

**IN THE CIRCUIT COURT OF COLE COUNTY
STATE OF MISSOURI**

ANGELA L. NELSON,
Director, Department of Commerce
and Insurance of the State of
Missouri,

Plaintiff,

vs.

CORNERSTONE NATIONAL
INSURANCE COMPANY,

Case No: 25AC-CC08521

FINAL ORDER OF REHABILITATION, AND LIQUIDATION

On this 23rd day of December 2025, Plaintiff Angela Nelson, Director of the Missouri Department of Commerce and Insurance, appears by counsel upon Plaintiff's First Amended Petition for Stipulated Judgment, Decree, and Final Order of Seizure, Rehabilitation, and Liquidation. As further set forth below, Cornerstone National Insurance Company consents to seizure, rehabilitation, and liquidation. On the evidence presented, the Court finds:

a. Cornerstone National Insurance Company is a Missouri-domiciled property and casualty insurance company which sells homeowners, auto, and liability insurance policies in various states.

b. Cornerstone National Insurance Company has waived notice and the right to a hearing on the First Amended Petition for Stipulated Judgment, Decree, and Final Order of Seizure, Rehabilitation, and Liquidation.

c. Cornerstone National Insurance Company consents to seizure, rehabilitation, and liquidation under the Missouri Insurers Supervision, Rehabilitation, and Liquidation Act, § 375.1150-375.1246, RSMo (the “Act”).

d. Based upon the information provided in the First Amended Petition for Stipulated Judgment, Decree, and Final Order of Seizure, Rehabilitation, and Liquidation, Plaintiff has provided the Court with evidence sufficient to support the conclusion that Cornerstone National Insurance Company is in such a condition that further transaction of business would be hazardous financially to policyholders, creditors, and/or the public.

e. The Court finds and declares that Cornerstone National Insurance Company is “insolvent” as defined under the Act because, as set forth in the First Admitted Petition for Stipulated Judgment, Decree, and Final Order of Seizure, Rehabilitation, and Liquidation and its attached exhibits, Cornerstone National Insurance Company’s admitted assets do not exceed its liabilities plus the required surplus of \$2,400,000 under § 375.1152(13), RSMo.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

Seizure of Cornerstone National Insurance Company

1. Effective immediately, Cornerstone National Insurance Company is placed under seizure pursuant to § 375.1164, RSMo, through December 31, 2025, 11:59 p.m. Central time.

2. Angela T. Nelson, Director of the Missouri Department of Commerce and Insurance ("Director") shall take all actions necessary to secure and take immediate possession and control of all property, books, accounts, documents, and other records of Cornerstone National Insurance Company wherever and with whomever all such items might be located, and of the premises occupied by it for transaction of its business.

3. Until further order of this Court, Cornerstone National Insurance Company and its officers, managers, agents, affiliates, contractors, employees, third-party administrators and any other person or entity in possession and/or control of any property, books, documents or records of Cornerstone National Insurance Company are enjoined from disposing of any of those items and from the transaction of its business except with written consent of the Director.

4. The entry of this Order shall not constitute an anticipatory breach of any contracts of Cornerstone National Insurance Company.

5. At the expiration of the seizure order, this Court's Order placing Cornerstone National Insurance Company under rehabilitation shall immediately become effective.

6. Paragraphs 1 through 5 herein shall be referred to as the "Seizure Order."

Rehabilitation of Cornerstone National Insurance Company

7. All paragraphs succeeding this paragraph prior to those paragraphs defined herein as the “Liquidation Order” (defined below) shall be referred to as the “Rehabilitation Order.”

8. The rehabilitation of Cornerstone National Insurance Company shall be effective from January 1, 2026 12:00 a.m. Central time through February 28, 2026 11:59 p.m. Central time to allow for time to prepare to place Cornerstone National Insurance Company into liquidation as further described in this Order.

9. Upon the expiration of this Court’s Rehabilitation Order, this Court’s Liquidation Order (defined below) shall be in effect.

