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FIRST CIRCUIT COURT
 STATE OF HAWAII
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 Insurance Commissioner of the State of Hawaii

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

J.P. SCHMIDT, in his capacity as Insurance Commissioner of the State of Hawaii, Petitioner, vs. PRIMEGUARD INSURANCE COMPANY, INC., A RISK RETENTION GROUP, Respondent.) S.P. No. 05-1-0443 VSM) (Special Proceedings))) ORDER GRANTING IN PART) LIQUIDATOR'S PETITION FOR FINAL) ORDER AND JUDGMENT APPROVING) LIQUIDATOR'S SETTLEMENT WITH) SHAREHOLDERS' FAMILY AND) AFFILIATES AND PETITION FOR GOOD) FAITH DETERMINATION OF) SETTLEMENT)) <u>HEARING</u>)) Date: March 5, 2008) Time: 8:30 a.m.) Judge: Hon. Victoria S. Marks)) NO TRIAL DATE SET))
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ORDER GRANTING IN PART LIQUIDATOR'S PETITION FOR FINAL ORDER AND JUDGMENT APPROVING LIQUIDATOR'S SETTLEMENT WITH SHAREHOLDERS' FAMILY AND AFFILIATES AND PETITION FOR GOOD FAITH DETERMINATION OF SETTLEMENT

Petitioner J.P. SCHMIDT, in his capacity as Insurance Commissioner of the State of Hawaii ("Petitioner") PETITION FOR FINAL ORDER AND JUDGMENT APPROVING LIQUIDATOR'S SETTLEMENT WITH SHAREHOLDERS' FAMILY AND AFFILIATES

AND PETITION FOR GOOD FAITH DETERMINATION OF SETTLEMENT, filed herein on January 14, 2008, came on for hearing before the Honorable Victoria S. Marks on March 5, 2008 at 8:30 a.m. Lanson K. Kupau, Esq. and Joel A. Glover Esq. appeared on behalf of the Petitioner, John Y. Yamano, Esq. appeared on behalf of First Assured Warranty Corporation and ISourceAutoWarranty.com, Inc., and Ray Galvan appeared pro se. No opposition was filed.

On March 6, 2008, a Stipulation for Limited Extension Related to Good Faith Determination was filed that established March 19, 2008 as the deadline for BDO Seidman, LLP ("BDO"), Anton Collins Mitchell ("ACM"), and Aon Insurance Managers (USA) ("Aon") to file a response and/or objection, if any, to the Liquidator's Petition for Good Determination of Settlement (the "Stipulation").

The Court, having considered the Liquidator's Petition for Final Order and Judgment Approving Liquidator's Settlement with Shareholders' Family and Affiliates and Petition for Good Faith Determination of Settlement, the Memorandum in Support of Petition, the Declaration of Special Deputy Liquidator Paul S.K. Yuen, Exhibit "A" – the Settlement Agreement, the Notice of Hearing and Certificate of Service, the Stipulation, and being otherwise fully advised in the premises, hereby FINDS AND ORDERS as follows:

1. The Liquidator's Petition for Final Order and Judgment Approving Liquidator's Settlement with Shareholders' Family and Affiliates and Petition for Good Faith Determination of Settlement (the "Petition") is granted in its entirety except as otherwise referenced herein.
2. The Settlement Agreement and Mutual Releases ("Agreement"), attached as Exhibit "A" to the Petition, is approved.
3. The Liquidator is authorized to implement the Agreement and to undertake all actions contemplated by the Agreement, including but not limited to, the liquidation of First Assured Warranty Corporation, ISourceAutoWarranty.com, Inc., and Warrantee Wise, Inc. in the PrimeGuard Liquidation proceedings.
4. As applied to all persons and/or entities other than BDO, ACM and Aon, the settlement detailed in the Agreement was entered into in good faith in accordance with Haw. Rev. Stat. § 633-15.5 and all statutory conditions required thereunder have been satisfied.

5. The Court also finds that, pursuant to Haw. R. Civ. Pro., Rule 54(b), there is more than one claim for relief still pending in this Special Proceeding and thus, there is no just reason for delay in entering a final judgment as to the court's granting of the instant Motion.

6. Therefore, it further ordered and expressly directed, pursuant to Haw. R. Civ. Pro., Rule 54(b) and 58, that this Order be entered as a final judgment.

DATED: Honolulu, Hawaii, MAR 17 2008, 2008.

VICTORIA S. MARKS
SEAL

JUDGE OF THE ABOVE-ENTITLED COURT

APPROVED AS TO FORM AND CONTENT:



JOHN Y. YAMANO, ESQ.

J.P. SCHMIDT, in his capacity as Insurance Commissioner of the State of Hawaii v. Primeguard Insurance Company, Inc., A Risk Retention Group, S.P. No. 05-1-0443 VSM; ORDER GRANTING IN PART LIQUIDATOR'S PETITION FOR FINAL ORDER AND JUDGMENT APPROVING LIQUIDATOR'S SETTLEMENT WITH SHAREHOLDERS' FAMILY AND AFFILIATES AND PETITION FOR GOOD FAITH DETERMINATION OF SETTLEMENT