



IN THE CIRCUIT COURT OF THE
SECOND JUDICIAL CIRCUIT, IN AND
FOR LEON COUNTY, FLORIDA

STATE OF FLORIDA, ex rel.,)
The Department of Insurance,)
Relator,)
vs.)
AMERICAN ROYAL SYNDICATE,)
INC., a Florida)
corporation.)
Respondent.)
_____)

CIVIL ACTION NO.: 91-523

ORDER TO SHOW CAUSE, TEMPORARY
INJUNCTION AND NOTICE OF AUTOMATIC STAY

THIS CAUSE was considered on the Petition of the Department of Insurance for an Order to Show Cause on the appointment of a Receiver of AMERICAN ROYAL SYNDICATE, INC., for purposes of liquidation. The Court having considered the matters set forth in said Petition and being otherwise advised in the premises, it is

ADJUDGED and ORDERED as follows:

1. AMERICAN ROYAL SYNDICATE, INC. (herein "Respondent"), shall appear before the Honorable (N. Sanders Sauls), Circuit Judge, in his Chambers, 365² 330, Leon County Courthouse, Tallahassee, Florida, at 1:00 p.m., on May 16, 1991, to show good cause, if any, why the Department of Insurance of the State of Florida should not be appointed Receiver of Respondent for the purpose of liquidation in accordance with Chapter 631, Part I, Florida Statutes. Respondent shall serve its answer including all defenses or other matters the Respondent

wishes to raise in opposition to the Department's petition, if any, together with any evidence, documents and a list of witnesses, and a summary of their expected testimony, the Respondent intends to present at hearing, within 20 days of the service of this Order.

2. To protect insureds and prospective insureds in the event a receiver is appointed, Respondent and its officers, directors, managers, agents and employees are enjoined and restrained from issuing any endorsements, new or renewal policies of any nature, direct, indirect, or reinsurance, until further order of this court.

3. To protect and preserve the books, records and assets of Respondent pending hearing on the Department's petition pursuant to Sections 631.041(3) and (4), Florida Statutes, all persons, firms, corporations and associations within the jurisdiction of this Court, including, but not limited to, Respondent and its officers, directors, stockholders, trustees, members, agents and employees are enjoined and restrained from removing, destroying, or otherwise disposing of any books, records and assets of Respondent, from doing or permitting to be done any act which might waste or dispose of the assets of Respondent, and from doing or permitting to be done any act which may interfere with the conduct of these proceedings or any act stayed by Section 631.041 (1), Florida Statutes.

4. The SunBank/Miami at 777 Brickell Avenue and any other bank, savings and loan and any other financial institution is hereby enjoined from transferring any funds of Respondent or funds held in trust or in any way whatsoever for or on behalf of

Respondent without first notifying the Department of Insurance, Division of Rehabilitation and Liquidation and obtaining its written consent or petitioning and obtaining this Court's permission to transfer such funds. In particular, this injunction applies to those pledge accounts of Respondent located at SunBank/Miami at 777 Brickell Avenue which secure Respondent's obligations on LOCs #16851 and #17048 which shall not be transferred except as set out above.

NOTICE OF AUTOMATIC STAY

5. Notice is hereby given that, pursuant to Section 631.041(1), Florida Statutes, the filing of the Department's Petition for Order to Show Cause herein operates as an automatic stay applicable to all persons and entities, other than the Department, which shall be permanent and survive the entry of this order, and which prohibits:

a. The commencement or continuation of judicial, administrative or other action or proceeding against the insurer or against its assets or any part thereof;

b. The enforcement of judgment against the insurer or an affiliate obtained either before or after the commencement of the delinquency proceeding;

c. Any act to obtain possession of property of the insurer;

d. Any act to create, perfect or enforce a lien against property of the insurer, except a secured claim as defined in Section 631.011(15), Florida Statutes;

e. Any act to collect, assess or recover a claim against the insurer, except claims as provided for under Chapter 631;

f. The setoff or offset of any debt owing to the insurer except offsets as provided in Section 631.281, Florida Statutes.

6. This Order shall remain in effect until a further order in the formal delinquency proceeding is entered, until hearing scheduled above, or until otherwise modified by the Court.

DONE AND ORDERED in Chambers at Tallahassee, Leon County, Florida, this 7th day of February, 1991, at 2:46 o'clock P.m.



CIRCUIT JUDGE

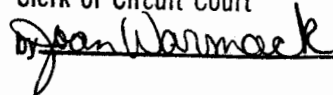
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STATE OF FLORIDA, COUNTY OF LEON

I HEREBY CERTIFY that the above and foregoing is a true and correct copy of an instrument recorded in the official records of Leon County, Florida.

WITNESS my hand and seal of office this 7th day of February, 1991.

PAUL F. HARTSFIELD
Clerk of Circuit Court

 D.C.