10. Effective January 1, 2026 at 12:00 a.m. Central time, Angela T. Nelson, Director of the Missouri Department of Commerce and Insurance, and her successors in office, is appointed rehabilitator (“Rehabilitator”) of Cornerstone National Insurance Company with all the rights, duties, powers, and obligations under law and under §§ 375.1150 to 375.1246, RSMo. Neither the grant herein of specific authority to the Rehabilitator nor the imposition herein of specific duties upon the Rehabilitator shall be interpreted to diminish the authority conferred upon the Rehabilitator by those sections.

11. The Rehabilitator shall forthwith take possession of Cornerstone National Insurance Company and all of its assets, including books, records, accounts, and all other assets and property of any kind or nature, wherever located and in whatever form, subject to the supervision of this Court.

12. The entry of this Order shall not constitute an anticipatory breach of any contracts of Cornerstone National Insurance Company, nor shall it be grounds for retroactive revocation or retroactive cancellation of any contracts of said companies, unless such revocation or cancellation is made by the Rehabilitator pursuant to § 375.1168, RSMo.

13. The Director, as Rehabilitator, may appoint one or more special deputies who shall have all the powers and responsibilities of the Rehabilitator, and the Director may employ such counsel, clerks and assistants as deemed necessary.

14. The Director, as Rehabilitator, her successors, special deputies, employees, agents and attorneys (including any outside counsel employed by the Rehabilitator), and all employees of the State of Missouri, when acting with respect to the rehabilitator of Cornerstone National Insurance Company, shall enjoy official immunity and be immune from any claim against them personally while acting in good faith in the performance of their functions and duties in connection with the rehabilitator during the period of rehabilitation.

15. The compensation of the special deputy, counsel, clerks and assistants and all expenses of taking possession of Cornerstone National Insurance Company and of conducting the proceedings shall be fixed by the Director with the approval of the Court and shall be paid from the assets of Cornerstone National Insurance Company.

16. The Rehabilitator may take such actions as she deems necessary or appropriate to reform and revitalize Cornerstone National Insurance Company.

17. The Rehabilitator shall have all the powers of the directors, officers, and managers of Cornerstone National Insurance Company.

18. The powers of all existing directors, officers, managers and agents of Cornerstone National Insurance Company are hereby suspended, except as they are expressly redelegated by the Rehabilitator.

19. The Rehabilitator shall have full power to direct and manage and to hire and discharge employees, subject to any contract right they may have, and the Rehabilitator shall have full power to deal with the property, records and business of Cornerstone National Insurance Company, including the power to avoid fraudulent transfers, the power to liquidate assets without further order of the Court in a manner deemed commercially reasonable by the Rehabilitator, and the power to pursue all appropriate legal actions and remedies on behalf of Cornerstone National Insurance Company (including, but not limited to the power to prosecute, defend and compromise without further order of this Court any pending or threatened legal action).

20. Except as otherwise provided in this Order, all persons, including, but not limited to, the directors, officers, managers, agents, affiliates, contractors, employees, creditors, third-party administrators, and policyholders of Cornerstone National Insurance Company and any other person or entity in

possession and/or control of any property, books, documents or records of Cornerstone National Insurance Company, are enjoined from:

- a. Transacting the business of Cornerstone National Insurance Company, other than as directed by the Rehabilitator or her authorized representatives;
- b. Interfering with the Rehabilitator's actions authorized by this Order or by §§ 375.1150 to 375.1246, RSMo;
- c. Transferring property or property interest (whether tangible or intangible) of Cornerstone National Insurance Company without the approval of the Rehabilitator or her authorized representatives;
- d. Wasting any assets of Cornerstone National Insurance Company;
- e. Dissipating and transferring bank accounts or property of Cornerstone National Insurance Company;
- f. Withholding any books, accounts, documents, data, or other records relating to the business of Cornerstone National Insurance Company from the Rehabilitator or her authorized representatives;
- g. Taking any action that might lessen the value of the assets of Cornerstone National Insurance Company;
- h. Retaining and/or refusing to turn over to the Rehabilitator any property (including, but not limited to, intellectual property, books, records,

tangible and intangible property, and other data) belonging to Cornerstone Insurance Company;

i. Entering or remaining on real property leased by Cornerstone National Insurance Company without the permission of the Rehabilitator or her authorized representatives;

