

THE STATE OF TEXAS  
*Plaintiff,*

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IN THE DISTRICT COURT OF

v.

TRAVIS COUNTY, TEXAS

CAPSON PHYSICIANS INSURANCE  
COMPANY,  
*Defendant.*

250<sup>TH</sup> JUDICIAL DISTRICT

**ORDER GRANTING SPECIAL DEPUTY RECEIVER’S APPLICATION TO APPROVE  
SALE OF CHARTER AND CERTIFICATES OF AUTHORITY**

On this date, the Court heard the *Application to Approve Sale of Charter and Certificates of Authority* (the “Application”) filed by CANTILO & BENNETT, L.L.P., Special Deputy Receiver of Capson Physicians Insurance Company (the “SDR” and “CPIC” respectively). The Special Deputy Receiver appeared by and through its counsel. In accordance with the *Supplemental Order of Reference to Master* (Order of Reference), the Application was submitted to the Master appointed in this cause (Special Master). The Special Master issued a recommendation pursuant to Rule 171 of the Texas Rules of Civil Procedure, which is incorporated in the findings herein.

Having considered the Application and the Special Master’s recommendation, the Court finds as follows:

1. The *Supplemental Order of Reference to Master* (“Order of Reference”) provides that motions filed pursuant to TEX. INS. CODE § 443.153 are referred to the Special Master appointed in this proceeding;
2. Notice of the Application was provided in accordance with TEX. INS. CODE §443.007 (d) and the *Order of Reference*;
3. No objections to the Application were filed;

4. The Texas Property and Casualty Insurance Guaranty Association filed its acknowledgement and waiver;

5. The Court has jurisdiction over the Application and the parties affected hereunder;  
and

6. The SDR's Application should be granted as set forth below.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED as follows:

1. The Application is GRANTED in all respects;
2. The SDR is authorized to enter into the Agreement, in the same or substantially similar format, attached as **Exhibit 1** to the Application;
3. The SDR is authorized to perform of its duties under the Agreement;
4. Upon the closing of the Agreement:
  - a) The corporate entity/charter for CPIC and all certificates of authority of CPIC shall become separated from the remaining estate in liquidation;
  - b) All outstanding stock and other securities of and other equity interests in CPIC's corporate entity or charter are cancelled;
  - c) The sale of the corporate entity/charter and all certificates of authority of CPIC shall be free and clear of all claims or interests of all claimants, creditors, policyholders, and/or stockholders of CPIC;
5. The SDR is authorized to take any action necessary to carry out this Order; and
6. This order constitutes a final order fully resolving all issues relating to the Application.

SIGNED: \_\_\_\_\_, 2019.

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JUDGE PRESIDING