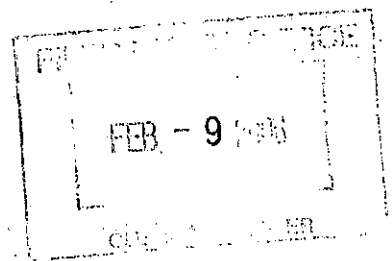


IN THE CIRCUIT COURT FOR
PICKENS COUNTY, ALABAMA



WALTER A. BELL, as Commissioner)
of the ALABAMA DEPARTMENT)
OF INSURANCE,)
)
Plaintiff,)
)
v.)
)
MAGNOLIA MEMORIAL GARDENS, INC.,)
an Alabama corporation, and KATHY MOOY)
both individually and d/b/a, MAGNOLIA)
MEMORIAL GARDENS, INC.,)
)
Defendants.)

Civil Action Number CV-06-085



TEMPORARY RESTRAINING ORDER
AND PRELIMINARY INJUNCTION

This matter came before the court on the verified complaint filed by Walter A. Bell in his capacity as Commissioner of the State of Alabama Department of Insurance (the "Commissioner"). This court has considered the allegations in the Complaint and, based on those allegations, makes the following findings of fact and reaches the following conclusions of law.

1. Bell is Commissioner of the Alabama Department of Insurance. Pursuant to §27-2-7(2) of the Alabama Code, the Commissioner is authorized to enforce the provisions of Title 27 of the Alabama Code (the "Insurance Code"). Section 27-2-7(7) of the Alabama Code authorizes the Commissioner to invoke any legal, equitable, or special remedy to enforce the Insurance Code.

2. Magnolia Memorial Gardens, Inc., ("Magnolia Memorial") is a corporation organized and existing under the laws of the State of Alabama. Its principal place of business is in Aliceville, Alabama. Its business includes sales of preneed cemetery merchandise and services and the maintenance and operation of a cemetery.

3. Kathy Mooy ("Mooy") is the President and owner of Magnolia Memorial. She is presently residing at an address in the state of Florida. Her son has recently managed the business during her absence.

4. This court has subject matter jurisdiction over this civil action pursuant to §§27-17A-17 and 27-32-3 of the Alabama Code. This court can also properly exercise personal jurisdiction over each of the defendants.

5. This court finds that, at a trial on the merits, it is substantially likely that the Commissioner will be able to prove:

(A) Magnolia Memorial and Mooy have conducted business in this state in violation of the Alabama Preneed Funeral and Cemetery Act (the "Act") by, among other things, selling preneed cemetery merchandise and services without a certificate of authority and failing to deposit trust funds received from consumers on account of preneed contracts.

(B) Magnolia Memorial and Mooy do not have the funds necessary to cure the delinquency in the deposits which are required pursuant to a cemetery merchandise and services trust fund under the Act.

(C) Magnolia Memorial and Mooy do not have the funds necessary to establish and properly contribute to an endowment care trust fund as required by the Act, and, as a consequence, there are insufficient funds to maintain and care for the cemetery.

(D) At the time of this Order, Mooy is physically located in the state of Florida. Her son is no longer managing the business, meaning that the cemetery is in a state of abandonment, with no one to supervise the burials or provide basic maintenance of the cemetery grounds.

(E) The continued operations of the business of Magnolia Memorial under the present conditions would be hazardous to purchasers, beneficiaries, and the people of this state, thus requiring the appointment of a receiver pursuant to §27-17A-17(b) of the Alabama Code.

(F) Magnolia Memorial is insolvent, thus requiring the appointment of a receiver over its business pursuant to §§27-17A-17(b) and 27-32-6(1) of the Alabama Code.

(G) Magnolia Memorial and Mooy have willfully violated laws of this state, thus requiring the appointment of a receiver pursuant to §§27-17A-17(b) and 27-32-6(6) of the Alabama Code.

