STATE OF TENNESSEE
DEPARTMENT OF INSURANCE
DIVISION OF SELF INSURANCE
NASHVILLE

BOND OF EMPLOYER CARRYING HIS OWN RISK

KNOW ALL MEN BY THESE PRESENTS: That Norwalk Furniture Corporation of Tennessee,
of Cookeville, Tennessee,
as principal, and Midwest Employers Casualty Company,
of St. Louis, Missouri,
as surety, are
held and firmly bound unto the State of Tennessee for the use and benefit of the employees of the principal and to the dependents
of such employees, in the sum of Three hundred thousand Dollars, currency money of the United States, to be paid to the State of Tennessee, to the payment whereof we hereby bind ourselves and
each of us, our and each of our heirs, executors, successors and assigns, jointly and severally, firmly, by these presents.

Sealed with our seal and dated this 30th day of December, A.D. 1921.

WHEREAS, the above bounden Norwalk Furniture Corporation of Tennessee,
did on the 1st day of January, 1922, file with the Commissioner of Insurance of the State of
Tennessee, his, her, their or its application for the privilege, under Section 50-1205, Tennessee Code Annotated, and any amendments thereto, being a part of the Workmen's Compensation Insurance Law, Chapter 12, of Title 50, Tennessee Code Annotated, of paying compensation and operating under said Law without insuring the same; and

WHEREAS, the Commissioner of Insurance did, on the 12th day of January, 1922, grant
this privilege upon the condition that the said principal enter into a bond in the penalty sum of Three Hundred Thousand Dollars, conditioned, among other things, that said principal shall abide by and perform the requirements of the aforesaid Law and any amendments thereto, with reference to paying compensation and furnishing medical, surgical and other services and funeral expenses to said employees and their dependents;

NOW, THEREFORE, the condition of this obligation is such that if the above bounden
Norwalk Furniture Corporation of Tennessee,
shall well and truly, from time to time, and at all times thereafter, abide by and perform all requirements of the aforesaid Law and any amendments thereto, respecting the payment of compensation and furnishing medical, surgical and other services and funeral expenses to said employees and their dependents, then this obligation shall be void, otherwise to remain in full force and effect.

This bond is and shall be construed to be a direct obligation by the principal and surety herein either jointly or severally, to the person who may be entitled to such sum for medical, surgical and other services, funeral expenses or compensation and may be sued upon and enforced in the name or names of such person or persons.

This bond may be cancelled at any time by the surety upon giving thirty (30) days' written notice to the Commissioner of insurance of the State of Tennessee, in which event the liability of the surety shall, at the expiration of the said thirty days, cease and determine, except as to such liability of the principal on account of injury or death to any of its employees, as may have accrued prior to the expiration of said thirty days, it being understood that the surety shall be liable for the full sum mentioned herein, for the default of the principal in fully discharging any liability on its part accruing during the life of this obligation.

IN WITNESS WHEREOF, the said principal has caused these presents to be executed by the signature of its
President
and its corporate seal attached thereto, attested by its Controller,
and the said surety
or sureties have likewise caused these presents to be executed by the signature of its Vice President
and its corporate seal attached thereto, attested by its Secretary

(SEAL)
Attest as to Seal:

(SEAL)
Attest as to Seal:

(Richard A. Campbell, President)
Midwest Employers Casualty Company (Title)

(Joseph Beeghly, III, Secretary)
Norwalk Furniture Corporation of Tennessee (Title)

(Checked Representative in Tennessee)

If executed by other than a corporation

IN WITNESS WHEREOF, we have hereunto set our hands and seals on the day and date first above written.

Witness:

RECEIVED

DEC 31, 1921

Department of Commerce And Insuranace

Form No. 01-224 (12-13-72)
IN/0133

EXHIBIT A
APPOINTMENT OF ATTORNEY-IN-FACT BY INSURER

KNOW ALL MEN BY THESE PRESENTS, That the Midwest Employers Casualty Company of the State of Ohio has appointed and authorized the following to represent said company with the full power and authority to authorize and sign such surety bonds as are required by the State of Tennessee:

J. Thomas Markham, President
Cincinnati, Ohio
City State

Harry J. Bettey, Jr., Vice President
St. Louis, Missouri
City State

BE IT REMEMBERED, that on the 23rd day of October 1991, before me personally appeared J. Thomas Markham, President of the above named Corporation, who being duly sworn, deposes and says that he was personally present at the execution of the above Power of Attorney and saw the Common seal of the said Corporation of the Midwest Employers Casualty Company duly fixed thereto, and that the above Power of Attorney was duly signed, sealed and delivered by, as and for the Act and Deed of the said Midwest Employers Casualty Company for the uses and purposes therein mentioned, and that the name of this deponent subscribed to said Power of Attorney as President of said Corporation is of this deponent's own handwriting, and that the name of Lisa C. Lambert subscribed to said Power of Attorney as Assistant Secretary of said Corporation in attestation of the due execution and delivery of said Power of Attorney is of her own proper handwriting.

Sworn to and subscribed before me, this 23rd day of October, 1991.

