

IN THE DISTRICT COURT FOR OKLAHOMA COUNTY  
STATE OF OKLAHOMA  
FILED IN DISTRICT COURT  
OKLAHOMA COUNTY

STATE OF OKLAHOMA, ex rel. )  
JOHN DOAK, Insurance Commissioner, )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
PARK AVENUE PROPERTY AND )  
CASUALTY INSURANCE COMPANY f/k/a )  
PROVIDENCE PROPERTY AND CASUALTY )  
INSURANCE COMPANY, a domestic insurance )  
company, )  
 )  
Defendant. )

NOV 16 2018  
RICK WARREN  
COURT CLERK  
42\_\_\_\_\_

Case No. CJ-2009-11178  
*The Honorable Trevor Pemberton*

**AGREED ORDER APPROVING RECOMMENDATIONS**  
**CONCERNING CLASS 2 CLAIMS**

On this 16th day of November, 2018, the Receiver's Recommendation for Adjudication of Class 2 Claims and Application for Approval of Final Class 2 Payments ("Recommendation"), filed in this proceeding on October 22, 2018, comes before the undersigned Judge of the District Court.

The Receiver appeared through Assistant Receiver Mark Tharp and counsel of record, John M. O'Connor, of Hall, Estill, Hardwick, Gable, Golden & Nelson, P.C. The various State Guaranty Associations (collectively, the "SGAs") appeared through counsel of record, Pete G. Serrata, III, of Derryberry & Naifeh, LLP.

No entity or person appeared at this hearing to oppose the Receiver's Recommendation. The Court, being fully advised in the premises, for good cause, finds and concludes as follows:

1. On November 18, 2009, the Court placed Park Avenue Property Casualty & Insurance Company, f/k/a Providence Property Casualty & Insurance Company ("Park Avenue")

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into liquidation pursuant to a *Consent Order of Liquidation with a Finding of Insolvency and Permanent Injunction* in this proceeding (“Liquidation Order”).

2. Twenty SGAs have submitted timely proofs of claim against the Park Avenue Receivership Estate seeking reimbursement for their administrative expenses.

3. On October 22, 2018, the Receiver filed his *Recommendation for Adjudication of Class 2 Claims and Application for Approval of Final Class 2 Payments* (“Recommendation”).

4. On October 26, 2018, the Court entered an Order Establishing Deadline Relating to Receiver’s Recommendation for Adjudication of Class 2 Claims and Application for Approval of Final Class 2 Payments and Notice of Hearing on the Receiver’s Recommendation.

5. On November 9, 2018, the SGAs filed a Response to the Receiver’s Recommendation, stating their support for the same, provided that the Court’s approval order contain a limitation and finding that its approval and adoption of the Receiver’s Recommendations regarding the SGAs’ claims is not a precedential adjudication of the character or nature of any large deductible policyholder obligations collected by the Receiver from policyholders after the entry of the Liquidation Order.

6. On November 13, 2018, the Receiver filed with the Court a Certificate of Service evidencing the service of the Notice of Objection Deadline and Hearing on the Receiver’s Recommendation for Adjudication of Class 2 Claims and Application for Approval of Final Class 2 Payments on October 31, 2018 (“Notice of Hearing”).

7. The Notice of Hearing complies with 36 O.S. § 1918 and is otherwise proper in all respects.

8. In the Recommendation, the Receiver recommends that (a) the SGAs’ claims for reimbursement of administrative expenses be classified as Class 2 claims under 36 O.S. §

1927.1(B)(2); (b) the Court allow each of the claims for reimbursement of administrative expenses in the amount listed for each respective claim on Exhibit 1 attached to the Recommendation under the column titled “Class 2 Recommended Allowance” (the “Class 2 Recommended Allowance”); (c) a final Class 2 Distribution be approved in the amount listed for each respective claim in the amount listed for that claim on Exhibit 1 under the column titled “Class 2 Recommended Final Distribution” (the “Class 2 Recommended Final Distribution”); and (d) the disposition of the Class 2 Recommended Final Distribution be treated as final and that no modification to either the Class 2 Recommended Allowance or the Class 2 Recommended Final Distribution be made based upon administrative expenses incurred or payments made by the SGAs after June 30, 2018.

9. The Class 2 Recommended Final Distribution is equal to the administrative expenses paid by each respective state guaranty association as of June 30, 2018, plus an amount reserved for administrative expenses for that state guaranty association after June 30, 2018, *less* the amounts paid by the Receiver to that state guaranty association to date in early access distributions.

10. The Receiver further requests that the Court authorize disbursements in accordance with the Class 2 Recommended Final Distribution as set forth on said Exhibit 1, a copy of which is also attached to, and made a part of, this Order.

11. The Receiver’s Recommendation should be adopted in its entirety and the SGAs’ claims for reimbursement of administrative expenses should be (a) classified as Class 2 claims under 36 O.S. § 1927.1(B)(2); (b) allowed in the amount set forth as the Class 2 Recommended Allowance on Exhibit 1; and (c) paid in the final amount, after application of credits, set forth as the Class 2 Recommended Final Distribution.

12. Good cause to grant the Receiver's Application for Approval of payment of the Class 2 Recommended Final Distribution exists and it is in the best interest of the Park Avenue Receivership Estate that the Court grant the Application and enter this Order.

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that the Receiver's recommendations contained in the Recommendation be and hereby are **ADOPTED** and **APPROVED** in their entirety.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that SGAs' claims for reimbursement of administrative expenses are classified as Class 2 claims pursuant to 36 O.S. § 1927.1(B)(2).