6. Magnolia Memorial and Mooy have reviewed this Order and consents to its immediate entry.

It is, therefore, **ORDERED, ADJUDGED, and DECREED** that:

A. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, Magnolia Memorial and its officers, directors, stockholders, agents, employees, and any and all other persons in active concert or participation with them, Mooy, and any and all other individuals and entities are

hereby restrained and enjoined from taking, removing, concealing, selling, encumbering, lending, damaging, destroying, or otherwise disposing of any and all property, real, personal, and otherwise, owned, leased, or used by Magnolia Memorial or Mooy in connection with the sale of cemetery merchandise or services as those terms are defined in the Act.

B. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, Magnolia Memorial and its officers, directors, stockholders, agents, employees, and any and all other persons in active concert or participation with them, Mooy, and any and all other individuals and entities are hereby restrained and enjoined from taking, spending, transferring, concealing, lending, or otherwise disposing of any money or funds, whether in the form of cash, checks, debits to accounts, credit cards, lines of credit, loans, letters of credit, extensions of credit, accounts, obligations, debts, credits, proceeds from the sale of goods or services, or any other form whatsoever owned, claimed, or used by Magnolia Memorial or Mooy in connection with the sale of cemetery merchandise or services as those terms are defined by the Act.

C. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, Magnolia Memorial and its officers, directors, stockholders, agents, employees, and any and all other persons in active concert or participation with them, Mooy, and any and all other individuals and entities are hereby restrained and enjoined from concealing, hiding, transferring, altering, amending, removing, destroying, or otherwise disposing of any and all business and financial information, records, and documents pertaining to, relating to, or reflecting, in any way, the business and financial affairs of Magnolia Memorial, its affiliates, or Mooy with regard to sales of cemetery merchandise and services as those terms are defined in the Act.

D. Pursuant to §§27-32-1 through 41 and 27-2-53 of the Alabama Code, Denise Azar ("Azar"), Chief of the Receivership Division of the Department, is hereby temporarily appointed to be the receiver of Magnolia Memorial. Azar is directed and is authorized to immediately take possession of the assets of Magnolia Memorial related to the sale of cemetery merchandise and services and shall administer those assets under the orders of this court for the purpose of attempting to conserve, rehabilitate, dissolve, or liquidate them. Azar is further directed and authorized to investigate and examine the business and financial affairs of Magnolia Memorial and Mooy related to the sale of cemetery merchandise and services and to report the results of this investigation to this court.

E. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, Magnolia Memorial and its officers, directors, stockholders, agents, employees, and any and all other persons in active concert or participation with them, Mooy, and any and all other individuals and entities are hereby restrained and enjoined from interfering with, hampering, slowing, obstructing, or

otherwise impeding Azar and her deputies; employees, agents, and others acting under her direction or control from discharging their duties and carrying out their responsibilities as receiver.

F. Any and all banks, credit unions, brokerage firms, and any and all financial institutions of any kind, character, or nature whatsoever with which Magnolia Memorial, or Mooy now have or have had accounts or deposits are hereby authorized and directed to provide Azar with any and all information she might request concerning such accounts or deposits for any period of time Azar deems necessary.

G. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, Magnolia Memorial, its affiliates, and its officers, directors, stockholders, agents, employees, and any and all other persons in active concert or participation with them, Mooy, and any and all other individuals and entities are hereby restrained and enjoined from withdrawing funds from, writing checks on, or otherwise spending, transferring, or drawing against funds located in any account or deposit of which Magnolia Memorial or Mooy is an owner that are connected, in any way with the sale of cemetery merchandise or services **except** in accordance with specific guidelines to be established by Azar in her discretion.

H. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, Magnolia Memorial, its affiliates, and its officers, directors, stockholders, agents, employees, and any and all other persons in active concert or participation with them, Mooy, and any and all other individuals and entities are hereby restrained and enjoined from drawing on, charging on, charging against, or otherwise utilizing any letter of credit, line of credit, credit account, credit card, or otherwise incurring either short term or long term debt that is, in any way, connected with the sale of cemetery merchandise or services **except** in accordance with specific guidelines to be established by Azar in her discretion.

I. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, all persons and other legal entities, except the plaintiff, are hereby temporarily restrained and enjoined from making claims or commencing or further prosecuting any actions in law or equity or administrative proceedings except in this court, from obtaining any preferences, judgment, attachments, or other liens against any of the property, personal or real, of , from commencing or continuing any action in the nature of an attachment, garnishment or execution against any of the property, real or personal, of Magnolia Memorial, or from making any levy, garnishment, or execution against any of the property, real or personal, of Magnolia Memorial.

J. This Order is entered with the consent of all parties, the Defendants having reviewed the Order and having waived further notice and a hearing.

K. The costs of this action and any further proceedings related to a receivership, including reasonable attorney's fees, and costs and expenses involved therein shall be paid from the assets of the receivership estate of Magnolia Memorial.

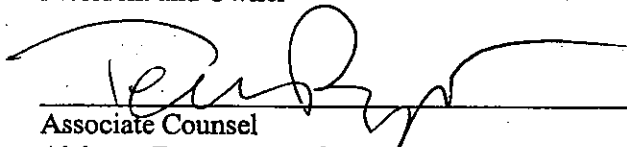
Done this 9th day of Feb, 2006, at 10:50 am/pm.


Circuit Judge
By Special Appointment

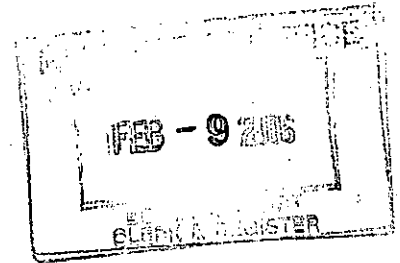
CONSENT OF PARTIES TO ENTRY OF THE ABOVE ORDER:

See Attached EXHIBIT "A"
Kathy Mooy
President and Owner

2-8-06
Date


Associate Counsel
Alabama Department of Insurance

2-8-06
Date



**IN THE CIRCUIT COURT FOR
PICKENS COUNTY, ALABAMA**

EXHIBIT A
(FAXED COPY OF ORDER
SIGNED BY
KATHY MOOY)

WALTER A. BELL, as Commissioner
of the ALABAMA DEPARTMENT
OF INSURANCE,

Plaintiff,

v.

MAGNOLIA MEMORIAL GARDENS, INC.,
an Alabama corporation, and KATHY MOOY
both individually and d/b/a, MAGNOLIA
MEMORIAL GARDENS, INC.,

Defendants.

Civil Action Number

**TEMPORARY RESTRAINING ORDER
AND PRELIMINARY INJUNCTION**

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1. Bell is Commissioner of the Alabama Department of Insurance. Pursuant to §27-2-7(2) of the Alabama Code, the Commissioner is authorized to enforce the provisions of Title 27 of the Alabama Code (the "Insurance Code"). Section 27-2-7(7) of the Alabama Code authorizes the Commissioner to invoke any legal, equitable, or special remedy to enforce the Insurance Code.

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4. This court has subject matter jurisdiction over this civil action pursuant to §§27-17A-17 and 27-32-3 of the Alabama Code. This court can also properly exercise personal jurisdiction over each of the defendants.

5. This court finds that, at a trial on the merits, it is substantially likely that the Commissioner will be able to prove:

(A) Magnolia Memorial and Mooy have conducted business in this state in violation of the Alabama Preneed Funeral and Cemetery Act (the "Act") by, among other things, selling preneed cemetery merchandise and services without a certificate of authority and failing to deposit trust funds received from consumers on account of preneed contracts.

(B) Magnolia Memorial and Mooy do not have the funds necessary to cure the delinquency in the deposits which are required pursuant to a cemetery merchandise and services trust fund under the Act.

(C) Magnolia Memorial and Mooy do not have the funds necessary to establish and properly contribute to an endowment care trust fund as required by the Act, and, as a consequence, there are insufficient funds to maintain and care for the cemetery.

