Frank V. Zintak, Clerk Superior Court of Cook County, Illinois,

To

The Public.

#3951 ✓

Fee $3.90

Filed for record the 3rd day of December A. D. 1934 at 11:30 o'clock A. M.

Maggie Reese Hobbs, Recorder.

EXEMPLIFIED COPY

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

IN THE SUPERIOR COURT OF COOK COUNTY

To the October Term, A. D. 1933.

PEOPLE OF THE STATE OF ILLINOIS, ex rel. ERNEST PALMER, Director of Insurance of the State of Illinois

vs

NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a Corporation.

IN CHANCERY
No. 587940

ORDER UPON HEARING

Now on this 17th day of October, A. D., 1933 being one of the regular judicial days of the October Term, A. D. 1933, of this court, this cause coming on to be heard upon the verified petition herein filed and upon motion of Otto Kerner, Attorney General of the State of Illinois, for an order of default upon the NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a corporation, defendant in this cause, it appears to the court that the entry of appearance of the said National Life Insurance Company of the United States of America, a corporation, has been entered in this cause by the duly authorized officers of said company upon the authority of a resolution passed by the board of directors of said corporation, and it appearing further to the court that the said corporation has by written consent consented to the immediate entry of an order finding that sufficient cause existed for the appointment of a receiver of the said National Life Insurance Company of the United States of America, a corporation pursuant to the statutes in such cases made and provided; and the court being fully advised in the premises DOTH ORDER, and it is hereby ordered, that the defendant corporation, the National Life Insurance Company of the United States of America, plead, answer, or demur instanter to the petition herein filed; and the said defendant corporation being duly called comes not, but herein makes default.

IT IS THEREFORE ORDERED, ADJUDGED, and DECREED that the said defendant company, the National Life Insurance Company of the United States of America, be, and the same is hereby, declared in default, and the allegations of the petition herein filed are taken to be true.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that this court has jurisdiction of the parties hereto and the said matter hereof.

And this cause further coming on to be heard upon the verified petition herein filed and the consent to an immediate order, and the court having heard testimony and being fully advised in the premises DOTH FIND:

(1) That on or about the 31st day of December, A. D. 1932, the said defendant insurance company had total gross assets in the total sum of Fifty-five Million, One Hundred Twenty-five Thousand, Six Hundred Sixty Dollars and Ninety-Seven Cents ($55,125,660.97) as appearing upon its books and records, and that said defendant company had upon its books and records total liabilities in the total sum of Fifty-four Million, Two Hundred Sixty-three Thousand, Eight Hundred Eight Dollars and Seventy-nine cents ($54,263,808.79), and that the capital stock fully paid in of said insurance company as of that date was in the total sum of One Million Dollars ($1,000,000.00), and that the said books, records, and documents of said company revealed as of said date a surplus or unassigned funds in the total sum of Six Hundred Fourteen Thousand, Two Hundred Thirty-Seven Dollars and Ninety-one Cents ($614,237.91).

(2) That the assets of said company, as revealed by the books, records, and documents of said company, consisted of real estate in the sum of Seven Million, Nine Hundred Seventeen Thousand, Two Hundred Ninety-six Dollars and Four Cents ($7,917,296.04); mortgage loans of more than Eighteen Million Dollars ($18,000,000.00); collateral loans of more than Three Hundred Thousand Dollars ($300,000.00); bonds in the total sum of Three Million, Six Hundred Forty-six Thousand, and Fourteen Dollars and Fifteen Cents ($3,646,014.15); stocks in the total sum of Four Million, Nine Hundred Sixty-three Thousand, Four Hundred Sixty-one Dollars ($4,963,461.00); and certain other assets which balance the liabilities according to the books, records, and documents of said company, and permit a surplus or unassigned fund account as above alleged.

(3) That said item of stocks in the total sum of Four Million, Nine Hundred Sixty-three Thousand, Four Hundred Sixty-one Dollars ($4,963,461.00) is not the correct amount in accordance with the present fair cash market value of said stocks; that of said stocks one item consists of Eleven Thousand Fifty (11,050) shares of capital stock of the Continental Illinois National Bank and Trust Company of Chicago, and that the present fair cash market value of said stock is not in excess of Thirty Dollars ($30.00); and that the said total sum credited to stocks as an item of asset is far greater than the true market value of said stocks and exceeds the fair cash market value of said stocks by more than Three Million Dollars ($3,000,000.00).

