

FILED

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE

2007 DEC 11 PM 3: 51

SUPERIOR COURT DIVISION

COUNTY OF WAKE

07-CVS-19239

WAKE COUNTY, C.S.C.

BY \_\_\_\_\_ )  
 IN THE MATTER OF THE LICENSURE )  
 OF THE CASTLETON GROUP, INC., )  
 CASTLETON ASSOCIATES, LLC, AND )  
 CASTLETON AFFILIATES, LLC AS A )  
 PROFESSIONAL EMPLOYER ORGANIZATION )  
 GROUP UNDER THE PROFESSIONAL )  
 EMPLOYER ORGANIZATION ACT )  
 \_\_\_\_\_ )

**ORDER EXTENDING STAY  
 OF  
 FINAL AGENCY DECISION**

This cause coming on to be heard upon application of The Castleton Group, Inc., Castleton Associates, LLC, and Castleton Affiliates, LLC (referred to collectively as "Petitioner") for a Stay of the Final Agency Decision of the North Carolina Department of Insurance (the "Department") issued and filed November 29, 2007 ("Final Agency Decision") affirming the denial of Petitioner's application for a group Professional Employer Organization license (the "License"), following the entry of a Temporary Stay in this matter on November 30, 2007 to remain in effect until December 11, 2007;

And the Court having reviewed the Verified Petition for Judicial Review and taking into account the unique fact situation involved where, even if the Department's Final Agency Decision is correct and may be upheld on appeal, it is impossible for an existing PEO business to cease operations immediately without damage to its client customers and their worksite employees;

And it appearing to the Court, after further review and consideration, that it is in the best interests of the client companies and worksite employees of Petitioner if a mechanism is in place to provide for the orderly transition of Petitioner's business operations;

And it further appearing that additional time is necessary for Petitioner to effectuate an orderly transfer or transition of its existing clients;

And it further appearing that the Court, in the exercise of its inherent authority and pursuant to N.C. Gen. Stat. 150B-48, may grant a Stay in an administrative appeal under terms and conditions appropriate to the case;

NOW, THEREFORE, THE COURT HEREBY EXTENDS AND CONTINUES THE TEMPORARY STAY of the Final Agency Decision under the following terms and conditions:

1. Without ruling on or reaching the issue of whether the Petitioner is likely to prevail upon the merits of its appeal, and in an effort to protect the clients and worksite employees of Petitioner and provide a mechanism for an orderly transition of Petitioner's existing clients, the Stay is extended for a period not to exceed 60 days.

2. On or before January 11, 2008, Petitioner shall report to the Court and to the Department regarding its efforts to effectuate an orderly transition of its existing clients and worksite employees. Such report shall include an update on Petitioner entering into any Letters of Intent, Confidentiality Agreements, or Agreements for Sale of the company or its assets.

3. On or before January 11, 2008, Petitioner shall report to the Court and to the Department on its plans for transfer or wind-down of its health benefit plan and for transfer of workers' compensation coverage provided to existing clients and their worksite employees.

4. Either Petitioner or the Department may apply for relief from any provision of this Order should circumstances arise which would necessitate the Court's reconsideration.

5. This Court and the undersigned Judge shall retain jurisdiction and supervisory authority over the orderly transition of Petitioner's existing clients and worksite employees.

Entered at 3:50 ~~AM~~ <sup>PM</sup> on the 11<sup>th</sup> day of December, 2007.

A handwritten signature in cursive script that reads "Donald W. Stephens". The signature is written in black ink and is positioned above a horizontal line.

Donald W. Stephens  
Senior Resident Superior Court Judge