Irene M. Malec
Notary Public

RECEIVED
JAN 06 1992
SELF INS/SURPLUS LINES DIV.
DEPT. OF COMMERCE & INSURANCE

R. E. M. MALE
NOTARY PUBLIC STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXPIRED APRIL 30, 1994
December 31, 1991

Mr. Wes Rankin  
Financial Examiner  
Self-Insurance Division  
State of Tennessee  
500 James Robertson Parkway  
4th Floor  
Nashville, TN 37219  

RE: Norwalk Furniture Corporation of TN  

Dear Wes:  

Attached is the self-insured bond form for Norwalk Furniture Corporation of TN. After reviewing, if there are any questions, please let me know.  

Sincerely,  

Dick  
Richard D. Hammer  
President  
RDH/1r  
Attachment
SURETY BOND TERRORISM RIDER
(TEEEISM RISK INSURANCE ACT NOTIFICATION)

This notice addresses requirements of the Terrorism Risk Insurance Act of 2002.

Definitions:
The definitions provided in this notice are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this notice are defined in the Act, the definitions in the Act will apply.


*Act of terrorism* means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

a. The act is an act of terrorism.

b. The act is violent or dangerous to human life, property or infrastructure.

c. The act resulted in damage within the United States, or outside of the United States in the case of United States missions or certain air carriers or vessels.

d. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

*Insured terrorism or war loss* means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at United States missions or to certain air carriers or vessels.

*Insurer deductible* means:

a. For the period beginning on November 26, 2002 and ending on December 31, 2002, an amount equal to 1% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding November 26, 2002.

b. For the period, beginning on January 1, 2003 and ending on December 31, 2003, an amount equal to 7% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2003.

c. For the period beginning on January 1, 2004 and ending on December 31, 2004, an amount equal to 10% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2004.

d. For the period beginning on January 1, 2005 and ending on December 31, 2005, an amount equal to 15% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2005.

Limitation of Liability:
The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed $100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice
1. Insured terrorism or war losses would be partially reimbursed by the United States Government under a formula established by the Act. Under this formula, the United States Government would pay 90% of our insured terrorism or war losses exceeding our insurer deductible.

2. The additional premium charged for the coverage this policy provides for insured terrorism or war losses is shown in the Schedule below.

Schedule:

<table>
<thead>
<tr>
<th>Insured: Norwalk Furniture Corporation of Tennessee</th>
<th>Bond #: B002TN</th>
<th>Effective Date: 1/1/2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>State: Tennessee</td>
<td>Charge: $300</td>
<td></td>
</tr>
</tbody>
</table>

SURETY: MIDWEST EMPLOYERS CASUALTY COMPANY

RECEIVED

APR 27 2004

Dept. of Commerce & Insurance
Financial Affairs/Analytical Section

Peter W. Shaw, CFO/Treasurer
Printed Name and Title
STATE OF TENNESSEE
DEPARTMENT OF INSURANCE
DIVISION OF SELF-INSURANCE
NASHVILLE
SURETY RIDER

To be attached to and form a part of

Type of Bond: Self-Insurer's Bond

Bond No. : B002TN

Principal : Norwalk Furniture Corporation Of Tennessee

Surety : Midwest Employers Casualty Company

in favor of : State of Tennessee

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing the amount of bond liability effective November 1, 1993:

FROM: $300,000

TO: $350,000

Nothing herein contained shall vary, alter or extend any provisions or condition of this bond except as herein expressly stated.

Signed and Sealed 09 13 93
(Month, Day, Year)

ATTEST:

FOR PRINCIPAL: Norwalk Furniture Corporation of TN
SIGNATURE: Richard A. Campbell
PRINTED NAME: Richard A. Campbell
TITLE: Rev.

FOR SURETY: MIDWEST EMPLOYERS CASUALTY CO.
SIGNATURE: Patrick L. Pope
PRINTED NAME: Patrick L. Pope
TITLE: Vice President

ATTEST:

Asst. Secretary - Lisa C. Lambert
APPOINTMENT OF ATTORNEY-IN-FACT BY INSURER

KNOW ALL MEN BY THESE PRESENTS, That the Midwest Employers Casualty Company of the State of Ohio has appointed and authorized the following to represent said company with the full power and authority to authorize and sign such surety bonds as are required by the State of Tennessee:

[Signature]
J. Michael Foley, President
St. Louis Missouri
City State

[Signature]
Patrick L. Pope, Vice President
St. Louis Missouri
City State

[Signature]
President

ASSISTANT SECRETARY
Lisa C. Lambert

State of Missouri
County of St. Louis

BE IT REMEMBERED, that on the 22nd day of December 1992, before me personally appeared J. Michael Foley, President of the above named Corporation, who being duly sworn, deposes and says that he was personally present at the execution of the above Power of Attorney and saw the Common seal of the said Corporation of the Midwest Employers Casualty Company duly fixed thereto, and that the above Power of Attorney was duly signed, sealed and delivered by, as and for the Act and Deed of the said Midwest Employers Casualty Company for the uses and purposes therein mentioned, and that the name of this deponent subscribed to said Power of Attorney as President of said Corporation is of this deponent's own handwriting, and that the name of Lisa C. Lambert subscribed to said Power of Attorney as Assistant Secretary of said Corporation in attestation of the due execution and delivery of said Power of Attorney is of her own proper handwriting.

Sworn to and subscribed before me, this 22nd day of December, 1992.