j. Instituting or further prosecuting or defending any actions or proceedings on behalf of Cornerstone National Insurance Company without the permission of the Rehabilitator or her authorized representatives;

k. Obtaining preferences, judgments, attachments, garnishments or liens against Cornerstone National Insurance Company;

l. Levying execution against Cornerstone National Insurance Company or its policyholders;

m. Making any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of Cornerstone National Insurance Company;

n. Threatening or contemplating any other action that might lessen the value of Cornerstone National Insurance Company's assets or that might prejudice the rights of its policyholders, creditors or equity holders; and

o. Paying any debts owed to Cornerstone National Insurance Company (including rental payments) to anyone other than the Rehabilitator or her authorized representatives.

21. Effective January 1, 2026, all actions or proceedings in this State, including any arbitrations, in which Cornerstone National Insurance Company is a party or is obligated to defend a party, shall be stayed for ninety (90) days from the date of this Order and for such additional time as is necessary for the Rehabilitator to obtain proper representation and prepare for further proceedings pursuant to § 375.1170.1, RSMo.

22. The Rehabilitator shall immediately consider all litigation pending outside this state and shall petition the courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of Cornerstone National Insurance Company; and

Liquidation of Cornerstone National Insurance Company

23. All paragraphs succeeding this paragraph shall be referred to as the “Liquidation Order.”

24. Cornerstone National Insurance Company admits and consents and the Court finds and determines that Cornerstone National Insurance Company’s condition satisfies the statutory requirements for the Court to place it in liquidation because prolonged rehabilitation would substantially increase the risk of loss to policyholders, creditors or the public, or would be futile; the further transaction of business would be hazardous, financially or otherwise, to its policyholders or the public, and would otherwise be futile; and Cornerstone National Insurance Company does not meet the statutory requirements for

authorization to operate as an insurer in Missouri because it is not in compliance with its statutory surplus requirement.

25. It is in the best interest of policyholders, creditors, and the public that Cornerstone National Insurance Company be liquidated.

26. The Court therefore orders the Cornerstone National Insurance Company shall be liquidated effective March 1, 2026 at 12:00 a.m.

27. To avoid any confusion regarding the specific date of policy terminations under § 375.1178.3, RSMo, this Liquidation Order shall become effective at 12:01 a.m. Central time on March 1, 2026 (“Effective Date”). Accordingly, all Cornerstone National Insurance Company policies will terminate by operation of law on or before March 31, 2026.

28. As of the Effective Date of this Liquidation Order, this Court’s Rehabilitation Order shall expire, and this Court’s Liquidation Order shall immediately be in effect.

29. This Liquidation Order is a final judgment and order of liquidation subject to an immediate right of appeal, except that the Court may retain jurisdiction to issue further orders pursuant to the Act that may be necessary during any appeal.

30. The Court shall have exclusive jurisdiction over this proceeding or relief relating to this proceeding pursuant to the Act, and to Cornerstone National Insurance Company property, wherever located.

31. Pursuant to the Act, the Court declares that the courts of other states should give full faith and credit to injunctions, stays, and this Court's Seizure Order, Rehabilitation Order and Liquidation Order as defined herein.

32. Under § 375.1178.3, RSMo, all insurance policies, contracts, bonds, covenants, certificates, or other evidence of insurance coverage issued in the name of Cornerstone National Insurance Company in effect at the time of issuance of the Liquidation Order shall terminate by operation of law on the earliest of:

- a. A period of thirty days from the Effective Date of this Liquidation Order;
- b. The expiration of the policy coverage;
- c. The date when the insured has replaced the insurance coverage with equivalent insurance with another insurer or otherwise terminated the policy; or
- d. The Liquidator has transferred the policy obligation under § 375.1182.1(8), RSMo.

33. Under § 375.1176.1, RSMo, as of the Effective Date the Director and Rehabilitator is hereby appointed to serve as Liquidator ("Liquidator") of Cornerstone National Insurance Company. The Director and any successor are appointed to serve in such capacity with all rights, power, and authority under the law. Further, the Liquidator is authorized to appoint a special deputy liquidator ("SDR") who shall have all powers of the Liquidator under Missouri law and the Court's Liquidation Order and who shall serve at the pleasure of the Liquidator.

