

NOV - 1 2012

At 9:00 A.M.
Amalia Rodriguez-Mendoza, Clerk

CAUSE NO. D-1-GV-10-000120

THE STATE OF TEXAS	§	IN THE DISTRICT COURT OF
	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
FIRST AMERICAN LIFE INSURANCE COMPANY	§	200th JUDICIAL DISTRICT

**ORDER APPROVING FINAL REPORT, APPROVING FINAL
DISTRIBUTION, AND DISSOLVING CHARTER**

On this day, the Court considered the *Final Report and Application to Make Final Distribution and Dissolve Charter* filed on October 8, 2012, at 3:12 p.m. ("*Application*") by Angenend & Augustine, P.C., Special Deputy Receiver of First American Life Insurance Company ("First American.") The Special Deputy Receiver seeks approval of this *Application* in order to make a final distribution of assets and dissolve First American's charter. The Special Deputy Receiver appeared through its counsel. No other party made an appearance.

Having considered the pleadings, the evidence, the argument of Counsel, if any, and the recommendation of the receivership master acting under the *Order of Reference to Master* ("*Order of Reference*") entered in this cause on March 9, 2010, the Court finds as follows:

- 1 The Special Deputy Receiver is authorized to file this *Application* pursuant to TEX. INS. CODE ANN. §§ 443.302 and 443.352;
- 2 This Court has jurisdiction to hear this matter and jurisdiction is properly in the 200th Judicial District Court of Travis County, Texas, as the court in which these delinquency proceedings are pending pursuant to TEX. INS. CODE ANN. § 443.005(c);

- 3 The subject matter of this *Application* has been referred to the receivership master appointed by this Court in this proceeding in accordance with the *Order of Reference*, under Paragraph III, Sections 11, 27, 30, and 32;
- 4 The *Application* was properly submitted for hearing by submission before the receivership master pursuant to the *Order of Reference*;
- 5 The Special Deputy Receiver complied with the reporting requirements of TEX. INS. CODE ANN. § 443.016 (a);
- 6 Exhibits B and C include a statement of the assets and liabilities of the insurer and the changes in those assets and liabilities in compliance with the requirements of TEX. INS. CODE ANN. § 443.016(a);
- 7 The original Statement of Net Assets filed in this estate satisfies the requirement that an inventory of assets be provided to the appointing court pursuant to the Texas Civil Practices and Remedies Code;
- 8 First American's final inventory of assets, which consist solely of cash and investments, is reflected on Exhibit B and is sufficient;
- 9 It is not feasible to sell the charter of First American Life Insurance Company;
- 10 The previously filed quarterly expense reports, including summaries of expenses, were sufficient and timely filed in this proceeding and complied with TEX. INS. CODE ANN. § 443.015 (g);
- 11 All expenses have been approved;
- 12 The inclusion on the certificate of service of persons noticed complies with the requirements for length and means of notice required by TEX. INS. CODE ANN. § 443.007(d) and the *Order of Reference* and is sufficient;
- 13 The evidence admitted supports approval of the *Application*;

- 14 The notice of the hearing by submission sent by e-mail or certified mail for this *Application*, and previous legal filings in this receivership estate providing notice as described above, fulfills the notice requirements of TEX. INS. CODE ANN. § 443.007(d) and the *Order of Reference* and is sufficient;
- 15 No distribution notice is required as there is only one claimant and it is also a receivership estate;
- 16 The *Application* was properly submitted for hearing by submission before the receivership master pursuant to the *Order of Reference*;
- 17 The receivership master has issued a recommendation that the *Application* should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure;
- 18 The recommendation of the receivership master should be confirmed, and the *Application* should be **GRANTED**.

It is **ORDERED, ADJUDGED** and **DECREED** that:

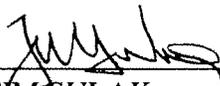
1. The receivership master appointed under the *Order of Reference* is authorized to request and accept evidence in a hearing by submission in support of this *Application*;
2. The *Application* is approved in all respects;
3. Exhibit A, the *Affidavit of Paul D. Angenend*, as the president of Angenend & Augustine, P.C., is admitted into evidence;
4. Exhibit B through Exhibit I are admitted into evidence;
5. The facts contained in the *Application* and all its exhibits, testified to and authenticated by Exhibit A, are admitted into evidence as *prima facie* proof of the matters asserted pursuant to TEX. INS. CODE ANN. § 443.017(c);
6. The charter of First American Life Insurance Company is dissolved;

7. Exhibit B is accepted as the final quarterly financial report required under TEX. INS. CODE ANN. § 443.016, subject to the financial information filed with the final accounting;
8. The estimated expenses in the amount of \$58,315.90 are approved to be reserved through the closing of the receivership as reflected on Exhibit F, pursuant to TEX. INS. CODE ANN. § 443.015, subject to the final statement of expenses filed with the final accounting;
9. The Special Deputy Receiver is required to file a final accounting and final statement of expenses after the distribution is complete that reflects the amount of the final distribution and the actual amount of the expenses;
10. The Special Deputy Receiver is authorized to execute the assignment of the securities and the FAL POCs filed with the Special Deputy Receiver of Texas Memorial Life Insurance Company to the Special Deputy Receiver of Lincoln Memorial Life Insurance Company in an assignment substantially similar to Exhibit E;
11. The Special Deputy Receiver is authorized to distribute the cash assets of the receivership as described in the *Application*;
12. The Special Deputy Receiver is authorized to transfer to the Commissioner residual funds, if any, remaining after all distributions are made;
13. The Special Deputy Receiver is authorized to deliver unclaimed funds, if any, to the Commissioner;
14. The Special Deputy Receiver is authorized to execute the assignment of unknown assets to the Commissioner;
15. The Special Deputy Receiver is authorized to dispose of the records listed in Exhibit H and deliver any remaining records as shown on Exhibit I to the Commissioner;

16. The Commissioner is authorized to maintain or dispose of the records listed on Exhibit I at her discretion in accordance with TDI's approved records retention schedule;

17. The Special Deputy Receiver is authorized to execute any documents and incur any administrative expenses as necessary to effectuate the purpose of this *Application*.

SIGNED this 31ST day of OCTOBER, 2012.



TIM SULAK
JUDGE PRESIDING

PROPER NOTICE GIVEN
NO OBJECTION FILED.
SUBMITTED
RECOMMENDED
SIGNED ON 28th DAY OF Oct. 2012


TOM COLLINS, RECEIVERSHIP SPECIAL MASTER