

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

2007 APR 11 10 53 AM  
CLERK OF SUPERIOR COURT

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
FILE NO. 04 CVS 13509

STATE OF NORTH CAROLINA, on )  
Relation of JAMES E. LONG, )  
COMMISSIONER OF INSURANCE )  
OF NORTH CAROLINA, )  
 )  
Petitioner, )  
 )  
vs. )  
 )  
AMERICAN YARN SPINNERS )  
SELF-INSURERS FUND, )  
 )  
Respondent. )  
 )  
 )

AMENDED  
ASSESSMENT ORDER

THIS MATTER having come on for hearing before the undersigned Superior Court Judge presiding at the April 11, 2007 session of Wake County Superior Court ("the Court"), upon Motion of the Petitioner in the above entitled case, pursuant to N.C. Gen. Stat. § 58-30-165 and Rule 60 of the North Carolina Rules of Civil Procedure, requesting that the Court enter an Order amending the Assessment Order previously entered by the Court dated June 6, 2006, and it appearing to the Court that:

1. On April 27, 2005, the American Yarn Spinners Self-Insurance Fund ("Fund") was ordered into liquidation and Petitioner was appointed the liquidator.
2. On April 26, 2006, the Petitioner filed a Report and Recommendation indicating that the Fund had insufficient assets to pay its liabilities. Based on the Report, the Court ("the Court") entered an Order dated June 6, 2006, which directed the Petitioner to serve levies of assessment on seventeen members of the Fund. The aggregate amount of the initial assessment was

\$891,769. The levies of assessment were served by the Petitioner on the members who were assessed under the authority of the June 6, 2006 Order.

3. Following service of the levies of assessment, the Petitioner received correspondence and responses from some of the members assessed who asserted that other members of the Fund had been excluded from the assessment. The responding Fund members argued that the exclusion of other members unfairly shifted the Fund obligations to the members initially assessed. The Petitioner considered the responses of the members assessed in the initial assessment.

4. More than sixty days after the entry of the June 6, 2006 Order, the Petitioner learned that there was additional factual information on the history of the Fund and the identity of its members that was not in the Petitioner's possession at the time of the initial liquidator's report. The Petitioner reviewed the new information thoroughly.

5. Some of the liabilities of the Fund consist of claims by former employees of members of the Fund who are permanently and totally disabled as a result of serious, debilitating injuries or occupational diseases of employees whose claims are covered by the Fund. Some of these claims mandate weekly payments which will continue for a period of years. These claims have been transferred to the North Carolina Self-Insurance Security Association ("NCSISA") pursuant to N.C. Gen. Stat. § 97-133(a). The Petitioner has reviewed the initial estimate of liabilities set forth in the initial report and compared this estimate with more recent information provided by NCSISA. A more current estimate of the deficit of the Fund is \$868,856. The calculation of the deficit and the total recommended assessment are shown on Exhibit A attached to the

Liquidator's Verified Amended Report and Motion for Amended Assessment Order ("the Motion").

6. Based on the discovery and analysis of the additional information, and the more current estimate of the deficit of the Fund, the Court finds that a new assessment order is justified pursuant to Rule 60 of the North Carolina Rules of Civil Procedure and N.C. Gen. Stat. § 58-30-165.

7. The aggregate amount of the liabilities of the Fund still exceeds the value of the assets of the Fund.

8. An amended aggregate assessment in the amount of \$1,390,000, as set out on Exhibit A attached to the Motion, shall replace the initial assessment, and the assessment shall be levied against the members and in the amounts as shown on Exhibit B attached to the Motion.

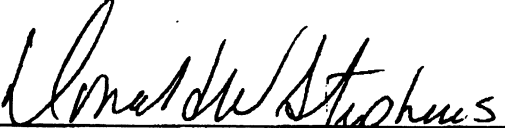
IT IS THEREFORE ORDERED that:

1. Pursuant to N.C. Gen. Stat. § 58-30-165 (b); the June 6, 2006 Assessment Order is amended in accordance with the Motion, and a levy of assessment, in the aggregate of \$1,390,000, is hereby ordered against the members in the amounts shown on Exhibit B of the Motion

2. Petitioner, as liquidator of the Fund, is authorized to proceed with collection of the assessments as provided in N.C. Gen. Stat. § 58-30-165;

3. The Court retains jurisdiction for such further proceedings as may be required for collection of the assessments or determination of objections pursuant to N.C. Gen. Stat. § 58-30-165.

This 11th day of April, 2007.

  
Wake County Superior Court Judge