34. The Court orders that the Liquidator and any SDR are vested with all the powers granted pursuant Missouri law and the Act, including, but not limited to, the powers set forth in §§ 375.1176, 375.1182, 375.1184, 375.1188, and 375.1220, RSMo.

35. As of the Effective Date the Court orders that the powers and authority of the directors, officers, managers and agents of Cornerstone National Insurance Company are terminated and that only persons acting under the Liquidator's direction and supervision are authorized to take further actions with respect to Cornerstone National Insurance Company.

36. This Liquidation Order shall be liberally and broadly construed to the fullest extent allowed by state and federal law and provide that the enumeration of the powers and authority of the Liquidator shall not be construed as a limitation upon the statutory powers of the Liquidator, nor shall it exclude in any manner the right to do such other acts not specifically enumerated or otherwise provided for, as may be necessary or appropriate for the liquidation of Cornerstone National Insurance Company. The Liquidator is authorized and empowered to take all actions as are deemed necessary to accomplish the full and complete liquidation of Cornerstone National Insurance Company.

37. As provided by § 375.1182.5, RSMo, the Liquidator, SDR, commissioners and referees appointed by this Court, the agents, attorneys and employees of the Liquidator and the Cornerstone National Insurance Company liquidation estate ("Estate") and employees of the state of Missouri when acting with respect to the

liquidation shall enjoy absolute judicial immunity and be immune from any claim against them personally for any act or omission committed in the performance of their functions and duties in connection with the liquidation. The Liquidator is authorized to appoint without further Court order agents who shall perform work for the Liquidator or SDR in connection with this liquidation.

38. The Court further orders that:

a. The Liquidator is vested by operation of law with the title to any and all property interests of Cornerstone National Insurance Company wherever located, including, but not limited to, its contracts, rights of action, defenses, books, records, and accounts, including those of any wholly owned subsidiary of Cornerstone National Insurance Company.

b. All banks, saving and loan associations, financial institutions or other persons or entities which have on deposit, in their possession, custody and control, funds or investments Of Cornerstone National Insurance Company are instructed that the Liquidator has absolute control over such accounts and other assets. The Liquidator may change the name of such accounts and other assets, withdraw them from any such bank or other institution, or take any other action necessary for the proper conduct of this liquidation. No bank, saving and loan association, financial institution, person, or entity shall exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever or refuse to transfer any funds or assets to the Liquidator's control without the permission of the Court.

c. The Liquidator is authorized and directed to take immediate possession of, secure, and protect all property and records of Cornerstone National Insurance Company, wherever located. The Liquidator is authorized to remove any records or property of Cornerstone National Insurance Company to the offices of the Director or such other places for the convenient and efficient execution of the liquidation under § 375.1182.1(15), RSMo.

d. The filing or recording of this Liquidation Order with the Clerk of the Court and the Recorder of Deeds of the county in which Cornerstone National Insurance Company's principal office or place of business is located shall impart the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that Recorder of Deeds would have imparted.

e. The Liquidator is authorized to collect all debts and moneys due to Cornerstone National Insurance Company under § 375.1182.1(6), RSMo.

f. The Liquidator is authorized to do any acts as are necessary or expedient to collect, conserve, or protect assets or property of Cornerstone National Insurance Company, including, but not limited to:

i. Conduct public and private sales of the property of Cornerstone National Insurance Company or any of its wholly owned subsidiaries;

ii. Use assets of the Estate to transfer policy obligations to a solvent insurer under § 375.1182.1(8), RSMo;

iii. Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with any property of Cornerstone National Insurance Company or any of its wholly owned subsidiaries at its market value or upon such terms and conditions as are fair and reasonable;

iv. Borrow money on the security of Cornerstone National Insurance Company's assets or without security and to execute all related documents as authorized by § 375.1182.1, RSMo;

v. Deposit in any bank in Missouri such sums as are required for meeting current administration expenses and to invest all sums not currently needed consistent with applicable Missouri law;

39. The rights and liabilities of Cornerstone National Insurance Company and each of its respective creditors, policyholders, members, employees, agents, vendors, third-party administrators and any other persons or entities with any claim or interest related in any way to the Cornerstone National Insurance Company Estate will become fixed under § 375.1176.3, RSMo upon the Effective Date of the Liquidation Order. Rights of shareholders or members provided by any law other than as provided in §§ 375.1150 to 375.1246, RSMo, shall be suspended upon the Effective Date of this Liquidation Order.