[Signature]
Irene M. Malec
Notary Public

[Notary Seal]

RECEIVED
Nov 01, 1993
STATE OF TENNESSEE

DEPARTMENT OF COMMERCE AND INSURANCE

Surety Bond Rider

This Rider shall be attached to and form a part of Bond No. B002TN executed by Norwalk Furniture Corporation of Tennessee as Principal and by Midwest Employers Casualty Company as Surety, in favor of The State of Tennessee.

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to AN INCREASE IN THE BOND PENALTY:

FROM: $350,000
TO: $500,000

Except as expressly stated herein, this rider shall not vary, alter or extend any provision or condition of this bond.

This rider shall be effective as of January 1, 2004.

Attest: [Signature]

PRINCIPAL: Norwalk Furniture Corporation of Tennessee
SIGNATURE: [Signature]
PRINTED NAME: RA Campbell
TITLE: President
DATE: 12-29-03

SURETY: Midwest Employers Casualty Company
SIGNATURE: [Signature]
PRINTED NAME: Peter W. Shaw, CFO/Treasurer
TITLE: 
DATE: April 27, 2004

RECEIVED

APR 27, 2004

Dept. of Commerce & Insurance
Financial Affairs/Analytical Services
KNOW ALL MEN BY THESE PRESENTS, That the Midwest Employers Casualty Company of the State of Delaware has appointed and authorized the following to represent said company with the full power and authority to authorize and sign such surety bonds as are required by the State of Tennessee:

Melodee J. Saunders, President
St. Louis Missouri
City State

Peter W. Shaw, CFO/Treasurer
St. Louis Missouri
City State

[Signature]
Melodee J. Saunders
President

[Seal]

State of Missouri
County of St. Louis

BE IT REMEMBERED, that on the 27th day of April of 2004, before me personally appeared Melodee J. Saunders, President of the above named Corporation, who being duly sworn, deposes and says that she was personally present at the execution of the above Power of Attorney and saw the Common seal of the said Corporation of the Midwest Employers Casualty Company duly fixed thereto, and that the above Power of Attorney was duly signed, sealed and delivered by, as and for the Act and Deed of the said Midwest Employers Casualty Company for the uses and purposes therein mentioned, and that the name of this deponent subscribed to said Power of Attorney as President of said Corporation is of this deponent's own handwriting, and that the name of Pamela A. Goldman subscribed to said Power of Attorney as Assistant Secretary of said Corporation in attestation of the due execution and delivery of said Power of Attorney is of her own proper handwriting.

Sworn to and subscribed before me, [Signature] this 27th day of April, 2004.

RECEIVED

APR 27 2004

Dept. of Commerce & Insurance
Financial Affairs/Analytical Section
STATE OF TENNESSEE

DEPARTMENT OF COMMERCE AND INSURANCE

Surety Bond Rider

This Rider shall be attached to and form a part of Bond No. B002TN, executed by Norwalk Furniture Corporation of Tennessee as Principal and by Midwest Employers Casualty Company as Surety, in favor of the State of Tennessee.

The Principal and the Surety hereby consent to an increase in the bond penalty as follows:

FROM: $ 500,000
TO: $ 905,000

Except as expressly stated herein, this rider shall not vary, alter or extend any provision or condition of this bond.

This rider shall be effective as of November 15, 2005.

Attest:

Beverly Green

PRINCIPAL: Norwalk Furniture Corporation of Tennessee

SIGNATURE: Allan Stingley

PRINTED NAME: Allan Stingley

TITLE: Vice President of Operations

DATE: 11-3-05

SURETY: Midwest Employers Casualty Company

Attest:

Pamela A. Goldman, Assistant Secretary

SIGNATURE:

PRINTED NAME: Peter W. Shaw, CFO/Treasurer

TITLE:

DATE:
SURETY BOND TERRORISM RIDER
(TERRORISM RISK INSURANCE ACT NOTIFICATION)

This notice addresses requirements of the Terrorism Risk Insurance Act of 2002.

Definitions:
The definitions provided in this notice are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this notice are defined in the Act, the definitions in the Act will apply.


"Act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:
- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured terrorism or war loss" means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at United States missions or to certain air carriers or vessels.

"Insurer deductible" means:
- a. For the period beginning on November 26, 2002 and ending on December 31, 2002, an amount equal to 1% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding November 26, 2002.
- b. For the period, beginning on January 1, 2003 and ending on December 31, 2003, an amount equal to 7% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2003.
- c. For the period beginning on January 1, 2004 and ending on December 31, 2004, an amount equal to 10% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2004.
- d. For the period beginning on January 1, 2005 and ending on December 31, 2005, an amount equal to 15% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2005.

Limitation of Liability:
The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed $100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice
1. Insured terrorism or war losses would be partially reimbursed by the United States Government under a formula established by the Act. Under this formula, the United States Government would pay 90% of our insured terrorism or war losses exceeding our insurer deductible.
2. The additional premium charged for the coverage this policy provides for insured terrorism or war losses is shown in the Schedule below.

