RECEIVED
MAY 10 2006
Dav. Co. Chancery Court

IN THE CHANCERY COURT OF THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE, ex rel., PAULA A. FLOWERS, Commissioner of Commerce and Insurance for the State of Tennessee,	)	F09, II No. 03-3731-IV
Petitioner,	)	
v.	)	COPY
EXCHANGE INSURANCE COMPANY, a Tennessee domiciled insurance company,	)	
Respondent.	)	Notice of Entry Requested

FILED
2006 MAY 16 PM 2:37
DAVIDSON COUNTY CHANCERY CT.

FINAL ORDER TERMINATING REHABILITATION OF EXCHANGE INSURANCE COMPANY AND DISCHARGING REHABILITATOR

This Court has under consideration the Motion by the Commissioner of Commerce and Insurance for the State of Tennessee, Paula A. Flowers, as Rehabilitator of Exchange Insurance Company, a Tennessee-domiciled insurance company ("EIC"), by and through the Special Deputy Rehabilitator Kathy Fussell, (collectively, "the Rehabilitator"), filed on April 27, 2006, and noticed for hearing on May 12, 2006, for a final order terminating this rehabilitation in accordance with Tenn. Code Ann. § 56-9-305(c). No opposition was filed to the Motion.

WHEREFORE, based on the record, the Affidavit of Special Deputy Rehabilitator Kathy Fussell filed with the Motion, and the other grounds supporting the Motion, the Court FINDS that the Assumption Agreement was consummated and that the Plan of Rehabilitation has been accomplished and the Rehabilitator has performed those duties required by the Order Approving the Plan entered on August 3, 2005. The grounds for rehabilitation having been removed, and

the assets of the company being duly accounted for, the rehabilitation proceeding of EIC should be ended and the Commissioner should be granted this Final Order terminating the Rehabilitation of EIC. Accordingly, it is ORDERED, ADJUDGED AND DECREED that:

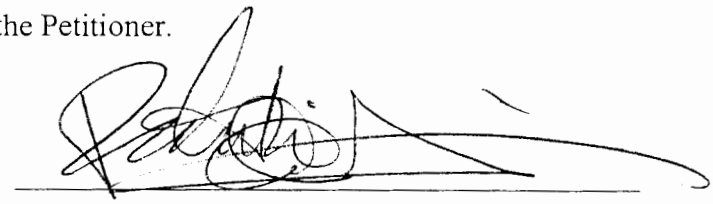
1. The Motion is granted and this Order finally terminates the Rehabilitation of EIC under Tenn. Code Ann. Section 56-9-305(c), and the Rehabilitator is hereby discharged. In accordance with the Plan, EIC shall transact no further insurance business.

2. All further corporate activity or obligations of EIC for the wind-down of EIC shall be carried out by EIC under its own management. The remaining assets of EIC are restored to corporate management. EIC is restored to its original owners and board of directors for any further actions that may be deemed appropriate or necessary to wind down the corporation independently of this Court proceeding, but without resumption of the issuance or coverage of any insurance or surety business.

3. Costs and expenses of EIC and the Rehabilitator since August 17, 2005 which have been paid out of the assets of EIC that were not to be paid or assumed by NLIC pursuant to the Assumption Agreement or other arrangements by EIC from the remaining assets of EIC, as itemized and described by the Affidavit of Special Deputy Rehabilitator Kathy Fussell attached to the Motion have been required to carry out the rehabilitation, and are approved.

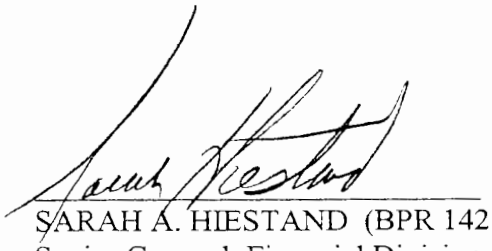
4. Court costs shall be paid by the Petitioner.

IT IS SO ORDERED.



CHANCELLOR

APPROVED FOR ENTRY:



SARAH A. HIESTAND (BPR 14217)
Senior Counsel, Financial Division
Attorney General's Office
P.O. Box 20207
Nashville, TN 37202
(615) 741-6035 fax (615) 532-8223
Attorneys for Paula A. Flowers, Commissioner of
Commerce and Insurance for the State of Tennessee
Rehabilitator of Exchange Insurance Company
and Kathy Fussell, Special Deputy Rehabilitator

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing Final Order Terminating Rehabilitation has been delivered by U.S. Mail postage prepaid this 10th day of May, 2006 to:

Respondent
Mr. Martin Cohen
Chairman, (inactive) Board of Directors
Exchange Insurance Company
6330 Torrington Road
Nashville, Tennessee 37205

Other Notice parties:
Marcia F. Cohen, Registered Agent
ROMELCO, Inc. (81% owner of EIC)
6330 Torrington Road
Nashville, TN 37205

Mr. Robins S. Ledyard
Bass, Berry & Sims
315 Deaderick Street, Suite 2700
Nashville, TN 37238-3001

Courtesy copy
fax 615-742-6293

National Lloyds Insurance Company
Greg Vanek, President
P.O. Box 2650
Waco, Texas 76702-2650

NLASCO Services, Inc.
Attn: Gordon Robinson
900 Austin Avenue, 12th floor
Waco, Texas 76701

Pat Beard, Esq.
Beard & Kultgen
5400 Bosque Blvd., Suite 301
Waco, Texas 76710

SARAH ANN HIESTAND

90070