

IN THE CIRCUIT COURT OF COLE COUNTY
STATE OF MISSOURI

FILED

AUG 18 2004

SCOTT B. LAKIN, DIRECTOR,
DEPARTMENT OF INSURANCE
STATE OF MISSOURI,

Plaintiff,

V.

CASUALTY RECIPROCAL EXCHANGE,)

and

EQUITY MUTUAL INSURANCE COMPANY

Defendants.

BRENDA A. UMSTATTD
CLERK CIRCUIT COURT
COLE COUNTY, MISSOURI

Case No. 02CV326311

**JUDGMENT, DECREE AND
ORDER OF LIQUIDATION WITH FINDING OF INSOLVENCY**

Now on this 18th day of August, Plaintiff appears by counsel Kevin R. Jones and Diane Garber. Defendants have each been duly served with Plaintiff's "Verified Petition for Final Judgment, Decree and Order of Liquidation," filed on or about August 13, 2004, together with a summons to appear before this Court on this date and at this time for summary hearing pursuant to Section 375.600, RSMo (2000), in the above captioned case. Dodson Management Corporation, attorney-in-fact for Defendant Casualty Reciprocal Exchange, appears for said Defendant on the aforementioned petition by counsel Alex Bartlett. Bruce Dodson Company, manager of Defendant Equity Mutual Insurance Company, appears for said Defendant on the aforementioned petition also by counsel Alex Bartlett. Defendants make no answer to the petition and decline further

time to answer. With consent of Defendants, Plaintiff's "Verified Petition for Final Judgment, Decree and Order of Liquidation." cause is heard on the merits.

The Court having reviewed the Plaintiff's Verified Petition, having heard the evidence presented, and being fully apprised of the premises, for good cause shown, finds and concludes as follows:

1. Plaintiff Scott B. Lakin is the Director of the Missouri Department of Insurance, and was, pursuant to the Court's order of December 19, 2002 (the "rehabilitation order") in this proceeding, appointed as the statutory rehabilitator of Casualty Reciprocal Exchange and Equity Mutual Insurance Company, Defendants herein, both of whom are property and casualty insurance companies authorized to conduct insurance business in Missouri. F. William Kobusch is the duly appointed special deputy rehabilitator of the Defendants.

2. Defendant Casualty Reciprocal Exchange ("CRE") is a reciprocal or inter-insurance exchange organized under laws of this state, §§ 379.650 to 379.800, RSMo (2000). [References to RSMo (2000) are intended to include the 2003 Supplement and any subsequent amendments.]

3. The designated attorney-in-fact for CRE pursuant to § 379.660, RSMo (2000), is Dodson Management Corporation, a Missouri corporation, whose principal place of business is located at 58 C Street, Lake Lotawana, Missouri 64086, in Jackson County, Missouri. The current registered agent for Dodson Management Corporation is BSMWL, Inc., with a current registered office of Two Pershing Square, 2300 Main Street, Suite 1000, Kansas City, Missouri 64108, in Jackson County, Missouri. CRE was