Code of 1956.

IT IS ORDERED that because no response of any type or kind to the Liquidator's Petition to Terminate was filed with this Court by July 30, 2014, ALL OBJECTIONS TO THE LIQUIDATOR'S PETITION TO TERMINATE ARE COMPLETELY AND FOREVER BARRED.

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

IT IS FURTHER FOUND AND ORDERED that consistent with the Petition to Terminate and the Court's review of the extensive matters of record, all actions taken or not taken by the Liquidator, the Deputy Liquidator, the Receivership staff, agents, assigns, accountants, counsel for the Liquidator and/or for Cadillac since entry of the Compliance Order (including, without limitation, any ministerial actions taken post-closure) 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 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.

IT IS FURTHER ORDERED that the arrangements for closing the Estate's offices and terminating its accounts, the disposition of the Furniture, the transfer of unclaimed property consistent with MCL 500.8145(1), arrangements for storage, shipping and eventual destruction of Cadillac Estate documents and other actions taken or to be taken by the Liquidator, Deputy Liquidator, receivership staff, agents, accountants and counsel to the Liquidator or to Cadillac as described in the Petition to Terminate are APPROVED and RATIFIED.

IT IS FURTHER ORDERED that, with respect to Cadillac Estate documents as to which an order permitting destruction of documents has not previously been entered, the destruction of all such documents, including computer hardware and software on which any such documents are stored, on or after the date that is FIVE YEARS after the entry date of the Final Order, IS APPROVED absent entry of any order to the contrary prior to that date.

IT IS FURTHER ORDERED that the Liquidator and the Deputy Liquidator are fully, finally and unconditionally DISCHARGED AND RELEASED from any duties, responsibilities or obligations with respect to the liquidation estate of Cadillac, and that from and after entry of this

Final Order the Liquidator and Deputy Liquidator shall have no further responsibility or obligation under former Chapter 78 of the Insurance Code or the laws of the State of Michigan with respect to any matter relating to the Receivership of Cadillac.

IT IS FURTHER ORDERED that, because this Final Order terminates the receivership estate of Cadillac, the Liquidator and Deputy Liquidator are relieved of any and all obligations to file annual reports, interim accountings or other periodic reports or accountings with this Court, the Department of Insurance and Financial Services or any other entity, but that the Director of DIFS, or appropriate successor, may file any permitted petitions as specifically set forth in this Order.

IT IS FURTHER ORDERED that the Liquidator, the Deputy Liquidator and their respective predecessors and successors, the Receivership staff, agents, assigns, accountants, counsel for the Liquidator and/or for Cadillac are fully, finally and unconditionally RELEASED FROM ANY AND ALL CLAIMS OR LIABILITIES with respect to any and all actions taken or not taken, events and/or occurrences with respect to the receivership and liquidation estate of Cadillac from and after January 2, 1990, up to and including 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.

IT IS FURTHER ORDERED that ALL CLAIMS AND CAUSES OF ACTION against the Liquidator, the Deputy Liquidator, their respective predecessors and successors, the Receivership staff, agents, assigns, accountants, counsel for the Liquidator and/or for Cadillac (including, without limitation, any ministerial actions taken post-closure) for any and 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 FOUND, ORDERED AND ADJUDGED that, having been found in the Liquidation Order to be insolvent and having remained insolvent during the term of the Liquidation proceeding, consistent with MCL 500.8120 and this Court's order dated February 14, 2011, the Cadillac corporate entity is DISSOLVED upon entry of this Final Order discharging the Liquidator.

IT IS FURTHER ORDERED that the receivership/liquidation of Cadillac is TERMINATED.

IT IS FURTHER ORDERED that this FINAL ORDER disposes of all pending matters, and that this case is CLOSED.

IT IS FURTHER ORDERED that although this case is now closed, the Clerk is directed to accept and file any petitions permitted by this Order.

IT IS FURTHER ORDERED that this Court retains jurisdiction to enforce the terms of this Final Order.

IT IS FURTHER ORDERED that the Director of DIFS may, consistent with MCLA 500.8147, petition this Court, at any time, to reopen the proceedings for the purpose of enforcing any right of the Liquidator or any agreement into which the Liquidator has entered, including, but not limited to, settlement agreements and contracts of any kind. Upon such petition by the Director or her duly-appointed successor only, this matter will be reopened solely for the purpose of enforcing any right of the Liquidator or agreement as to which the Liquidator is a party or for the purpose of undertaking any action deemed necessary or prudent by the Director.

WILLIAM E. COLLETTE

CIRCUIT COURT JUDGE