

The Order of Court is stated below:

Dated: October 11, 2013
08:10:55 AM

/s/ Robert Faust
District Court Judge



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STATE OF UTAH
COUNTY OF SALT LAKE
I, THE UNDERSIGNED CLERK OF THE DISTRICT
COURT OF SALT LAKE COUNTY, UTAH, DO HEREBY
CERTIFY THAT THE FOREGOING IS A
TRUE AND FULFILLING ORIGINAL DOCUMENT
UNFILED IN MY OFFICE OF THE CLERK OF THE
COURT OF THE DISTRICT COURT OF SALT LAKE COUNTY,
UTAH, ON THIS _____ DAY OF _____, 2013.
WITNESSED MY HAND AND SEAL OF SAID COURT
THIS _____ DAY OF _____, 2013.
CLERK OF THE DISTRICT COURT OF SALT LAKE COUNTY
BY: _____ DEPUTY

IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR SALT LAKE COUNTY,
STATE OF UTAH

In Re:

**LIBERTY FIRST RISK
RETENTION GROUP INSURANCE
COMPANY**

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**[PROPOSED] REHABILITATION
ORDER, AND RESTRAINING
ORDERS**

Civil No. 130906802

Judge Robert Faust

The Court having considered the "Verified Petition for Rehabilitation Order, and for



Restraining Orders" ("Petition") of Todd E. Kiser, in his capacity as Commissioner of Insurance of the State of Utah ("Commissioner"), petitioning the Court, pursuant to Utah Code Ann. § 31A-27a-101, et seq., for an order appointing him, and each of his successors in office, and his appointed special deputies, as rehabilitator ("Rehabilitator") of Liberty First Risk Retention Group Insurance Company ("Liberty First"), and directing the Rehabilitator to take immediate possession, control and title to all assets of Liberty First, and to administer them pursuant to the laws of the State of Utah and under the orders of the Court.

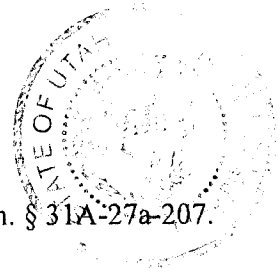
Also considered at that same time was the Commissioner's motion ("Motion") for an order restraining Liberty First, its directors, officers, trustees, managers, agents, subagents, employees, affiliates, policyholders, stockholders, and attorneys, and any person participating with them or acting in concert with them, other than as directed by the Rehabilitator: from transacting any business of Liberty First; from removing from their current depositories or otherwise converting, changing or modifying title to, withdrawing or removing, assets of Liberty First; from removing books and records or other information of Liberty First from the principal office, or any other office where such is located; and from destroying or altering the books and records or other information of Liberty First, wherever located, whether in the ordinary course of business or otherwise.

The Court, having read the Commissioner's Petition and Motion, having reviewed the Stipulation on file with the Court, and pursuant to Utah Code Ann. § 31A-27a-401, the Court considering itself well-advised in the premises, hereby enters the following:



FINDINGS AND CONCLUSIONS

1. The “holders of a majority of the shares [of Liberty First] entitled to vote, or a majority of those individuals entitled to the control of [Liberty First]” have stipulated to the rehabilitation of Liberty First.
2. Liberty First is a Utah domiciled captive insurance company organized as a Risk Retention Group pursuant to the Product Liability Risk Retention Act of 1981, 15 U.S.C. § 3901, et seq., and as such is also an industrial insured group pursuant to Utah Code Ann. § 31A-37-102(18)(b), having been continually licensed with the Utah Insurance Department (“Department”) in the State of Utah since May 26, 2006, under Utah company identification number 15459, and NAIC Company Code number 12627.
3. Liberty First is licensed to offer commercial automobile liability insurance in the State of Utah and in 14 other jurisdictions.
4. CDS Transport, Inc., Gilco Trucking Company, Inc., Rush Transport, Inc., Time Dispatch Services, Inc., Transportation, Inc., and Transportation Services, Inc., are all trucking companies (“Trucking Companies”).
5. The Trucking Companies are the members and owners (“Member-Owners”) of Liberty First.
6. The Trucking Companies (Member-Owners) are owned, either directly or indirectly by either Gary Aliengena alone, or by Gary Aliengena and Susan Aliengena, jointly.
7. Under Utah Code Ann. § 31A-27a-207, the Commissioner may petition the Court



for a rehabilitation order on any of the grounds available under Utah Code Ann. § 31A-27a-207.

8. The “the holders of a majority of the shares [of Liberty First] entitled to vote, or a majority of those individuals entitled to the control of [Liberty First]” have consented to rehabilitation under Chapter 27a of Title 31A, Utah Code Ann. Under Utah Code Ann. § 31A-27a-207(1)(t), this condition is grounds for the Commissioner to file a petition asking the Court for an order of rehabilitation, and grounds for the Court to grant an order of rehabilitation under Utah Code Ann. § 31A-27a-208(1).