40. Pursuant to § 375.1176.3, RSMo, the termination of any period fixed by any statute of limitations provided by law shall be suspended as of the Effective Date of this Liquidation Order, except as provided in §§ 375.1178, 275.1206, and 375.1210,

RSMo, Pursuant to § 375.1188.2, RSMo, within ten years after issuance of the Liquidation Order or such other longer time as applicable law may permit, the Liquidator may institute on behalf of the Estate of Cornerstone National Insurance Company any cause of action against which the period of limitations was fixed by applicable law had not expired as of the Effective Date of the Liquidation Order. Where, by any agreement, a period of limitation is fixed for instituting a suit or proceeding upon any claim, or for filing any claims, proof of claim, proof of loss, demand, notice, or the like, or where in any proceeding, judicial or otherwise, a period of limitation is fixed, either in the proceeding or by applicable law, for taking any action, filing any claim or pleading, or doing any act, and where in any such case the period had not expired at the date of the filing of the petition for an order of liquidation, the expiration of such period shall be stayed and the Liquidator may take any such action or do any such act required of or permitted to the insurer within a period of ten years subsequent to the Effective Date of the Liquidation Order, or within such further period as is shown to the satisfaction of the court not to be unfairly prejudicial to the other party.

41. The Court further orders that:

a. The Liquidator is vested with all the rights, title, and interest in all funds recoverable under treaties, contracts, and agreements of reinsurance entered into by Cornerstone National Insurance Company as a ceding insurer or assuming reinsurer.

b. To the extent any reinsurer of Cornerstone National Insurance Company would have been required under any agreement pertaining to reinsurance to post letters of credit or other security prior to the date of the Liquidation Order to cover such reserves reflected upon a statement filed with the regulatory authority, such reinsurer shall be required to post letters of credit or other security to cover such reserves after the date of the Liquidation Order. If A reinsurer fails to post letters of credit or other security required by a reinsurance agreement, the Court authorizes the Director to issue an order barring such reinsurer from thereafter reinsuring any insurer which is incorporated under the laws of the State of Missouri. § 375.1176, RSMo.

c. The amount recoverable by the Liquidator from reinsurers shall not be reduced as a result of the rehabilitation or liquidation proceedings, regardless of any provision in the reinsurance contract or other agreement. Payment made directly to an insured or other creditor shall not diminish the reinsurer's obligation to Cornerstone National Insurance Company's Estate except where the assuming insurer, with the consent of the direct insured or insureds, has directly assumed the ceding insurer's policy obligations to the payees under such policies in substitution for the ceding insurer's obligations to such payees. § 375.1202, RSMo.

42. Under § 375.1185.1(1)-(5), the Court directs the Liquidator to promptly notify parties-in-interest of this Liquidation Order, termination of policies, proof of

claim deadline, and process. The Court approves and directs the Liquidator to serve the following parties-in-interest at their last known address:

- i. By first-class mail to the department of insurance of each state in which Cornerstone National Insurance Company is doing business or is licensed to write insurance, i.e., Arkansas, Illinois, Iowa, Kansas, Missouri, and Nebraska.
- ii. By first-class mail to all policyholders of Cornerstone National Insurance Company.
- iii. By first-class mail to all insurance brokers and/or agents of Cornerstone National Insurance Company.
- iv. By first-class mail to all persons or entities known or reasonably expected to have claims against Cornerstone National Insurance Company.
- v. By first-class mail to all potentially applicable Guaranty Associations which are or may become obligated as a result of the liquidation.
- vi. By publication in a newspaper of general circulation in the county in which Cornerstone National Insurance Company's principal place of business is in, Boone County, Missouri, and by publication on Cornerstone National Insurance Company's website and the Department's website. § 375.1185.1(1), RSMo.