(4) That the capital stock of said defendant insurance company and the item on the books, records and documents of said insurance company as unassigned funds or surplus is completely and wholly impaired, and that the reserve liability of said company is impaired to the amount of more than Five Hundred Thousand Dollars ($500,000.00).

(5) That sufficient cause exists for the appointment of a receiver to take possession of the books, records, property, assets, and affairs of the National Life Insurance Company of the United States of America, a corporation, and for the liquidation of the affairs thereof pursuant to the provision of an act of the General Assembly, entitled "An Act in relation to delinquent insurance companies, associations, and societies," approved June 26, 1925, as amended in 1925.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that the receiver when appointed enter into bond to be approved by the court in the sum of $100,000 - with good and sufficient surety or sureties as this court shall determine for the use and benefit of the creditors, stockholders, policyholders, and all other persons interested in the administration of the affairs of said defendant company, which bond shall be payable to the People of the State of Illinois and shall be conditioned for the faithful performance of the duties of such receiver.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that the receiver when appointed, pursuant to the provision of said statute, shall immediately take possession of the books, records, property, assets, and affairs of said defendant corporation, and proceed to liquidate the same forthwith.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that upon final liquidation and final report thereof that the corporation be and it shall thereby be dissolved and its charter declared to be null and void and of no force and effect whatsoever.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that the people's writ of injunction be issued without bond restraining the NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, its officers, agents, employees, and attorneys from the transaction of its business and the disposition of its books, records, property, and assets until the further order of this court, and restraining the said defendant corporation, its officers, agents, employees, and attorneys, and all other persons from interfering with the possession and control, and from interfering with the title rights, or interest of the receiver when appointed, and from filing suits, obtaining preferences, judgments, attachments, or other like liens, or the making of any levy against said defendant corporation or its estate while in the possession and control of such receiver until the further order of this court.

ENTER:

William J. Lindsay
JUDGE

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

(Filed Oct. 17, 1933, by Otto Kerner, Attorney General)

(REGISTERED Oct. 17, 1933)

IN THE SUPERIOR COURT OF COOK COUNTY

PEOPLE OF THE STATE OF ILLINOIS, ex rel. ERNEST PALMER, DIRECTOR OF INSURANCE OF THE STATE OF ILLINOIS,
Petitioners,
vs.
NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a corporation.

IN CHANCERY NO. 587940

APPOINTMENT OF RECEIVER

WHEREAS, by order of Court heretofore entered in the above entitled proceeding it appears that sufficient cause exists for the appointment of a Receiver of said respondent, as provided in and by an Act of the General Assembly of the State of Illinois entitled "An Act in relation to delinquent insurance companies, associations and societies," passed June 26th, 1925, as amended by subsequent Acts, the last said amendatory Act being approved May 20th, 1929, in force July 1st, 1929, and -

WHEREAS, under and by virtue of said Act as amended as aforesaid, upon the entry of such an order of Court finding as aforesaid, it becomes the duty of the Director of Insurance of the State of Illinois to appoint some competent person, resident of said State of Illinois, as Receiver of such respondent with duties and powers as therein set forth.

NOW THEREFORE, I, Ernest Palmer, Director of Insurance of the State of Illinois, in compliance with the duties imposed upon me by statute, and by virtue of the authority vested in me as aforesaid, do hereby designate and appoint PATRICK J. LUCEY, a competent person and resident of the State of Illinois, as Receiver for said respondent, who upon entering into bond in such sum and with such sureties as shall be fixed and approved by the Court, and conditioned as provided in said statute, shall take possession of and conduct the business of liquidating the affairs of such respondent as provided in and by said statute and pursuant to the orders of said court in said preceeding, until the further order of the court having jurisdiction in the premises.

EXECUTED in the City of Chicago and State of Illinois, this 17th day of October, A. D. 1933.

Ernest Palmer
Director of Insurance of the
State of Illinois

SEAL
DEPARTMENT OF INSURANCE
STATE OF ILLINOIS

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

IN THE SUPERIOR COURT OF COOK COUNTY

TO THE OCTOBER TERM, A. D. 1933.

PEOPLE, ex rel. PALMER,

vs.

NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a corporation.

NO. 587940.

