GOVERNMENT OF THE DISTRICT OF COLUMBIA
INSURANCE ADMINISTRATION

OFFICE OF THE COMMISSIONER
POST OFFICE BOX 37378
WASHINGTON, D.C. 20013

IN THE MATTER OF AMERICAN FEDERAL INSURANCE COMPANY	[[[	**CASE NUMBER 96-001LQ**

ORDER OF LIQUIDATION

WHEREAS, American Federal Insurance Company (American) is an insurer domiciled in the District of Columbia and was issued its Certificate of Authority in 1984 to transact the business of insurance.

WHEREAS, the Certificate of Authority authorized American to transact property and casualty, fire, allied lines, homeowners multiple peril, farm owners multiple peril, commercial multiple peril, ocean marine, inland marine, earthquake, ground accident and health, credit accident and health, other accident and health, workers compensation, other liability, private passenger auto liability, commercial auto no-fault, auto no-fault, fidelity, surety, glass, burglary and theft, boiler and machinery, credit, and reinsurance coverages in the District of Columbia.

WHEREAS, on or about December 31, 1992, American was specifically informed by Order Number 93-06 that upon examination of American's books, records, and affairs, the Commissioner of Insurance for the District of Columbia found that American's surplus was less than that amount required by the District of Columbia Insurance laws.

WHEREAS, pursuant to D.C. Code §35-1506(a)(1) and §35-1506(b), American's

Certificate of Authority number CD 00099999 authorizing American to transact the business of insurance in the District of Columbia was **SUSPENDED** and American was order to CEASE AND DESIST the transaction of any and all insurance activities in the District, however, American was required to maintain and service its current policyholders.

WHEREAS, on June 24, 1996, Edward Mezvinsky, President, American on behalf of the owner of American, Growth Holding Enterprises, Inc., entered into an agreement to voluntarily surrender the Certificate of Authority of American. Further, Edward Mezvinsky submitted an Affidavit dated June 24, 1996, to the Insurance Administration indicating that American had not written or transacted any insurance business and no premiums had been collected while American's capital and surplus remained inadequate. The Affidavit also indicated that American has no policyholders, outstanding claims, pending lawsuits, or pending liabilities in the District of Columbia or any other jurisdiction. Further, American has provided information to the Insurance Administration indicating that American has a certificate of deposit in the amount of $303,758.04 on depository at Jefferson Bank located in Philadelphia Pennsylvania.

NOW THEREFORE, IT IS HEREBY ORDERED this 20th day of December 1996, as follows:

1. American Federal Insurance Company is insolvent.

2. Sufficient cause exists for the liquidation of respondent, American pursuant to D.C. Code § 35-2801 et seq. and a Liquidation Order is hereby entered against the Company

3. All banks, brokerage houses, agents or other companies or persons, having in their possession assets , property or records that are, or maybe, the property of American are hereby

enjoined from disposing of, transferring or destroying any such assets, property or records. Further, the aforementioned is hereby ordered to deliver the possession and control of all such assets immediately to the Liquidator, Growth Holding, for liquidation.

4. Upon receipt of the property and assets of American, Growth Holding will be obligated and will assume any and all liabilities of any policyholder, creditor, and stockholder, and of all other persons interested in American's property.

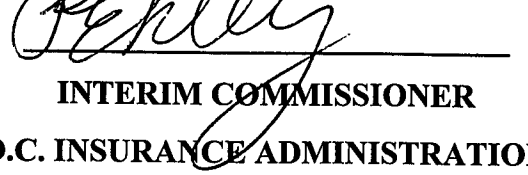
5. That hereafter the caption of this cause in this matter shall read as:

IN THE MATTER OF THE LIQUIDATION OF
AMERICAN FEDERAL INSURANCE COMPANY

6. The parent and owner of American, Growth Holding, is hereby authorized to liquidate the assets of American.

7. This Administration shall retain jurisdiction in this matter for the purpose of granting such other and further relief, in the interest of the policyholders, creditors, stockholders of American and the public may require.

SO ORDERED THIS 20th DAY OF December, 1996.



INTERIM COMMISSIONER
D.C. INSURANCE ADMINISTRATION