vii. By first-class mail to all counterparties to any contract or agreement that is being repudiated as of the Effective Date.

b. The Notice shall specify that December 31, 2026, is the last day for submitting any claim under a Policy and/or any proof of claim with the Liquidator or the Liquidator's designee.

c. A policyholder with a pending policy claim as of the Effective Date that is within the applicable Guaranty Association limit shall be exempted from having to file a proof of claim for the policy claim previously submitted. However, if Cornerstone resolved or otherwise closed the policy claim prior to the Effective Date, a policyholder must file a proof of claim by the deadline as set forth herein to preserve any right or claim related to that policy claim.

d. Policyholders may submit a claim arising under a policy during liquidation to the Liquidator through the normal claims process, provided that any such claim must be submitted to the Liquidator or the Liquidator's designee by December 31, 2026.

e. The Court specifies that Policyholders asserting claims under a Cornerstone National Insurance Company Policy need not file a proof of claim so long as the claim is within the applicable Guaranty Association statutory limit; however, a proof of claim should be submitted for any policy claim in excess of the applicable Guaranty Association limit. If a Policyholder is uncertain what the applicable Guaranty Association statutory limit is then

such Policyholder submit its claim to the Liquidator or the Liquidator's designee by December 31, 2026.

43. Pursuant to § 375.1204, RSMo, the Court hereby rules that a producer, premium finance company, or any other person, other than the insured, responsible for the payment of a premium, shall be obligated to pay any unpaid earned premium due Cornerstone National Insurance Company at the Effective Date of the Liquidation Order as shown in the records of Cornerstone National Insurance Company. The Liquidator shall have the right to recover from such person any part of an unearned premium that represents commission of such person/entity. Credits or setoffs or both shall not be allowed to a producer or premium finance company for any amounts advanced to Cornerstone National Insurance Company by the producer or premium finance company on behalf of, but in the absence of a payment by the insured. An insured shall be obligated to pay any unpaid earned premium due Cornerstone National Insurance Company at the time of the Liquidation Order, as shown in Cornerstone National Insurance Company's records.

44. The Court directs the Liquidator to comply with §§ 375.1206-375.1222, RSMo, and all other requirements under the Act regarding disposition of claims against the Cornerstone National Insurance Company Estate.

45. The Court authorizes the Liquidator to hold hearings; subpoena witnesses; request production of documents; and other items under § 375.1182.1(4), RSMo.

46. The Court authorizes the Liquidator to audit the books and records of all agents of Cornerstone National Insurance Company under § 375.1182.1(5), RSMo.

47. The Court authorizes the Liquidator to:

a. Prosecute any action which may exist on behalf of creditors, policyholders, or members or shareholders of the insurer; to assert all defenses available to the insurer;

b. Enforce all rights, remedies, and powers of any creditor, shareholder, policyholder or member, including any power to avoid any transfer or lien that may be given;

c. Intervene in any proceeding as necessary, at the discretion of the Liquidator;

d. Avoid any fraudulent or preferential transfer pursuant to §§ 375.1192 and 375.1195, RSMo, including through litigation or otherwise;

e. Pursue any causes of action under the Missouri Uniform Fraudulent Transfer Act (§§ 375.428.005, RSMo *et seq.*) with any such recoveries to be used for the benefit of the Estate and its creditors.

48. The Court authorizes the Liquidator to enter into contracts to carry out this Liquidation Order, or to affirm, disavow, or repudiate contracts to which Cornerstone National Insurance Company is a party. §§ 375.1182.1(11) and 375.1184, RSMo.