Schedule:

<table>
<thead>
<tr>
<th>State: Tennessee</th>
<th>Charge: $679</th>
</tr>
</thead>
</table>

Insured: Norwalk Furniture Corporation of Tennessee

Bond #: B002TN

Effective Date: 11/15/2005

SURETY: MIDWEST EMPLOYERS CASUALTY COMPANY

__________________________
Peter W. Shaw, CFO/Treasurer

Printed Name and Title
APPOINTMENT OF ATTORNEY-IN-FACT BY INSURER

KNOW ALL MEN BY THESE PRESENTS, That the Midwest Employers Casualty Company of the State of Delaware has appointed and authorized the following to represent said company with the full power and authority to authorize and sign such surety bonds as are required by the State of Tennessee:

Melodee J. Saunders, President
St. Louis Missouri

Peter W. Shaw, CFO/Treasurer
St. Louis Missouri

BE IT REMEMBERED, that on the 15th day of November 2005, before me personally appeared Melodee J. Saunders, President of the above named Corporation, who being duly sworn, deposes and says that she was personally present at the execution of the above Power of Attorney and saw the Common seal of the said Corporation of the Midwest Employers Casualty Company duly fixed thereto, and that the above Power of Attorney was duly signed, sealed and delivered by, as and for the Act and Deed of the said Midwest Employers Casualty Company for the uses and purposes therein mentioned, and that the name of this deponent subscribed to said Power of Attorney as President of said Corporation is of this deponent's own handwriting, and that the name of Pamela A. Goldman subscribed to said Power of Attorney as Assistant Secretary of said Corporation in attestation of the due execution and delivery of said Power of Attorney is of her own proper handwriting.

Sworn to and subscribed before me, this 15th day of November, 2005.
Notary Public

State of Missouri
County of St. Louis
December 26, 2007

via Federal Express

Ms. Jara Kirsch
Department of Commerce & Insurance
500 James Robertson Parkway
4th Floor, Self Insurance Section
Nashville, TN 37243-1132

Re: B002TN- Norwalk Furniture Corp of TN

Dear Mr. Kirsch:

Please find enclosed the following:

- B002TN- Norwalk Furniture Corp of TN

Thank you for your assistance in this matter.

Very truly yours,

MIDWEST EMPLOYERS CASUALTY CO.

[Signature]

Margaret Kirk
Accountant

Enclosure

cc: Charles Acbel, BISYS Services, Inc.
STATE OF TENNESSEE

DEPARTMENT OF COMMERCE AND INSURANCE

Surety Bond Rider

This Rider shall be attached to and form a part of Bond No. B002TN executed by Norwalk Furniture Corporation, as Principal and by Midwest Employers Casualty Company as Surety, in favor of the State of Tennessee.

The Principal and the Surety hereby consent to a decrease in the bond penalty as follows:

FROM: $905,000
TO: $500,000

Except as expressly stated herein, this rider shall not vary, alter or extend any provision or condition of this bond.

This rider shall be effective as of December 10, 2007.

Attest: [Signature]

PRINCIPAL: Norwalk Furniture Corporation
SIGNATURE: Allan Stingley
PRINTED NAME: Allan Stingley
TITLE: COO
DATE: 12-11-07

SURETY: Midwest Employers Casualty Company
SIGNATURE: [Signature]
PRINTED NAME: Peter W. Shaw, CFO/Treasurer
TITLE: [Title]
DATE: [Date]
APPOINTMENT OF ATTORNEY-IN-FACT BY INSURER

KNOW ALL MEN BY THESE PRESENTS, That the Midwest Employers Casualty Company of the State of Delaware has appointed and authorized the following to represent said company with the full power and authority to authorize and sign such surety bonds as are required by the State of:

Melodee J. Saunders, President
St. Louis Missouri
City State

Peter W. Shaw, CFO/Treasurer
St. Louis Missouri
City State

BE IT REMEMBERED, that on the 26th day of December 2002, before me personally appeared Melodee J. Saunders, President of the above named Corporation, who being duly sworn, deposes and says that she was personally present at the execution of the above Power of Attorney and saw the Common seal of the said Corporation of the Midwest Employers Casualty Company duly fixed thereto, and that the above Power of Attorney was duly signed, sealed and delivered by, as and for the Act and Deed of the said Midwest Employers Casualty Company for the uses and purposes therein mentioned, and that the name of this deponent subscribed to said Power of Attorney as President of said Corporation is of this deponent's own handwriting, and that the name of Pamela A. Goldman subscribed to said Power of Attorney as Assistant Secretary of said Corporation in attestation of the due execution and delivery of said Power of Attorney is of her own proper handwriting.

Sworn to and subscribed before me, this 26th day of December, 2002.
notary public

MARGARET A. KERK
My Commission Expires
August 1, 2010
St. Louis County
Commission 600363637
### Shipping Label

Your shipment is complete.

1. Use the Print feature from your browser to send this page to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney’s fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is $500, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

---

**Shipping Service:** Standard Overnight

**Tracking Number:** XH-RNCA 7983 3945 5184

**To:** Oracle Enterprises, 500 James Robertson Parkway, 4th Floor Self Insurance Section, Nashville, TN 37243

---

**Shipment Details:**

- **Ship Date:** Dec 07
- **Account:** 8
- **Reference:**
- **Invoice #:**
- **PO #:**
- **Department:**

---

June 29, 2007

Via Facsimile and Certified Mail

Ms. Jara Kirsch
Department of Commerce and Insurance
500 James Robertson Parkway
4th Floor, Self Insurance Section
Nashville, TN 37243

RE: Surety Bond B002TN $905,000
Norwalk Furniture Corporation of Tennessee

Please accept this letter as our thirty-day notice of cancellation of the above referenced surety bond, to be effective July 29, 2007. It is our understanding that Norwalk Furniture Corporation has surrendered its self-insurance authority and is no longer self insured.

