



**IN THE GRAND COURT OF THE CAYMAN ISLANDS  
BEFORE THE HONOURABLE MRS. JUSTICE LEVERS**

**Cause Number 372 of 2003**

**IN THE MATTER OF The Companies Law (2003 Revision)**

**AND**

**IN THE MATTER OF: NATIONAL WARRANTY INSURANCE RISK RETENTION  
GROUP**

**ORDER**

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UPON reading the Petition presented by National Warranty Insurance Risk Retention Group (the "Company").

AND UPON the application by the Company by way of ex-parte summons dated 4th June 2003

AND UPON reading the affidavits of Don Erway and Rex Moats sworn the 4th June 2003

AND UPON hearing Counsel for the Company as Petitioner

IT IS ORDERED as follows:

1. Simon Whicker and Theo Bullmore of KPMG Cayman Islands, be and hereby are appointed as Joint Provisional Liquidators ("JPLs") of the Company (to act between themselves jointly and severally) and
2. The JPLs are authorised as agents of the Company until further Order to do all acts or things considered by them to be necessary in order to do the following:-

- (a) Take control of the Company's assets.

Carry on the business of the Company.

Arbitrate, litigate, negotiate, settle or otherwise deal with any and all disputes arising out of or connected with the Bordereaux Agreement between the Company and Pacific Fiduciary Investment Corporation dated January 10<sup>th</sup> 2003 (the "Dispute").

- (d) If deemed appropriate draft and propose a Scheme of Arrangement between the Company and its creditors and to seek whatever directions are required in respect thereof from this Court consistent with any settlement of the Dispute.
3. In order to do the acts or things authorised in paragraph 2 hereof, the JPLs shall have the following powers:
- (a) To exercise such powers set out in Section 109 (a)-(g) of the Companies Law (2003 Revision) without further sanction or intervention of the Court insofar as their exercise is necessary or appropriate in order to do the acts or things authorised in paragraph 2 hereof. For the avoidance of doubt the JPLs will not have the power to change the location of the Registered Office of the Company
- (b) to pay and employ barristers, attorneys or solicitors and/or such other agents or professional persons whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in the performance of their duties and upon such terms as they may think fit, in particular but not limited to engagement of U.S. lawyers to take such steps and make such applications to the U.S. courts as may be considered necessary to protect the assets of the Company;
- (c) to remunerate and reimburse themselves and their staff at their usual customary rates out of the assets of the Company such fees and expenses as may be approved by the Court in accordance with Rule 4.30 of the Insolvency Rules 1986.
- (d) to require from the Company and its directors and officers such information as the JPLs reasonably consider necessary in order that the JPLs are able properly to discharge their functions under this Order and as officers of the Court.
- (e) to delegate to the directors and officers of the Company (or any of them) any of the powers of the JPLs to act on behalf of the Company, such delegation to be on such terms as the JPLs in their sole discretion think fit.
- (f) to apply to the Court for such further Orders or directions as the JPLs think fit.
4. It being in the opinion of the Court in the best interests of the Company to do so, the JPLs be authorised and directed until further ordered to pay in full the claims of creditors of the Company as such claims fall due, provided that the JPLs are satisfied that such amounts are properly due and owing, and in the carrying out of this Order no such payments shall be avoided by virtue of the provisions of section 156 of the Companies Law (2003 Revision).
5. It being in the opinion of the Court in the best interests of the Company to do so, the JPLs be authorised to incur liabilities on behalf of the Company in the ordinary course of the Company's business by the acceptance of premiums for insurance of new automobile warranty agreements issued pursuant to existing contracts with the following entities :

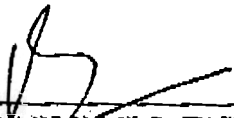


CAC, Delta (in so far as it does not relate to the Dispute), Omni, Triad, IWMC, AFAC, CCW, Interstate Warranty Gold, Warranty Gold, American Auto Guardian Inc, ASC, Engine Pro-Group, Engine Rebuilders, Roadmaster Engine Rcbuilders, ATRA, Transmission Rebuilders, Ethos, 99ers, APC, TPC, Chemical, DPP, Lloyd Andersen, NASA-etch, National Road Service, All Other NWIC, Auto Consumer Service, Cabriolet, Pro Distributor, Vans.

- 6. The JPLs shall report in writing to the Court within 7 days of the 13<sup>th</sup> June 2003 and shall seek such further directions from this Court as the JPLs deem appropriate.
- 7. Pursuant to section 99 of the Companies Law, all actions, suits or proceedings of any nature whatsoever against the Company be and are hereby restrained until further order of this Court, and no future action, suit or proceeding shall be commenced against the Company without the leave of this Court.
- 8. The Joint Provisional Liquidators shall be at liberty from time to time to submit bills of costs and disbursements and a breakdown of their costs, charges, fees and expenses and those of any persons or firms employed by them to the Court for approval.
- 10. The costs of this application be paid out of the assets of the Company.

Dated this 6<sup>th</sup> June 2003

Filed this 6<sup>th</sup> June 2003

  
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 THE HONOURABLE MRS. JUSTICE LEVERS  
*W. J.*



This Order was filed by Solomon Harris Attorneys at Law, attorneys for the Applicant/Petitioner whose address for service is, P.O. Box 1990, 2<sup>nd</sup> Floor, Barclays House, George Town, Grand Cayman, Cayman Islands. Ref LH