

NINETEENTH JUDICIAL DISTRICT COURT FOR THE
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

NUMBER: 1250039

SECTION 27

JAMES J. DONELON, COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA

VERSUS

SABINE MUTUAL BENEVOLENT FUNERAL ASSOCIATION

FILED: _____

DEPUTY CLERK

ORDER OF REHABILITATION AND INJUNCTIVE RELIEF

CONSIDERING the foregoing verified Petition for Rehabilitation filed under the provisions of La. R.S. 22:2001, et seq., and the law and the evidence entitling the parties to the relief sought herein, and the Court being satisfied from the allegations therein and finding that the defendant named herein is an insurer as defined in and under Louisiana law and that the interests of creditors, policyholders, and the public would be endangered by delay, and the Court finding that the law and the evidence is in favor of granting the relief prayed for herein,

IT IS ORDERED, ADJUDGED AND DECREED that sufficient cause exists for the Rehabilitation of Sabine Mutual Benevolent Funeral Association ("SABINE").

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that SABINE shall be and hereby is placed into rehabilitation under the direction and control of the Commissioner of Insurance for the State of Louisiana (the "Commissioner"), his successors and assigns in this office and his agent, designees, and/or employees, subject to the further written orders of this Court and that the Commissioner be appointed as Rehabilitator and Ralph Gaubert be appointed as Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to La. R.S. 22:2006, the Commissioner, his agents and/or employees, shall be and hereby are directed to immediately take possession and control of the property, business, affairs, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, software, electronic data, e-mail, websites, books, records, accounts, copyrights, trademarks, patents, and all other assets of SABINE, including all real property, whether in the possession of SABINE or its officers, directors, employees, managers, trustees, agents, adjustors, accountants,

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actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, or agents, and of the premises occupied by SABINE for its business, conduct all of the business and affairs of SABINE, or so much thereof as he may deem appropriate, manage the affairs of SABINE, and to rehabilitate same, until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner shall be and hereby is vested by operation of law with the title to all property, business, affairs, accounts, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, records and other assets of SABINE as of the date of this order of rehabilitation.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that SABINE, its policyholders, members, officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, creditors, banks, savings and loan associations, and/or other entity or person acting for or on behalf of SABINE shall be and hereby are enjoined from disposing of the property, business, affairs, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, software, electronic data, e-mail, websites, books, records, accounts, copyrights, trademarks, patents, and all other assets of SABINE, including all real property, and from the transaction of the business of SABINE, except with the concurrence of the Commissioner, until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to La. R.S. 22:2006, any and all persons and entities shall be and hereby are enjoined from obtaining preferences, judgments, attachments or other like liens or the making of any levy against SABINE, its property and assets while in the Commissioner's possession and control.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that in accordance with La. R.S. 22:2006 the Commissioner shall be and hereby is immediately vested with the authority to enforce or cancel, for the benefit of SABINE policyholders, members, and SABINE, contract performance by any party who contracted with SABINE, and for such other relief as the nature of the case and the interest of SABINE, SABINE's policyholders, members, creditors or the public

may require.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner shall be and hereby is entitled to permit such further operation of SABINE as he may deem necessary to be in the best interests of the policyholders, members, and creditors of SABINE and the orderly rehabilitation of SABINE.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all authority of all officers, directors, and managers of SABINE shall be and hereby is suspended and all authority of said officers, directors and managers be and hereby is vested in the Commissioner.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner and Receiver of SABINE and his assistants shall be and hereby are allowed and authorized to:

- a) Employ and authorize the compensation of accountants, clerks, and attorneys, or assistants as he deems necessary, and authorize the payment of the expenses of these proceedings and the necessary incidents thereof, as approved by the Court, out of the funds or assets of SABINE in the possession of the Commissioner and the Receiver or coming into SABINE's possession;
- b) Defend or not defend legal actions wherein SABINE or the Commissioner or Receiver is a party defendant, commenced prior to or subsequent to the entry of the order herein, without the authorization of the Court, except, however, in actions where SABINE is a nominal party, as in certain foreclosure actions and the action does not affect a claim against or adversely affect the assets of SABINE, the Commissioner or Receiver may file appropriate pleadings in his discretion;
- c) Commence and maintain all legal actions necessary, wherever necessary, for the proper administration of this rehabilitation proceeding;
- d) Collect all debts, which are economically feasible to collect and which are due and owing to SABINE;
- e) Take possession of all of SABINE's securities and certificates of deposit on deposit with any financial institution or any other person or entity, if any, and convert to cash so much of the same as may be necessary, in his judgment, to pay the expenses of administration of rehabilitation.
- f) Issue endorsements on existing policies.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any officer, director, manager, trustee, agent, adjustor, contractor, or third party administrator of SABINE and any person who possesses or possessed any executive authority over, or who exercises or exercised any control over any segment of SABINE's affairs shall be and hereby are required to fully cooperate with the Commissioner, the Receiver and his assistants, notwithstanding their dismissal pursuant to this order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all attorneys employed by SABINE as of the date of the order entered herein shall, within ten (10) days notice of the order entered herein, report to the Receiver or Commissioner on the name, company, claim