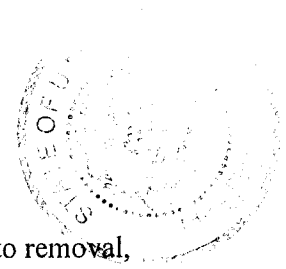
9. The continued operation of Liberty First in its current financial condition will substantially increase the risk of loss to policyholders and creditors of Liberty First, and the public.

10. The rehabilitation of Liberty First is in the best interests of policyholders and creditors of Liberty First, and the public.

11. Rehabilitation is an opportunity for the Commissioner to assess the condition of Liberty First and determine if Liberty First should be placed into liquidation, given back to the current owners, or sold, all subject to Court supervision.

12. The interests of policyholders and creditors of Liberty First, and the public, will be irreparably harmed if the Commissioner is not granted the authority to take immediate possession of Liberty First’s assets, business, property, books, accounts, documents, and other records and the business premises of all assets for the purpose of rehabilitating Liberty First.

13. The information, property, assets, business records, and other material of Liberty

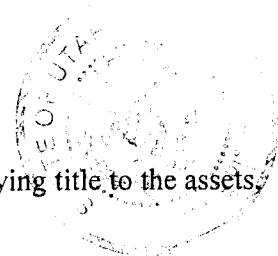


First necessary to accomplish the rehabilitation of Liberty First, are subject to removal, destruction, dissipation, diminution, depletion, alteration and removal by Liberty First's directors, officers, trustees, managers, agents, subagents, employees, affiliates, stockholders, and attorneys, and other persons participating with them or acting in concert with them, if they are not immediately restrained from doing so, and if Liberty First's property, information, and materials are not placed in the immediate possession and control of the Commissioner as the court appointed Rehabilitator.

14. It is necessary that the Commissioner take immediate possession of the property, assets, books, accounts, documents, and other records of Liberty First, to prevent further prejudice to the interests of policyholders and creditors of Liberty First, and the public, and to prevent irreparable harm to the estate of Liberty First, which will be detrimental to policyholders and creditors of Liberty First, and the public.

15. In view of the foregoing, it is in the best interests of policyholders and creditors of Liberty First, and the public, for the Court immediately:

- a. To issue a rehabilitation order, and to appoint the Commissioner, his successors in office, and appointed special deputies, as Rehabilitator of Liberty First;
- b. To enjoin, in conjunction with the issuance of the Rehabilitation Order, Liberty First and its current directors, officers, managers, affiliates, trustees, agents, subagents, employees, and all persons participating with them or acting in concert with them, from removing the assets of Liberty First from their current



depositories, or otherwise converting, changing or modifying title to the assets,

withdrawing or removing the assets; and

- c. To enjoin, in conjunction with the issuance of the Rehabilitation Order, Liberty First and its current directors, officers, managers, affiliates, trustees, agents, subagents, employees, and all persons participating with them or acting in concert with them, from removing, destroying or altering the books and records or other information of Liberty First.

WHEREFORE, the Court hereby enters the following Orders:

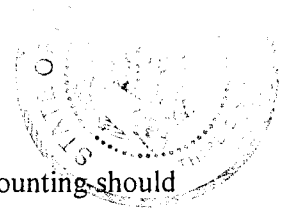
REHABILITATION ORDER

1. Utah Insurance Commissioner, Todd E. Kiser, and his successors in office, are hereby appointed rehabilitator (“Rehabilitator”) of Liberty First Risk Retention Group Insurance Company (“Liberty First”) under Utah Code Ann. § 31A-27a-301, with all powers provided by the Utah Insurance Code, Utah Code Ann. § 31A-27a-101 et seq., generally, and Utah Code Ann. § 31A-27a-302, specifically.

2. The Rehabilitator shall do all acts necessary or appropriate to accomplish the rehabilitation of Liberty First pursuant to Utah Code Ann. § 31A-27a-301 et seq.

3. The Rehabilitator shall take possession and title of the assets of Liberty First and administer the assets under the general supervision of the Court, in accordance with Utah Code Ann. § 31A-27a-301(1)(a)(ii).

4. The Rehabilitator shall provide regular accountings to the Court, at intervals



specified by the Court, but no less frequently than semiannually. Each accounting should include a report concerning the Rehabilitator's opinion as to the likelihood that a plan under Section 31A-27a-303 will be prepared by the Rehabilitator and the timetable for preparing said plan.

5. The Rehabilitator shall assess the condition of Liberty First and determine if Liberty First should be placed into liquidation, given back to the current owners, or sold, all subject to Court supervision.

6. The Rehabilitator has the powers specifically set forth in Utah Code Ann. § 31A-27a-302, and with court approval:

- a. The Rehabilitator may take action to reform and revitalize Liberty First, including cancelling or transferring to a solvent insurer policies, reinsurance contracts, surety bonds, surety undertakings;
- b. The Rehabilitator has all the powers of the directors, officers and managers of Liberty First, whose authority is suspended, except as delegated by the Rehabilitator;
- c. The Rehabilitator has full power to direct and manage Liberty First, hire and discharge employees, and deal with the property and business of Liberty First; and
- d. The Rehabilitator is not liable as the result of good faith issuance or renewal of a policy while in rehabilitation.