(D) At the time of this Order, Mooy is physically located in the state of Florida. Her son is no longer managing the business, meaning that the cemetery is in a state of abandonment, with no one to supervise the burials or provide basic maintenance of the cemetery grounds.

(E) The continued operations of the business of Magnolia Memorial under the present conditions would be hazardous to purchasers, beneficiaries, and the people of this state, thus requiring the appointment of a receiver pursuant to §27-17A-17(b) of the Alabama Code.

(F) Magnolia Memorial is insolvent, thus requiring the appointment of a receiver over its business pursuant to §§27-17A-17(b) and 27-32-6(1) of the Alabama Code.

(G) Magnolia Memorial and Mooy have willfully violated laws of this state, thus requiring the appointment of a receiver pursuant to §§27-17A-17(b) and 27-32-6(6) of the Alabama Code.

6. Magnolia Memorial and Mooy have reviewed this Order and consents to its immediate entry.

It is, therefore, **ORDERED, ADJUDGED, and DECREED** that:

A. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, Magnolia Memorial and its officers, directors, stockholders, agents, employees, and any and all other persons in active concert or participation with them, Mooy, and any and all other individuals and entities are

hereby restrained and enjoined from taking, removing, concealing, selling, encumbering, lending, damaging, destroying, or otherwise disposing of any and all property, real, personal, and otherwise, owned, leased, or used by Magnolia Memorial or Mooy in connection with the sale of cemetery merchandise or services as those terms are defined in the Act.

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E. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, Magnolia Memorial and its officers, directors, stockholders, agents, employees, and any and all other persons in active concert or participation with them, Mooy, and any and all other individuals and entities are hereby restrained and enjoined from interfering with, hampering, slowing, obstructing, or

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otherwise impeding Azar and her deputies, employees, agents, and others acting under her direction or control from discharging their duties and carrying out their responsibilities as receiver.

F. Any and all banks, credit unions, brokerage firms, and any and all financial institutions of any kind, character, or nature whatsoever with which Magnolia Memorial, or Mooy now have or have had accounts or deposits are hereby authorized and directed to provide Azar with any and all information she might request concerning such accounts or deposits for any period of time Azar deems necessary.

G. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, Magnolia Memorial, its affiliates, and its officers, directors, stockholders, agents, employees, and any and all other persons in active concert or participation with them, Mooy, and any and all other individuals and entities are hereby restrained and enjoined from withdrawing funds from, writing checks on, or otherwise spending, transferring, or drawing against funds located in any account or deposit of which Magnolia Memorial or Mooy is an owner that are connected, in any way with the sale of cemetery merchandise or services except in accordance with specific guidelines to be established by Azar in her discretion.

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I. Pursuant to §§27-17A-17(a) and 27-32-5 of the Alabama Code, all persons and other legal entities, except the plaintiff, are hereby temporarily restrained and enjoined from making claims or commencing or further prosecuting any actions in law or equity or administrative proceedings except in this court, from obtaining any preferences, judgment, attachments, or other liens against any of the property, personal or real, of, from commencing or continuing any action in the nature of an attachment, garnishment or execution against any of the property, real or personal, of Magnolia Memorial, or from making any levy, garnishment, or execution against any of the property, real or personal, of Magnolia Memorial.

J. This Order is entered with the consent of all parties, the Defendants having reviewed the Order and having waived further notice and a hearing.

K. The costs of this action and any further proceedings related to a receivership, including reasonable attorney's fees, and costs and expenses involved therein shall be paid from the assets of the receivership estate of Magnolia Memorial.

Done this _____ day of _____, 2006, at _____
am/pm.

Circuit Judge

CONSENT OF PARTIES TO ENTRY OF THE ABOVE ORDER:

Kathy Mooy
Kathy Mooy
President and Owner

2-8-06
Date

Associate Counsel
Alabama Department of Insurance

Date