number and status of each file they are handling on behalf of SABINE. Said report shall also include an account of any funds received from or on behalf of SABINE. All attorneys described herein are hereby discharged as of the date of this order unless the Receiver or Commissioner retains their services in writing. All attorneys employed by SABINE who are in possession of litigation files or other material, documents or records belonging to or relating to work performed by the attorney on behalf of SABINE shall deliver such litigation files, material, documents or records intact and without purging to the Receiver notwithstanding any claim of a retaining lien, which, if otherwise valid, shall not be extinguished by such turn-over of documents.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that reinsurance amounts due to or payable by SABINE shall be remitted to, or disbursed by the Receiver at the Receiver's discretion and with the consent of the court where required by law. The Receiver shall handle reinsurance losses recoverable or payable by SABINE. All correspondence concerning reinsurance shall be between the Receiver and the reinsuring company or intermediary unless otherwise authorized by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any bank, savings and loan association, financial institution, and any other person or entity which has on deposit, including statutory deposits, in its possession, custody or control any funds, accounts and any other assets of SABINE, shall be and hereby is ordered to immediately transfer title, custody and control of all such funds, accounts, or assets to the Receiver, and instructed that the Receiver has absolute control over such funds, accounts and other assets. The Receiver may change the name of such accounts and other assets withdraw them from such bank, savings and loan association or other financial institution or take such lesser action necessary for the proper conduct of this receivership. No bank, savings and loan association, or other financial institution, person or entity shall freeze or place a hard hold on, or exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any bank, savings and loan association, financial institution, and any other person or entity which has on deposit, in its possession, custody or control any funds, accounts and any other assets of SABINE, shall not be permitted to freeze or place a hard hold on, or exercise any form of set-off, alleged set-off, lien, any form of self-help whatsoever, or refuse to transfer any funds or assets to the control of the

Commissioner, the Receiver or his appointees without the permission of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any entity furnishing telephone, water, electric, sewage, garbage or trash removal services to SABINE shall maintain such service and transfer any such accounts to the Receiver as of the date of the order entered herein, unless instructed to the contrary by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that upon request by the Receiver, any company providing telephone services to SABINE shall provide a reference of calls from the number presently assigned to SABINE to any such number designated by the Receiver or perform any other services or changes necessary to the conduct of the receivership of SABINE.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any data processing service which has custody or control of any data processing information and records, including, but not limited to, source documents, data processing cards, input tapes, all types of storage information, master tapes or any other recorded information relating to SABINE shall be and hereby are required to transfer custody and control of such records to the Commissioner.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the United States Postal Service shall be and hereby is directed to provide any information requested by the Receiver regarding SABINE and to handle future deliveries of SABINE's mail as directed by the Receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner and his assistants shall be and hereby are authorized to conduct an investigation of SABINE and its subsidiaries and affiliates to uncover and make fully available to the Court the true state of SABINE's financial affairs. In furtherance of this investigation, SABINE, its subsidiaries, its affiliates, owners, officers, directors, managers, trustees, agents, employees, servants, adjustors, accountants, actuaries, attorneys, contractors, consultants, or third party administrators, SABINE shall make all books, documents, accounts, records and affairs, which either belong to or pertain to SABINE available for full, free and unhindered inspection and examination by the Commissioner during normal business hours, Monday through Friday, from the date of the order entered herein. SABINE and the above-specified entities shall fully cooperate with the Commissioner, including, but not limited to, the taking of oral testimony under oath of SABINE and its officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, and subsidiaries and any other person or entity who possesses any executive authority over, or who

exercises any control over, any segment of the affairs of SABINE in both their official, representative, and individual capacities and the production of all documents that are calculated to disclose the true state of SABINE's affairs.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that SABINE shall not engage in any advertising or solicitation whatsoever.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that SABINE, its members, policyholders, officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, and any other partnership, company or entity controlled by same and/or other persons acting for or on behalf of SABINE, or subject to their control, and all other persons or entities who have access to, control or possession of the property, assets, and affairs of SABINE shall be and hereby enjoined:

- a) from disposing of or encumbering any of the property or assets of SABINE;
- b) from disposing of any records or other documents belonging of SABINE or relating to the business and affairs of the of SABINE;
- c) from the transaction of any business by, for, or on behalf of SABINE, including, but not limited to:
 - i) writing, issuance or renewal of any certificate of coverage, insurance policy, binder, or endorsement to an existing policy or certificate of coverage;
 - ii) payment of claims and of any policy or certificate of coverage benefits;
 - iii) incurring of any claim or loss adjustment expense;
 - iv) incurring of any debt or liability; and
 - v) interfering with the acquisition of possession by the exercise of dominion and control over the property of SABINE by the Commissioner or the Commissioner's conduct of the business and affairs of SABINE.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any and all individuals and entities shall be and hereby are enjoined from instituting and/or taking further action in any suits, proceedings, and seizures against SABINE, the Commissioner in his capacity as rehabilitator of SABINE, the Receiver, and any affiliates, subsidiaries, insurers, its officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, subsidiaries, affiliates, or representatives of same, to prevent any preference, judgment, seizure, levy, attachment, or lien being rendered against SABINE, its estate and assets, and/or its members and/or policyholders, the Commissioner

in his capacity as rehabilitator and/or liquidator, the Receiver, any affiliates, subsidiaries, insurers, its officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators of same, and the making of any levy against SABINE, its property or assets.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, except with the concurrence of the Commissioner or until further written order of this Court, all suits, proceedings, and seizures against SABINE and/or its respective policyholders and/or members shall be and hereby are stayed in order to prevent the obtaining of any preference, judgment, seizure, levy, or lien, and to preserve the property and assets of SABINE, including, but not limited to, suits and proceedings and all litigation where:

- a) SABINE is a party;
- b) A policyholder or any other person who is named as a party to the litigation claims insurance coverage under any policy of insurance, issued or assumed by SABINE;
- c) The litigation involves or may involve the adjudication of liability or determines any possible rights or obligations of any policyholder or person as to any insurance policy issued or assumed by SABINE, or determines any possible future liability of SABINE with regard to any insurance policy issued or assumed by SABINE;
- d) SABINE would otherwise be obligated to provide a defense to any party in any court pursuant to any policy of insurance, issued or assumed by SABINE;
- e) The ownership, operations, management and/or control of SABINE is at issue; and
- f) Any party is seeking to create, perfect or enforce any preference, judgment, attachment, lien or levy against SABINE or its assets or against any member, and/or policyholder of SABINE.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any action in any suit or proceeding against the Commissioner in his capacity as Rehabilitator of SABINE, the Receiver, and/or any attorney in his capacity as attorney for the Commissioner in his capacity as rehabilitator of SABINE, and their representatives, agents, employees, or attorneys, when acting in accordance with this Order and/or as Rehabilitator, Receiver, or Deputy Receiver of SABINE are barred.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there shall be no liability on the part of, and that no cause of action of any nature shall exist against the Commissioner in his capacity as Commissioner and/or regulator of SABINE, the Receiver and/or any attorney in his capacity as attorney for the Commissioner as Commissioner and/or regulator of SABINE, and/or their assistants, representatives, agents, employees, or attorneys, for any action taken by them when acting in accordance with the orders of this Court and/or in the performance

of their power and duties as Rehabilitator, Receiver, Commissioner and/or regulator of SABINE

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any and all individuals and entities shall be and hereby are enjoined from seeking to collect and/or collecting any amounts claimed as payment for services rendered to SABINE, its members and/or policyholders from any said member and/or policyholder of SABINE.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that any and all individuals and entities shall be and hereby are enjoined from interfering with these proceedings, or with the Commissioner's possession and control; from interfering with the conduct of the business of SABINE by the Commissioner; from wasting the assets of SABINE, and from obtaining preferences, judgments, attachments or other like liens or the making of any levy against SABINE or its property and assets while in the possession and control of the Commissioner.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all premiums and all other debts and payables due to SABINE shall be paid to the Commissioner.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner shall be and hereby is permitted to notify every holder of a contract of insurance issued by SABINE and every known creditor of SABINE of the order of rehabilitation and injunction entered herein within forty-five (45) days of the date of this order, notwithstanding the provisions of La. 22:2011.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner be and hereby is granted all legal and equitable relief as may be necessary to fulfill his duties as Rehabilitator and for such other relief as the nature of the case and the interests of SABINE's members, policyholders, creditors, or the public, may require, including but not limited to the Receiver's appointment and authorization to prosecute all action which may exist on behalf of SABINE members, policyholders, or creditors against any existing or former officer, director or employee of SABINE or any other person.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all contracts between SABINE and any and all persons or entities providing services to SABINE and its policyholders or members shall remain in full force and effect unless canceled by the Receiver, until further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commissioner be and hereby is granted all legal and equitable relief as may be necessary to fulfill his duties as

Commissioner and for such other relief as the nature of the case and the interests of SABINE's members, policyholders, creditors, or the public, may require.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that SABINE, and all interested persons appear and show cause show cause on Aug. 8, 2016 at 10:30a.m. why this Court should not find, order and declare that sufficient cause exists for the rehabilitation of SABINE and further order and direct the Commissioner, the Receiver, his agents and/or employees to take and/or maintain possession of all the affairs, property, business, books, records, claim files, account, bank accounts, safety deposit boxes, statutory deposits, computers, all primary and secondary storage media, social media (including, but not limited to Facebook and Twitter accounts), documents, claims files, software, electronic data, e-mail, websites, copyrights, trademarks, patents, and all other assets of SABINE, all real property and the premises occupied by SABINE, whether in possession of SABINE or its officers, directors, employees, managers, trustees, agents, adjustors, accountants, actuaries, attorneys, contractors, consultants, third party administrators, or any other person acting on behalf of SABINE to conduct SABINE's business and rehabilitate same according to law; and why the other relief prayed for and granted herein should not be continued.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Matthew Stewart, Norrie Falgoust, Jimmy Henry, and Rudy Babin be and hereby are appointed as Process Servers for service of all process and further pleadings on SABINE.

Baton Rouge, Louisiana, this 21st day of July, 2016

JUDGE, NINETEENTH JUDICIAL DISTRICT COURT

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