Sincerely,

[Signature]
Charles F. Aebel
Bond Underwriting Manager

cc: Ted Campbell
Angie McCord

14755 North Outer Forty Drive • Suite 300 • Chesterfield, MO 63017 • Phone: 636-449-7000 • Fax: 636-449-7199

A BERKLEY COMPANY®

RECEIVED
JUL 9 2007
Financial Affairs
Analytical Unit
July 11, 2007

Jara Kirsch, Analyst
Department of Commerce and Insurance
Financial Affairs / Analytical Unit 0576
500 James Robertson Parkway, 4th Floor
Nashville, TN 37243

Ms Kirsch:

Norwalk Furniture Corporation of Tennessee has elected to cancel the self-funded workers compensation program and have gone to a fully insured program with Wausau. The insurance with Wausau is effective July 1, 2007.

If you have any questions or need anything further, please contact me.

Sincerely,

Allan Stingley
VPO/COO

cc: Angie McCord, BSA

Certified Receipt # 7006 2760 0000 5467 1104
Return Receipt Requested
STATE OF TENNESSEE
RENEWAL APPLICATION FOR WORKERS' COMPENSATION SELF-INSURANCE
EACH BLANK MUST BE ANSWERED IN FULL

THE DEPARTMENT OF COMMERCE AND INSURANCE
Financial Affairs / Analytical Unit 0576
500 James Robertson Parkway, 4th Floor
Nashville, TN 37243

Date Completed: January 29, 2007
DUE on or before: January 31, 2007

The undersigned employer (applicant) submits the following statements and reports of qualifications to carry its own risk under provisions of the Workers' Compensation Act of Tennessee.

1. Name of applicant: Norwalk Furniture Corp. of Tennessee FFEIN# 62-0758400

2. Address: P.O. Box 3067, Cookeville, Putnam County, Tennessee 38502-3067 (931) 432-4171

3. The applicant is: Corporation

4. List below the name and addresses of officers and directors of the corporation:
   Title (as "Officer", "President", "Director") Name Address
   a. Chairman: James E. Gerken 100 Furniture Pkwy, Norwalk, OH 44857
   b. President: George E. Elmer 100 Furniture Pkwy, Norwalk, OH 44857
   c. Treasurer & Secretary: Peg J. Whitehurst 100 Furniture Pkwy, Norwalk, OH 44857
   d. Assistant Secretary: Allan Stingley P.O. Box 3067, Cookeville, TN 38502

5. Date of commencement of self-insurance in Tennessee: January 1, 1992

6. Chartered under the laws of the state of Tennessee on September 22, 1966

7. If a foreign corporation, give date of registration in the office of the Tennessee Secretary of State: N/A

8. Has there been any change in corporate structure within the last two years? N/A

9. Has applicant any affiliates, subsidiaries, or divisions operating in Tennessee? Yes [If so, give following information]
   State whether affiliate, division or subsidiary
   a. Division of NFC-TN: Wood Products Division Manufacturing at: P.O. Box 3067, Cookeville, TN 38502-3067
   b. ___________________________ ___________________________ ___________________________ ___________________________
   c. ___________________________ ___________________________ ___________________________ ___________________________
   d. ___________________________ ___________________________ ___________________________ ___________________________

10. Is applicant a subsidiary? Yes [If so, give name and address of Parent Company, and list all subsidiaries.]
    (1) Parent Company is: Norwalk Furniture Corp., 100 Furniture Pkwy, Norwalk, OH 44857
        Name: ___________________________ Street: ___________________________ City: ___________________________ State: __________ Zip: ___________________________

    (2) Its subsidiaries operating in the State of Tennessee are:
        a. Norwalk Furn. Corp. of TN., P.O. Box 3067, Cookeville, TN 38502-3067
        b. ___________________________ ___________________________ ___________________________ ___________________________
        c. ___________________________ ___________________________ ___________________________ ___________________________
        d. ___________________________ ___________________________ ___________________________ ___________________________

11. Description of employment:
    Location in Tennessee (City) Kind of Employment Average number of employees in TN For year ending: 2006
    Cookeville Manufacturing 98 $2,630,365.57
    ___________________________ ___________________________ ___________________________ ___________________________ ___________________________ ___________________________ ___________________________ ___________________________
    TOTALS 98 $2,630,365.57

12. Name and address of Person/Company administering claims in Tennessee: Brentwood Services Inc.
    P.O. Box 1125, Brentwood, TN 37024-1125

IN01205 (Revised Nov. 2004)
13. Past three-year Accident Experience
   a. Number of deaths
   b. Number of dismemberments
   c. Number of temporary disabilities exceeding 7 days duration
   d. Number of accidents of all kinds

