

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEBRASKA

In re:)	Case No. 03-42145
The Petition of Theo Bullmore and Simon Whicker as Joint Provisional Liquidators for NATIONAL WARRANTY INSURANCE RISK RETENTION GROUP, d/b/a National Warranty Insurance Company and National Warranty Insurance Group,)	In an Ancillary Case
)	Under Section 304
)	of the Bankruptcy Code
Debtor in Foreign Proceedings.)	

TEMPORARY RESTRAINING ORDER WITH ORDER TO SHOW CAUSE

Upon the Application and Motion of Theo Bullmore and Simon Whicker (the "Petitioners"), as Joint Provisional Liquidators of National Warranty Insurance Risk Retention Group (the "Company"), for a Temporary Restraining Order with an Order To Show Cause pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure, Rule 65 of the Federal Rules of Civil Procedure, 11 U.S.C. § 105, and 11 U.S.C. § 304(b), and the Court having considered and reviewed the Petition (the "Petition"), the Declarations of Simon Whicker and Aristos Galatopoulos, and the Brief in Support of Petitioners' Motion (collectively the "Supporting Papers"), and based on the foregoing, the Court finds and concludes as follows:

(1) The Petitioners have demonstrated a substantial likelihood of success on the merits of their contentions that the Company is subject to pending foreign proceedings and that the Petitioners are the foreign representatives of the Company;

(2) The commencement or continuation of any judicial, arbitral, administrative or regulatory action or proceeding involving the Company, or any property that is involved in the foreign proceeding, or any proceeds thereof, or withdrawing from, setting off against, or otherwise applying property that is the subject of any trust or escrow agreement or similar arrangement in which the Company has an interest, should be enjoined pursuant to section 304(b) of the Bankruptcy Code to permit the expeditious and economical administration of the foreign estate in the pending proceedings brought under foreign law, and the relief requested will not cause hardships to the parties that are not outweighed by the benefits;

(3) Unless a restraining order is issued, it appears to the Court that there is a material risk that one or more parties-in-interest will commence or continue the prosecution of judicial, arbitral, administrative or regulatory actions or proceedings (including discovery in connection therewith) involving the Company, or property that is involved in the foreign proceeding, or the proceeds thereof, and/or seek to retain assets of the Company, or withdraw from, set off against, or otherwise apply property that is the subject of any trust or escrow agreement or similar arrangement in which the Company has an interest, thereby interfering with, and causing harm to, the Petitioner's or any subsequent liquidator, scheme administrator or successor in interest (the "Future Office Holder") efforts to administer the Company's estate pursuant to the foreign proceedings and as a result, the Petitioners will suffer immediate and irreparable injury for which they will have no adequate remedy at law;

(4) Unless a restraining order is issued, the Petitioners or Future Office Holder will be unable to acquire sufficient information about pending and potential litigations and other claims against, and assets of, the Company to properly protect the interests of the Company, resulting in the further depletion of the Company's limited assets and subjecting the Company to the risk of default judgments;

(5) The interest of the public will be served by this Court's granting of the relief requested by the Petitioners; and

(6) Venue is proper in this District pursuant to 28 U.S.C. § 1410.

NOW THEREFORE, IT IS HEREBY ORDERED that all parties-in-interest to the Petition SHOW CAUSE before the Honorable Timothy J. Mahoney, United States Bankruptcy Judge, on Monday, June 30, 2003, at the United States Bankruptcy Court, 111 South 18th Plaza, Suite 1125, Omaha, Nebraska, 68102 at 1:30 p.m., or as soon thereafter as counsel may be heard, why a preliminary injunction should not be granted:

- A. Establishing the Petitioners and any Future Office Holder as the exclusive representatives of the Company in the United States for the purposes of performing their duties and exercising their powers pursuant to the Orders of the Cayman Island Court with respect to the Company's interests and affairs in the United States;
- B. Granting comity to and enforcing the terms of the Orders of the Cayman Islands Court with respect to the Company's interests and affairs;
- C. Enjoining all persons and entities from transferring, relinquishing or disposing of any property in which the Company has an interest, any property involved in the Company's proceeding before the Cayman Island Court, or the proceeds of such property, to any person or entity other than the Petitioners;
- D. Enjoining all persons and entities from commencing or continuing any claim, cross-claim, counterclaim, action or other legal proceeding (including, without limitation, arbitration or judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever) involving the company, or any property in which the Company has an interest, any property involved in the Company's proceeding before the Cayman Island Court, or the proceeds thereof, or from seeking discovery of any nature against the Company;
- E. Enjoining all persons and entities from enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment, order or arbitration award against the Company, and commencing or continuing any act or action or other legal proceeding (including, without limitation, arbitration, or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever) to create, perfect or enforce any lien, setoff or other claim against the Company, or any property in which the Company has an interest, any property involved in the Company's proceeding before the Cayman Islands Court, or the proceeds thereof, including, without limitation, rights under reinsurance contracts;
- F. Requiring all persons and entities, including but not limited to officers, directors, agents, or employees, either present or former, in possession, custody or control of property of the Company, or the proceeds thereof, to turn over and account for such property or its proceeds to the Petitioners or any Future Office Holder;
- G. Requiring every person and entity that has a claim of any nature or source against the Company and that is a party to any action or other proceeding (including, without limitation, arbitration, or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever) in which the Company is or was named as a party, or as a result of which a liability of the Company may be established, to place the Petitioners' or any Future Office Holder's United States counsel on the master service list of any such action or other proceeding and to take such other steps as may be necessary to ensure that such counsel receives copies of (a) any and all documents served by the parties to such action or other proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal proceeding, and (b) any and all correspondence, or other documents circulated to