BOND OF RECEIVER

KNOW ALL MEN BY THESE PRESENTS, That we, PATRICK J. LUCEY, of Chicago, Illinois, as principal, and Fidelity and Deposit Company of Maryland authorized to do business in Illinois, as surety at Chicago, Illinois, are held and firmly bound unto THE PEOPLE OF THE STATE OF ILLINOIS, for the use and benefit of the creditors, stockholders, bondholders and all other persons interested in the administration of the affairs of NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a corporation, in the penal sum of One Hundred Thousand Dollars, ($100,000.00), lawful money of the United States for the payment of which well and truly to be made, we bind ourselves, our heirs, executors, administrators and assigns, jointly, severally and firmly by these presents.

IN WITNESS WHEREOF, the said PATRICK J. LUCEY, has hereto set his hand and seal; and Fidelity and Deposit Company of Maryland has caused these presents to be duly executed by its duly authorized officers or agents in its behalf, this 17th day of October, A. D. 1933.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that whereas, in the suit in equity entitled PEOPLE OF THE STATE OF ILLINOIS EX REL ERNEST PALMER, DIRECTOR OF INSURANCE OF THE STATE OF ILLINOIS, versus NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a corporation, in Chancery No. 587940 in the Superior Court of Cook County, Illinois, has appointed PATRICK J. LUCEY, of Chicago, Illinois, as Receiver of NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a corporation, in said proceeding, and the Court therein has fixed the principal sum of the bond of said receiver as above set forth with Fidelity and Deposit Company of Maryland as surety thereon, for the use and benefit of the creditors, stockholders, bondholders and all other persons interested in the administration of the affairs of NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a corporation, in

said proceeding.

NOW, THEREFORE, if the said PATRICK J. LUCEY, as such receiver, shall faithfully perform all of the duties imposed upon said PATRICK J. LUCEY, as Receiver of NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a corporation, in the above entitled cause and abide by and conform to all the orders and directions of the Court relating to said receiver in said proceeding, then the above obligation be void; otherwise to remain in full force and virtue.

Patrick J. Lucey (SEAL)

Fidelity and Deposit Company of Maryland

By William H. Hansmann
Agent and Attorney-in-fact

(SEAL MARYLAND FIDELITY DEPOSIT CO.)

Approved this 17th day of October, A. D. 1933.

William J. Lindsay
JUDGE

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

IN THE SUPERIOR COURT OF COOK COUNTY

TO THE OCTOBER TERM, A.D. 1933.

PEOPLE, ex rel. PALMER)
)
vs.) IN CHANCERY
)
NATIONAL LIFE INSURANCE COMPANY) No. 587940
OF THE UNITED STATES OF AMERICA,)
a corporation.)

ORDER APPROVING APPOINTMENT
AND BOND OF RECEIVER.

This cause coming on to be heard upon the motion of Otto Kerner, Attorney General of the State of Illinois, solicitor for the complainant, and the Court being fully advised in the premises, FINDS

That following and pursuant to the order heretofore entered herein finding that sufficient cause exists for the appointment of a Receiver to take possession of the books, records, property, assets and all property, real, personal and mixed, and for the liquidation of the affairs of the respondent, NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA until the further order of the Court and proceedings in the premises, and pursuant to the provisions of an Act of the General Assembly of the State of Illinois entitled "An Act in relation to delinquent insurance companies, associations and societies," approved June 26, 1925, and as subsequently amended, the Director of Insurance of the State of Illinois, Ernest Palmer, has designated and appointed Patrick J. Lucey, a competent person, resident of the State of Illinois as receiver of and for NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, a corporation, to take possession of the assets of the said corporation and conduct the business of liquidating the same.

That pursuant, also, to the further order heretofore entered herein on October 17th, 1933 fixing the amount of bond of such receiver in the sum of One hundred thousand and no/100 dollars ($100,000.) the said Patrick J. Lucey has executed, together with Fidelity and Deposit Company of Maryland a Company authorized to do business in the State of Illinois, as surety thereon, a good and sufficient bond for the performance of his duties as receiver in this cause.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the court that Patrick J. Lucey, who has been designated by the Director of Insurance of the State of Illinois as receiver herein, be and he is hereby appointed and confirmed as such receiver, as aforesaid, to take possession of the books, records, property, assets and all property, both real, personal and mixed, where-