   Year 2004 Year 2005 Year 2006
   # 0 0 0
   # 0 0 0
   # 9 8 6
   # 35 19 14

14. In consideration of the approval of this application, the applicant hereby expressly agrees as follows:
   a. That this privilege may be revoked by the Commissioner of Commerce and Insurance, as provided in Tenn. Code Ann. § 50-6-405.
   b. That the applicant, who is carrying catastrophe or excess coverage insurance, shall file a photocopy of the policy with the Department of Commerce and Insurance.
   c. That the applicant shall file with the Commissioner an acceptable security amounting to at least five hundred thousand dollars ($500,000).
   d. That the employer will not solicit, receive or collect any money from employees or make any deduction from their wages for the purpose of discharging any part of the employer’s liability under the Workers’ Compensation Act and that the employer will not permit any person with the employer’s knowledge to sell or try to sell medical or hospital tickets to the company’s employees for medical, surgical or hospital treatment required by law to be furnished to injured employees.
   e. When the applicant is a subsidiary company or a partnership, the Commissioner requires that the parent company, or any other company or persons holding stock in the applicant company, or a partner in the applicant partnership, shall give a satisfactory guarantee that the applicant will fully and promptly pay all sums which are or may become payable under the provisions of the Tennessee Workers’ Compensation Law and under the terms of the agreement contained in this application.

15. Rating Agency: Indicate whether your company or parent company is rated by the following rating agencies:
   X Standard & Poor's Corporation
   Yes Moody’s Investors Service, Inc.
   Dun & Bradstreet
   Other:

   No, and if YES, indicate present rating:

   NPC Corporate 4A2 DUNS# 004170791

16. Loss Runs for the three latest calendar years valued as of December 31, 2006. (Attach copy of detailed loss runs.)

   YEAR INCURRED PAID INDEM. PAID MEDICAL RESERVED EXCESS RECOVERABLE
   2004 $187,516.43 68,248.97 $72,803.86 $9,636.83 $0
   2005 $98,575.43 40,171.40 $45,285.26 $1,000 $0
   2006 $55,907.63 9,642.03 $5,792.86 $33,756.71 $0
   TOTALS $341,999.49 118,062.40 $123,881.98 $43,394.54 $0

   Total reserve amount for all open claims since inception of self-insurance $179,655.74
   Total amount of excess recoverable on all open claims $0

   Signed Allan R. Stingley
   By Allan Stingley
   Vice President & COO
   (Official Position)

   AFFIDAVIT
   (The person subscribing the affidavit below should be the employer himself; or if the employer is a partnership, one of the partners; or if the employer is a corporation, its President, Vice-President, Secretary or Treasurer.)

   STATE of Tennessee, County

   Allan R. Stingley first being sworn on oath, deposes and says that he/she is the person who signed the foregoing application for the employer therein named, and that he/she is acquainted with the affairs of said applicant employer, to which the representations and statements set forth in the foregoing application relate: that he/she has read said application, knows the contents thereof and that said representations and statements therein contained are true to the best of his/her knowledge, information and belief.

   Allan R. Stingley
   (Affiant's Signature)
   Vice President & COO
   (Official Position)

   Subscribed and sworn to before me at Cool Springs, this 9th day of January, A.D. 2007
   Beverly Ann Moore
   (Notary Public)
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE FOR THE STATE OF TENNESSEE

IN THE MATTER OF:                      )
)                                          ) No.: 09-001
NORWALK FURNITURE  )
CORPORATION OF TENNESSEE )
)                                          )

ORDER CALLING BOND AND ESTABLISHING ACCOUNT AND TRANSFER OF RECORDS FOR ADMINISTRATION OF BOND PROCEEDS

This matter came before the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner") with respect to Norwalk Furniture Corporation of Tennessee ("Norwalk"), a business located in Tennessee that self-insured its workers' compensation liabilities pursuant to Tenn. Code Ann. § 50-6-405 and Tenn. Comp. R. & Regs. 0780-1-83 from January 1, 1992 through July 1, 2007 (the self-insurance period). On July 1, 2007, Norwalk purchased a fully insured workers' compensation policy through Wausau, an insurance company licensed in Tennessee, and surrendered its certificate of authority to be self-insured for workers' compensation liabilities.

Pursuant to Tenn. Code Ann. § 50-6-405, prior to obtaining its certificate of authority to be self-insured, Norwalk was required to execute a bond to ensure its performance of all workers' compensation liabilities. Norwalk executed such bond (number B002TN), effective January 1, 1992, with Midwest Employers Casualty Company ("MWECC") named as the surety in the penalty amount of three hundred thousand dollars ($300,000). Three (3) riders to the original bond were executed
increasing the amount of the bond to three hundred and fifty thousand dollars ($350,000) on November 1, 1993; to five hundred thousand dollars ($500,000) on January 1, 2004; and to nine hundred five thousand dollars ($905,000) on November 15, 2005. By letter dated June 29, 2007, MWECC sent the Department notice of cancellation of the bond based upon Norwalk surrendering its certificate of authority to be self-insured for workers’ compensation liabilities. After termination of the bond, MWECC remained liable for Norwalk’s workers’ compensation obligations that arose during the period Norwalk was self-insured, and on December 10, 2007, MWECC executed another rider that reduced the amount of the bond to five hundred thousand dollars ($500,000).

On October 3, 2008, Norwalk’s parent company, Norwalk Furniture Corporation (“Parent Company”), filed for Chapter 7 bankruptcy and all of its and its subsidiaries’ assets reportedly were either sold or encumbered. Further, as of October 10, 2008, Norwalk ceased funding its workers’ compensation claims account and its third-party administrator, Brentwood Services Administrators, Inc. (“BSA”), was no longer able to pay Norwalk’s obligations. After finding that such circumstances caused Norwalk to become an “impaired employer” as defined in Tenn. Comp. R. & Regs. 0780-1-83-.02(8), the Commissioner provided notice by letter dated November 4, 2008, to MWECC of the call on the bond and the proceeds made pursuant to Tenn. Comp. R. & Regs. 0780-1-83-.15, which is being formalized by this Order.