7. The Rehabilitator shall pursue all appropriate legal remedies on behalf of Liberty First; and directing that the Rehabilitator may assert all defenses available to Liberty First as against a third party.

8. Pursuant to Utah Code Ann. § 31A-27a-209(3)(a), the Rehabilitator is authorized to appoint one or more special deputy rehabilitators: (1) with all powers and responsibilities of the Rehabilitator granted under Utah Code Ann. § 31A-27a-209, unless specifically limited by the Rehabilitator; and (2) who serves at the pleasure of the Rehabilitator. The Rehabilitator may employ or contract with additional persons as provided by Utah Code Ann. § 31A-27a-209(3)(c). The Court retains jurisdiction over compensation fixed by the Rehabilitator.

9. The Rehabilitator's appointment of Lennard W. Stillman as a special deputy rehabilitator, pursuant to Utah Code Ann. § 31A-27a-209(3)(a), is approved. The Rehabilitator's appointment of Jackie Muro as assistant special deputy rehabilitator is also approved. The compensation of Lennard W. Stillman as special deputy rehabilitator and of Jackie Muro as assistant special deputy rehabilitator, as set forth in Exhibit B of the Verified Petition for Rehabilitation Order, and for Restraining Orders, is approved.

10. The Rehabilitator is vested by operation of law with the title to all of the assets, property, contracts, and rights of action and all of the books and records of Liberty First, wherever located, as of the date of the Rehabilitation Order. The Rehabilitator is directed to take immediate possession of the assets, business, property, contracts, rights of action, and all of the books and records of Liberty First and to administer them pursuant to the provisions of Utah

Code Ann. § 31A-27a-101 et seq., pursuant to any further orders of the Court, and under the general supervision of the Court.

11. All actions and all proceedings against Liberty First in Utah, and elsewhere, are stayed, pursuant to Utah Code Ann. § 31A-27a-108, subject to the limitations of Utah Code Ann. § 31A-27a-108(4)(b).

12. The Rehabilitator is directed to exercise any and all rights of Liberty First in connection with any collateral or other assets being held for the benefit of Liberty First by any person or entity, including any and all trustee accounts and other accounts

13. The Rehabilitator is ordered to file a plan to effect rehabilitation with the Court within one (1) year after the day on which the Rehabilitation Order is entered or upon such further time as the Court may allow, and that the plan be submitted in accordance with Utah Code Ann. § 31A-27a-303.

14. The Rehabilitator is permitted to enter into any contracts which are necessary to carry out the order to rehabilitate, and assume or reject any contracts to which Liberty First is a party, pursuant to Utah Code Ann. § 31A-27a-302.


15. The Rehabilitator and Special Deputy Rehabilitator are entitled to immunity and indemnification, as set forth in Utah Code Ann. § 31A-27a-114.

RESTRAINING ORDERS

16. All persons and entities, subject to Utah Code Ann. § 31A-27a-108, including but not limited to, Liberty First's directors, officers, trustees, manager, agents subagents, employees,

affiliates, policyholders, attorneys, and any person participating with them or acting in concert with them, other than as directed by the Rehabilitator, are enjoined from:

- a. The commencement or continuation of a judicial, administrative, an arbitration proceeding, or other action or proceeding against Liberty First that was or could have been commenced before the rehabilitation proceeding, or to recover a claim against Liberty First that arises before the commencement of the rehabilitation proceeding;
- b. The enforcement against Liberty First or against property of Liberty First of a judgment obtained before rehabilitation;
- c. An act to obtain or retain possession of property of Liberty First or property from Liberty First or to exercise control over property or records of Liberty First;
- d. An act to create, perfect, or enforce a lien against property of Liberty First;
- e. An act to collect, assess, or recover a claim against Liberty First that arises before the commencement of rehabilitation;
- f. The commencement or continuation of an action or proceeding against a reinsurer of Liberty First by the holder of a claim against Liberty First and seeking a reinsurance recovery that is contractually due Liberty First;
- g. The commencement or continuation of an action or proceeding to terminate or revoke an insurance license; and



h. An action, described in Utah Code Ann. § 31A-27a-108(3)(h)(ii), with respect to any contact, whether or not Liberty First is a party, if the sole basis for the action is that Liberty First is the subject of rehabilitation or that Liberty First's insurance license is suspended or revoked as a result of the rehabilitation.

17. All secured creditors or parties, pledgees, lien holders, collateral holders or other persons claiming a secured, priority, or preferred interest in any property or assets of Liberty First, are enjoined from taking any steps whatsoever to transfer, sell, encumber, attach, dispose of or exercise purported rights in or against any property or assets of Liberty First without the prior approval of the Rehabilitator.

DATED this ____ day of October, 2013.

DISTRICT COURT JUDGE