parties listed on the master service list;

- H. Requiring every person and entity, including but not limited to officers, directors, agents, or employees, either present or former, in possession, custody, or control of books, records or other information relating to the Company's business, including, but not limited to, the acts, conduct, property, liabilities or financial affairs of the Company, or any other matter which may affect the administration of the Company's estate, to preserve and submit such information to the Petitioners or any Future Office Holder;
- I. Providing, with respect to any claim, action, arbitration or other proceeding that may be commenced or become known to the Petitioners or any Future Office Holder in the future, or the entitlement or alleged entitlement of any person or entity in or to any account or other property in which the Company has an interest, including, without limitation, any trust or escrow agreement or similar arrangement, that is identified by the Petitioners or any Future Office Holder in the future (each a "Subsequent Claim"), that:
 - (i) when informed of a Subsequent Claim, counsel for the Petitioners or any Future Office Holder shall serve upon the holder of such claim a copy of the Summons and Petition, and the most recent injunction order entered by the Court;
 - (ii) the holder of a Subsequent Claim will have twenty (20) days from service of the Summons in which to file an answer or motion with respect to the Petition; and
 - (iii) on not less than two (2) business days notice to counsel for the Petitioners or any Future Office Holder, the holder of a Subsequent Claim may file a motion seeking an order of the Court vacating or modifying the injunction entered in this proceeding with respect to such Subsequent Claim. Such request shall be the subject matter of a hearing as scheduled by the Court. Otherwise, the holder of a Subsequent Claim may file objections and be heard by the Court in accordance with the terms of any order of the Court providing for a hearing in the future on the relief sought by the Petitioners or any Future Office Holder in this proceeding;

IT IS FURTHER ORDERED that, pending the hearing on the Petitioner's motion for a preliminary injunction, a TEMPORARY RESTRAINING ORDER shall be in force and effect:

- 1. Establishing the Petitioners or any Future Office Holder as the exclusive representatives of the Company in the United States for the purposes of performing their duties and exercising their powers pursuant to the Orders of the Cayman Island Court with respect to the Company's interests and affairs in the United States;
- 2. Granting comity to and enforcing the terms of the Orders of the Cayman Islands Court with respect to the Company's interests and affairs;
- 3. Enjoining all persons and entities from (a) transferring, relinquishing or disposing of any property of the Company, property involved in the foreign proceeding, or the proceeds of such property, to third parties; (b) commencing or continuing any arbitration, or judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever involving the Company, or any of its property or property that is involved in the foreign proceeding, or any proceeds thereof, or seeking discovery of any nature against the Company; (c) enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Company, and commencing or continuing any act or action or other legal proceeding (including, without limitation, arbitration, or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever) to create, perfect or enforce any lien, setoff or other claim against the Company, or any of its property, property involved in the foreign proceeding, or any proceeds thereof, including, without limitation, rights under reinsurance or retrocession contracts; and (d) withdrawing from, setting off against, or otherwise applying property that is the subject of any trust or escrow agreement or similar arrangement in which the Company has an interest, in excess of amounts expressly authorized

by the terms of the contract and any related trust or other agreement pursuant to which such trust, escrow, or similar arrangement has been established; except, however, no drawing against any trust, escrow, or similar arrangement shall be made in connection with any commutation unless the amount has been agreed in writing with the Petitioners or any Future Office Holder or permitted by further Order of the Court;