Pursuant to Tenn. Code Ann. § 50-6-405(b) and (h), the Commissioner is authorized to administer the proceeds of the bond. In order to administer the bond, it is necessary to establish an account to facilitate the payment of Norwalk’s current outstanding workers’ compensation obligations arising under Tenn. Code Ann. §§ 50-6-
101, *et seq.* The Commissioner is also authorized to demand all records, data and information reflecting Norwalk’s self-insured workers’ compensation program. Further, the Commissioner is authorized to make payments for medical and indemnity expenses incurred by covered employees of the bond proceeds as well as to use the bond proceeds to or for the benefit of the covered employees and to approve the continued treatment of covered employees whose treatment would have been authorized by Norwalk, as identified by Norwalk’s workers’ compensation administrative staff. The Commissioner is also solely empowered by Tenn. Code Ann. § 50-6-405(b) to bring action to enforce the bond, and intends to bring such an action to obtain orders that will fully determine MWECC’s obligations under the bond and set forth a Court-approved plan for administration of the bond proceeds.

Accordingly, it is hereby ORDERED that:

1. In contemplation of an action by the Commissioner in Davidson County Chancery Court to enforce the bond and to obtain orders in aid of the administration of the bond, MWECC remit proceeds of the bond in the amount of Seven Thousand Five Hundred Dollars ($7,500) to the Commissioner to allow the Commissioner to pay Norwalk’s outstanding medical and indemnity expenses incurred by covered employees until such time that the Chancery Court enforces the Department’s calling of the bond. Any and all proceeds of the bond remitted by MWECC to the Commissioner shall reduce MWECC’s outstanding penalty sum of five hundred thousand dollars ($500,000) by an equivalent dollar amount.

2. An account or accounts be established to allow the Commissioner to deposit proceeds of the bond and to make payment of current medical and indemnity
expenses incurred by covered employees of the bond proceeds as well as any and all fees and costs required to administer the disbursement of the bond proceeds to or for the benefit of the covered employees;

3. Norwalk make available to the Commissioner any and all records within its possession or the possession of its employees, affiliates, agents or any other party related to Norwalk’s workers’ compensation program; and,

4. As necessary and appropriate, continued treatment of covered employees shall be authorized by Norwalk, as identified by Norwalk’s workers’ compensation administrative staff.

It is so **ORDERED**.

**ENTERED** this 24th day of **January** 2009.

[Signature]

Leslie A. Newman
Commissioner
Department of Commerce of Insurance

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**PREPARED FOR ENTRY:**

[Signature]

Amy B. Smith (BPR# 024713)
Assistant General Counsel
Department of Commerce and Insurance
500 James Robertson Parkway, Second Floor
Nashville, Tennessee 37243
(615) 532-6830
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Order Calling Bond and Establishing Account and Transfer of Records for Administration of Bond Proceeds has been sent to:

Thomas Sandifer, Claims Attorney  
Midwest Employers Casualty Company  
14755 North Outer Forty Drive, Suite 300  
Chesterfield, Missouri 63017  
via United States Certified Mail, Return Receipt Requested  
Receipt Number _7008 1140 0002 5992 7504

George Elmer, President and Agent for Service of Process  
Norwalk Furniture Corporation of Tennessee  
1100 South Willow Avenue  
Cookeville, Tennessee 38501  
via United States Certified Mail, Return Receipt Requested  
Receipt Number _7008 1140 0002 5992 7511

Everett Sinor, General Counsel  
Brentwood Services Administrators, Inc.  
104 Continental Place, #200  
Brentwood, Tennessee 37027  
via United States Certified Mail, Return Receipt Requested  
Receipt Number _7008 1140 0002 5992 7528

this the 27th day of January, 2009.

Amy B. Smith  
Certifying Attorney
IN THE CHANCERY COURT OF THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

STATE OF TENNESSEE, ex rel. LESLIE A. NEWMAN)  )
in her official capacity as COMMISSIONER OF COMMERCE AND INSURANCE, on behalf of )
the employees of Norwalk Furniture Corporation of Tennessee (aka Norwalk Wood Products Division) for Tennessee self-insured workers’ compensation benefits, )

          Petitioner, )

vs. )

MIDWEST EMPLOYERS CASUALTY COMPANY, )
A Missouri domiciled insurance company, and )
NORWALK FURNITURE CORPORATION OF TENNESSEE, A Tennessee domiciled corporation. )

          Respondents. )

Re: Bond for Workers’ Compensation Self-Insurance of Norwalk Furniture Corporation of Tennessee – for claims incurred January 1, 1992 to July 1, 2007.)

