

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA <i>ex rel.</i>	§	
STATE CORPORATION COMMISSION,	§	
	§	
Applicant,	§	
	§	
v.	§	Case No. INS-2003-00024
	§	
RECIPROCAL OF AMERICA and	§	
THE RECIPROCAL GROUP,	§	
	§	
Respondents.	§	

SEVENTH DIRECTIVE OF DEPUTY RECEIVER
APPOINTING SPECIAL DEPUTY RECEIVER

1. On January 29, 2003, in a case styled Commonwealth of Virginia ex rel. State Corporation Commission v. Reciprocal of America, The Reciprocal Group, and Jody M. Wagner, Treasurer of Virginia, Case No. CH03-135, the Circuit Court for the City of Richmond found that Reciprocal of America (“ROA”) and The Reciprocal Group (“TRG”) (collectively, ROA and TRG are referred to as the “Companies”) are in a condition, as a single insurance business enterprise, where any further transaction of business will be hazardous to the policyholders, creditors, members, subscribers, and the public. Therefore, the Court issued its Final Order Appointing Receiver for Rehabilitation or Liquidation (the “Receivership Order”), appointing the State Corporation Commission (the “Commission”) of the Commonwealth of Virginia, as Receiver, Alfred W. Gross, the Commissioner of the Commission’s Bureau of Insurance, as Deputy Receiver, and Melvin J. Dillon as Special Deputy Receiver of the Companies, in accordance with Title 38.2 Chapter 12 and 15 of the Virginia Code.

2. Melvin J. Dillon served as Special Deputy Receiver of the Companies from the date of the Receivership Order until January 14, 2005. On that date, the management of the Companies’ receivership operations transferred to Mike R. Parker, formerly Director of Reinsurance and Accounting, as Receivership Operations Manager.

3. The Receivership Order authorizes the Deputy Receiver to employ and fix the compensation of such deputies as he considers necessary.

4. The Deputy Receiver has concluded that Mike R. Parker, currently Receivership Operations Manager, should be appointed as Special Deputy Receiver of the Companies.

THEREFORE, in accordance with the powers granted to the Deputy Receiver in the Receivership Order, THE DEPUTY RECEIVER HEREBY APPOINTS MIKE R. PARKER SPECIAL DEPUTY RECEIVER OF THE COMPANIES.

This Seventh Directive is effective as of June 1, 2005. All of the foregoing is subject to further directives of the Deputy Receiver and orders of the State Corporation Commission of the Commonwealth of Virginia.

It is so directed:

Alfred W. Gross, Commissioner of Insurance, Bureau
of Insurance, State Corporation Commission,
Commonwealth of Virginia, as Deputy Receiver of
the Companies