soever the same may be found, and conduct the business of liquidating the same and of liquidating the affairs of the respondent, NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, and the bond of the said Patrick J. Lucey, principal, and Fidelity and Deposit Company of Maryland, as surety thereon, in the penal sum of One hundred thousand dollars ($100,000.) be and the same is hereby approved.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the said receiver, Patrick J. Lucey, collect all debts, dues and demands belonging to the said NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, and receive the United States mail addressed to the said NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA; that said receiver is hereby authorized to employ counsel and such other assistance as he may require in and by the performance of his duties, and that said receiver liquidate the said assets and administer the affairs of the said NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, as aforesaid, under the directions of this Court, with the usual powers herein of a receiver.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the People's Writ of injunction issue without bond, restraining the said NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA, its officers, agents, and employees, from the further transaction of business, and from the disposition of its property and assets until the further order of this Court, and restraining the said respondent, its officers, agents and employees, and all persons, creditors of the respondent corporation, and all persons, associations and corporations, from transferring, disposing of or attempting in any way to remove, transfer or dispose of, or in any way interfere with any property, assets or effects in the possession of the respondent, or in the possession of any one claiming to have the color of right to succeed to the respondent, or of the receiver, when appointed and duly qualified, or owned by the respondent and in its possession or in the possession of its officers, agents and employees, and from doing any act or thing whatsoever to interfere with the possession and management by the receiver of the property and assets of the respondent, and restraining the respondent, and all creditors of the respondent corporation, and all claimants by, through or against said respondent corporation, from in any manner handling, acquiring, receiving, transferring or disposing of any of the property and assets of the said respondent, and restraining all persons, corporations and associations, claimants and creditors, by, through or against said respondent company, from instituting, prosecuting, commencing or maintaining any action or suit, or proceeding at law or in equity, against the respondent company or the receiver, and restraining the obtaining of preferences, judgments, attachments or other like liens while in the possession and control of such receiver, or when in liquidation, except upon the order of this court.

ENTER: William J. Lindsay
Judge.

DATED:.....

STATE OF ILLINOIS, }
County of Cook } ss.

I, FRANK V. ZINTAK; Clerk of the Superior Court of Cook County, in and for the State of Illinois, and the keeper of the records, files and seals thereof, do hereby certify the above and foregoing to be a true, perfect and complete copy of a certain Order Upon Hearing Filed Oct. 17th 1933 Appointment of Receiver Filed Oct. 17th 1933 Bond of Receiver Filed Oct. 17th 1933 Order Approving Appointment and Bond of Receiver Filed Oct. 17th 1933 in a certain cause now pending in said Court on the Chancery side thereof, wherein PEOPLE, EX REL PALMER are Complainants and NATIONAL LIFE INSURANCE CO. a Corp. etc. defendant.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the seal of said Court,

at Chicago, this 12th day of April A. D. 1934.

Frank V. Zintak
Clerk

(SUPERIOR COURT SEAL)

UNITED STATES OF AMERICA

STATE OF ILLINOIS)
County of Cook)ss. I, JOSEPH SABATH Chief Justice of the Superior Court of Cook County, in and for said County, do Hereby Certify that FRANK V. ZINTAK whose name is subscribed to the foregoing Certificate of Attestation, now is, and was, at the time of signing and sealing the same, the Clerk of said Superior Court of Cook County, and keeper of the Seal and records thereof, duly elected, commissioned and qualified to office; that full faith and credit are, and of right ought to be given to all his official acts as such, in all Courts of Record in the United States and elsewhere, and that his attestation is in due form of law and by the proper officer.

In Witness Whereof, I have hereunto set my hand and affixed the Seal of said Court, at the City of Chicago, in said County, this 12th day of April A. D. 1934.

Joseph Sabath (SEAL)
Chief Justice of the Superior Court of
Cook County.

(SEAL)

UNITED STATES OF AMERICA

STATE OF ILLINOIS)
County of Cook)ss. I, FRANK V. ZINTAK Clerk of the Superior Court of Cook County, in and for said County, do Hereby Certify that JOSEPH SABATH whose name is subscribed to the foregoing Certificate of Attestation, now is, and was, at the time of signing and sealing the same, the Chief Justice of said Superior Court of Cook County, and was duly elected, commissioned and qualified to office; that full faith and credit are, and of right ought to be given to all his official acts as such, in all Courts of Record in the United States and elsewhere, and that his attestation is in due form of law and by the proper officer.

In Testimony Whereof, I have hereunto set my hand and affixed the Seal of said Court, at the City of Chicago, in said County, this 12th day of April A. D. 1934.

Frank V. Zintak
Clerk.

(SUPERIOR COURT SEAL)

COMPARED