ORDER TO SHOW CAUSE, SPECIALLY SETTING AN EARLY HEARING ON THE PETITION FOR ORDER REQUIRING BOND COMPANY TO PAY BOND PENALTY SUM AND TO DISCHARGE BOND, FOR ORDER OF ADMINISTRATION OF BOND FUND AND INJUNCTIVE RELIEF; and TEMPORARY ORDER PERMITTING COMMISSIONER TO EXPEND CERTAIN BOND PROCEEDS FOR ONGOING BENEFITS; and STAY OF WORKERS’ COMPENSATION PROCEEDINGS

This order is made upon ex parte consideration of the Verified Petition of the Commissioner of Commerce and Insurance to require Bond Company Midwest Employers Casualty Company to Pay Bond Penalty and to Discharge Bond, and Order of Administration of Bond Fund and Related Injunctions, etc., respecting a Bond that secures workers’ compensation self-insurance liability of Norwalk Furniture Corporation of Tennessee (Norwalk/TN) under Tenn. Code Ann. § 50-6-405 and the Request for Early Hearing and Relief, together with supporting exhibits ("Verified Petition"), filed with the Court. This Court FINDS:
1) that such Verified Petition alleges that Norwalk/TN, a former Tennessee employer stopped paying any self-insured workers' compensation benefits in October 2008, and requests payment of the proceeds of bond for the outstanding self-insured Tennessee workers' compensation liability and equitable injunctive relief so that claims may be administered under the supervision of this Court; and further that the Commissioner attests that she holds a Bond of Midwest Employers Casualty Company (MWECC) for a total of $500,000.00, of which $7500 was demanded and received by the Commissioner out of the Bond to meet the payment of immediately owing workers' compensation benefits, that the Petition sets forth a reasonable, feasible, and compelling request to continue the Commissioner's temporary authority to administer such funds on hand to authorize and pay for temporary medical benefits and other immediate benefits in ordinary course to prevent irreparable harm to the employees, to stand until further order of this Court after entry of an order after hearing on the Verified Petition;

2) that the Respondent MWECC is a bonding company that should promptly respond whether it agrees with the relief requested in the Verified Petition that the bond penalty sum should be paid over to the Commissioner to supply Norwalk/TN's outstanding workers compensation benefits and to fully discharge the Bond, and both MWECC and Norwalk/TN should be given an opportunity to respond whether there is any objection to the injunctive relief and administrative receivership procedure of the Commissioner for use of the bond proceeds set forth in the Verified Petition;

3) that affected Norwalk/TN employees are not required by the Verified Petition to answer the Petition in order to claim on the funds to be held by the Commissioner, but will be affected by the plan as to how and by whom the Bond will be administered, but that it is
appropriate that any activity in their claims should be stayed pending the ruling on the administration of the Bond, and

4) that the Commissioner's request for an expedited hearing on the Verified Petition should be granted to assess quickly whether the Bond penalty sum shall be paid over by MWECC leading to discharge of the MWECC bond, and whether Norwalk/TN has any opposition to that relief, or to cooperation with the resulting administration of the Bond Fund, any interested parties oppose the Verified Petition to set up the procedure for receiving claims for Norwalk/TN's Tennessee workers' compensation benefits.

Accordingly, a prompt hearing is appropriate in this matter and good cause has been established for the following order:

IT IS HEREBY ORDERED THAT the hearing on the Verified Petition shall be heard on ____________, 2009 at ____ (central time) in Part ___ of this Davidson County Chancery Court, Metro Courthouse, Courthouse Square, Nashville, TN, to consider whether this Court should grant the Petition, to administer funds, as set forth in the Prayer of the Commissioner's Petition, and the related injunctions to protect the administration of the Bond Funds. At such time the Respondents or any persons who may wish to object to the procedure to administer this case shall show cause why the Order should not be granted as requested by the Commissioner. The Court will not determine any specific person's entitlement to an award of benefits from the fund to be held by the Commissioner at this hearing, but only whether the requested administrative relief will be granted. Any objections should be filed in writing prior to the hearing with the Clerk & Master of this Court before the close of business on ________________, 2009, and a copy delivered to the counsel for the State, Sarah A.
IT IS FURTHER TEMPORARILY ORDERED, that, until an order is entered by this Court ruling upon the Verified Petition, the Commissioner shall be permitted to continue to administer such funds that she already possesses from the bond, or which may be paid by MWECC, to authorize and pay for temporary medical benefits and other previously authorized immediate benefits in ordinary course to prevent irreparable harm to the employees, and to seek records and data as needed for this proceeding;

IT IS FURTHER TEMPORARILY ORDERED, that, until any further order is entered by this Court ruling upon the Verified Petition and adopting a specific plan for administration of the Bond, any state workers' compensation actions or proceedings with respect to self-insured claims of Norwalk/TN's employees shall be stayed, so as to protect the orderly Bond administration that is being sought in the Verified Petition from the irreparable harm of potentially undefended actions, and the Commissioner shall cause notice of this temporary order to be given to any person or entity that is learned to be taking or attempting to take such action.

Notice by copy of this Order setting Hearing and the Verified Petition shall be served by Petitioner's counsel on each Respondent and notice parties set forth in the Service list to the Petition. Proof of service shall be filed at or before the hearing date by Petitioner's counsel. IT IS SO ORDERED.

_________________________________
CHANCELLOR
Approved for entry by:

ROBERT E. COOPER, JR.
Attorney General

SARAH A. HIFESTAND (14217)
Senior Counsel, Financial Division
Office of the Attorney General
P.O. Box 20207
Nashville, TN 37202-0207
(615) 741-6035; fax 615-532-8223
Attorney for Petitioner Leslie A. Newman,
Commissioner, Tennessee Department of Commerce and Insurance