Further, the Liquidator may disaffirm or repudiate any contract or lease:

- i. To which Cornerstone National Insurance Company is a party;
- ii. The performance of which the Liquidator, in the Liquidator's sole discretion, determines to be burdensome; and
- iii. The disaffirmance or repudiation of which the Liquidator determines, in the Liquidator's sole discretion, will promote the orderly administration of the affairs of Cornerstone National Insurance Company;
- iv. The Liquidator shall determine whether to exercise the right of repudiation within a reasonable period following the Effective Date of the Liquidation Order. In the sole discretion of the Liquidator, a contract shall be repudiated as of either:
 - 1) The Effective Date of the Liquidation Order; or
 - 2) Some other date after the Effective Date of the Liquidation Order selected by the Liquidator for the disaffirmance or repudiation of such contract or agreement.
- v. The liability of the Liquidator for the disaffirmance or repudiation of any contract pursuant to § 375.1184, RSMo shall be calculated as of the date of repudiation and shall be limited to actual direct compensatory damages as limited under § 375.1184.3, RSMo. Any such damages shall be submitted as a claim to the Liquidator pursuant to §§ 375.1206 to 375.1222, RSMo.

49. To preserve and protect the assets of the insurers, the Court hereby:

a. Prohibits any current or former officers, directors, managers, agents, affiliates, contractors, agents, employees, third-party administrators or any person acting in concert with Cornerstone National Insurance Company, from disposing, using, transferring, removing or concealing any property of Cornerstone National Insurance Company, without the express written authority of the Liquidator;

b. Prohibits any party involved with Cornerstone National Insurance Company from negotiating any settlement with any claimant or policyholders of the company other than the Liquidator or the SDR;

c. Prohibits any person from knowingly destroying, concealing, converting, or altering any records or property of Cornerstone National Insurance Company or any of its wholly owned subsidiaries after entry of this Liquidation Order without written permission of the Liquidator or Court pursuant to § 375.1176.8, RSMo;

d. The Court enjoins any such conduct and prohibit any and all persons, including, but not limited to, general agents, agents, contractors, or brokers of Cornerstone National Insurance Company as well as any banks, brokerage houses, reinsurers, third-party administrators, or other companies or persons having in their possession assets or unearned commissions which are or may be the property of Cornerstone National Insurance Company, from disposing of or destroying the same, or disposing of or destroying any records

pertaining to any business transactions between Cornerstone National Insurance Company and its insureds, policyholders, general agents, agents, brokers, banks, brokerage houses, reinsurers, third-party administrators, or other companies or persons having done business with Cornerstone National Insurance Company or having in their possession assets which are or were the property of Cornerstone National Insurance Company;

e. The Court orders that no action at law or equity or in arbitration may be brought against Cornerstone National Insurance Company, the Liquidator, or the SDR, whether in this state or otherwise, nor shall any such existing action be maintained or further prosecuted after issuance of the Order.

f. The Court hereby stays and enjoins any of the following:

i. The commencement or continuation of any judicial, administrative, or other action or proceeding against Cornerstone National Insurance Company, the Liquidator, or the SDR that was or could have been commenced before the commencement of this case, or to recover a claim against Cornerstone National Insurance Company that arose before the commencement of this case;

ii. Any act to obtain possession of property of Cornerstone National Insurance Company or to exercise control over property of Cornerstone National Insurance Company;

iii. Any act to create, perfect, or enforce any lien against property of Cornerstone National Insurance Company;

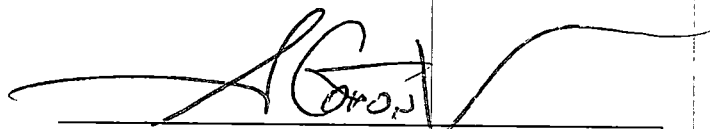
iv. Any act to create, perfect or enforce against property of Cornerstone National Insurance Company any lien to the extent that such lien secures a claim that arose before the commencement of this case; and

v. The set-off of any debt owing to Cornerstone National Insurance Company that arose before the commencement of this case against any claim against Cornerstone National Insurance Company.

50. The Court retains the power and authority to grant such further decrees, orders, and judgments under and within the provisions of §§ 375.1150 to 375.1246, RSMo, as the Court shall find advisable or necessary.

51. Nothing in this Order shall prohibit the Director or Rehabilitator from seeking leave of this Court to accelerate the Effective Date such that it begins at an earlier date than as set forth above.

IT IS SO ORDERED.

A handwritten signature in dark ink, appearing to read 'S. Cotton Walker', is written over a horizontal line.

The Honorable S. Cotton Walker
Circuit Court Judge, Division III
19th Judicial Circuit, State of Missouri