4. Requiring all persons and entities, including but not limited to officers, directors, agents, or employees, either current or former, of the Company, in possession, custody or control of property of the Company, or the proceeds thereof, to turn over and account for such property or its proceeds to the Petitioner or any Future Office Holder;
5. Requiring that all persons and entities that are parties to any trust, escrow or similar arrangement in which the Company has an interest (a) provide notice to the Petitioner's or any Future Office Holder's United States counsel of any withdrawal from, setoff against, or other application of property that is the subject of any trust or escrow agreement or similar arrangement in which the Company has an interest, together with information sufficient to permit the Petitioners or any Future Office Holder to assess the propriety of such drawdown, withdrawal, setoff or other application, including, without limitation, the date and amount of such drawdown, withdrawal, setoff or other application and a copy of any agreement pursuant to which such drawdown, withdrawal, setoff, or other application was made and provide such notice and other information contemporaneously therewith; and (b) turn over and account to the Petitioners or any Future Office Holder for all funds resulting from such drawdown, withdrawal, setoff, or other application in excess of amounts expressly authorized by the terms of the contract, any related trust or other agreement pursuant to which such trust, escrow or similar arrangement has been established;
6. Requiring that every person and entity that has a claim of any nature or source against the Company and that is a party to any action or other legal proceeding (including, without limitation, arbitration, or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever) in which the Company is or was named as a party, or as a result of which a liability of the Company may be established, place the Petitioner's or any Future Office Holder's United States counsel on the master service list of any such action or other legal proceeding and to take such other steps as may be necessary to ensure that such counsel receives copies of (a) any and all documents served by the parties to such action or other legal proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal proceeding, and (b) any and all correspondence, or other documents circulated to parties listed on the master service list; and
7. Requiring that with respect to any claim, action, arbitration or other proceeding that may be commenced or become known to the Petitioners or any Future Office Holder in the future, or the entitlement or alleged entitlement of any party to any trust or escrow agreement or similar arrangement in which the Company has an interest that is identified by the Petitioners or any Future Office Holder in the future (each a "Subsequent Claim"):
 - (a) when informed of a Subsequent Claim, counsel for the Petitioners or any Future Office Holder shall serve upon the holder of such claim a copy of the Summons and Petition, and the most recent injunction order entered by the Court;
 - (b) the holder of a Subsequent Claim will have twenty (20) days from service of the Summons in which to file an answer or motion with respect to the Petition; and
 - (c) on not less than two (2) business days notice to counsel for the Petitioners or any Future Office Holder, the holder of a Subsequent Claim may file a motion seeking an order of the Court vacating or modifying the injunction entered in this proceeding with respect to

such Subsequent Claim. Such request shall be the subject matter of a hearing as scheduled by the Court. Otherwise, the holder of a Subsequent Claim may file objections and be heard by the Court in accordance with the terms of any order of the Court providing for a hearing in the future on the relief sought by the Petitioners or any Future Office Holder in this proceeding;

IT IS FURTHER ORDERED that pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure be, and the same hereby are, waived;

IT IS FURTHER ORDERED that this Order and Summons shall be served upon interested parties by either first class mail, facsimile or email by Petitioner's counsel by June 23, 2003, and by Publication in the Lincoln Journal Star;

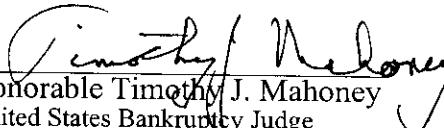
IT IS FURTHER ORDERED that the Petition, Summons, Motion for Temporary Restraining Order with Order to Show Cause, and this Order shall be posted on the Company's official website at www.nwig.com.

IT IS FURTHER ORDERED that service in accordance with this Order shall constitute adequate and sufficient service and notice;

IT IS FURTHER ORDERED that the Supporting Papers shall be made available by the Petitioners upon request to Joseph H. Badami and Krista L. Kester at the offices of Woods & Aitken, Suite 500, 301 South 13th Street, Lincoln, Nebraska 68508, telephone (402) 437-8500.

AND IT IS FURTHER ORDERED that objections, if any, submitted for the purpose of opposing the Petitioner's request for the Preliminary Injunction on the terms described above must be made in writing describing the basis therefor and shall be filed with the Court and served upon Mr. Joseph H. Badami, Woods & Aitken LLP, Suite 500, 301 South 13th Street, Lincoln, Nebraska 68508, and Ms. Krista L. Kester, Woods & Aitken LLP, Suite 500, 301 South 13th Street, Lincoln, Nebraska 68508, counsel for the Petitioners, so as to be received on or before Friday, June 27, 2003, at 11:00 a.m. C.D.T., except that the foregoing is without prejudice to the right of any party-in-interest to seek, upon appropriate notice and hearing, to terminate or limit this Temporary Restraining Order.

Dated: June 20, 2003.


Honorable Timothy J. Mahoney
United States Bankruptcy Judge