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that each claim for reimbursement of administrative expenses is allowed in the respective amount listed in the Class 2 Recommended Allowance column for that claim on the schedule attached to this Order as Exhibit 1.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the Class 2 Recommended Allowance is final, based on paid and reserves as of June 30, 2018, and that no modification of the Class 2 Recommended Allowance shall be made, and no distributions from the estate shall be paid, based on administrative expenses incurred or payments made after June 30, 2018.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the Receiver shall distribute an amount equal to the amount listed in the Class 2 Recommended Final Distribution column on the schedule attached to this Order as Exhibit 1, in final payment for each claim.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that that the payment of the Class 2 Recommended Final Distribution for each claim listed on Exhibit 1 attached

hereto is final and that no modification to the Class 2 Recommended Final Distribution will be made based upon administrative expenses incurred or payments made by the SGAs after June 30, 2018.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the Receiver is **AUTHORIZED** to make Class 2 Recommend Final Distribution to the SGAs totaling \$796,318.00 in accordance with the attached Exhibit 1.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the approval and adoption of proposed Final Class 2 Distribution granted herein is not, and is not intended to be by implication, a precedential adjudication of the character or nature of any large deductible policyholder obligations collected by the Receiver from policyholders after the entry of the Liquidation Order that may be included or credited in the Class 2 Recommended Final Distribution, or of any issue with respect to the ultimate entitlement to large deductible policyholder obligations collected by the Receiver from policyholders after the entry of the Liquidation Order in this or any other insurance liquidation.

**IT IS FINALLY ORDERED, ADJUDGED, AND DECREED** that this Order is a final, appealable order pursuant to 36 O.S. § 1918(D).

SIGNED THIS 16th DAY OF NOVEMBER, 2018.

**TREVOR S. PEMBERTON**

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The Honorable Trevor Pemberton  
Judge of the District Court

**CERTIFIED COPY**  
AS FILED OF RECORD  
IN DISTRICT COURT

NOV 16 2018

**RICK WARREN** COURT CLERK  
Oklahoma County

*Rick Warren*

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AGREED:



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John M. O'Connor, OBA No. 6741  
William W. O'Connor, OBA No. 13200  
Jon M. Payne, OBA No. 17910  
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- AND -

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**ATTORNEYS FOR PLAINTIFF, STATE OF  
OKLAHOMA, ex rel., JOHN DOAK, Insurance  
Commissioner for the State of Oklahoma, as  
Receiver for Park Avenue Property and  
Casualty Insurance Company, in Liquidation**

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Pete G. Serrata, III, OBA No. 21352  
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Attorneys for State Guaranty Associations

CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of November, 2018, a true and correct copy of the above and foregoing instrument was sent via U.S. Mail, postage paid, to:

Oklahoma Receivership Office  
Donna Wilson / Debra Crowe  
3613 NW 56<sup>th</sup> Street, Suite 330  
Oklahoma City, OK 73112

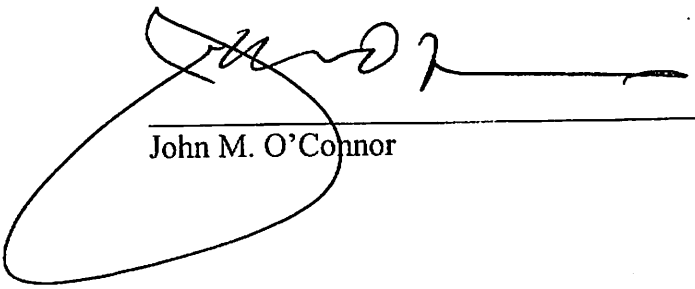
James Mills  
Oklahoma Insurance Department  
3625 NW 56<sup>th</sup> Street, Ste. 100  
Oklahoma City, OK 73112

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Tharp & Associates  
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Phoenix, AZ 85013

John Blatt, Esquire  
National Conference of Insurance Guaranty  
Funds  
300 North Meridian Street  
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Indianapolis, IN 46204-1754

Park Avenue Insurance, LLC  
c/o Charles Antonucci, Sr.  
460 Park Avenue, 13<sup>th</sup> Floor  
New York, NY 10022

Charles Antonucci, Sr.  
c/o Charles A. Stillman  
Stillman, Friedman & Shecktman, PC  
425 Park Avenue  
New York, NY 100



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John M. O'Connor

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**Park Avenue Property & Casualty Insurance Company  
Recommendations - Class 2**

No.	POC No.	Claimant	Class 2 Recommended Allowance	Credits	Class 2 Recommended Final Distribution
1	PAPC-00063	Alabama Insurance Guaranty Association	\$ 937,025	\$ 844,541	\$ 92,485
2	PAPC-00307	Arkansas Property & Casualty Guaranty Fund	112,418	112,418	-
3		Arizona Property & Casualty Guaranty Insurance Fund	180,913	180,913	-
4	PAPC-00053	Colorado Insurance Guaranty Association	94,160	94,160	-
5	PAPC-00026	Florida Workers' Comp Insurance Guaranty Association	3,830,868	3,830,868	-
6	PAPC-000902	Georgia Insurers Insolvency Pool	1,708,577	1,708,577	-
7	PAPC-00167	Hawaii Insurance Guaranty Association	116,091	115,163	928
8	PAPC-00181	Indiana Insurance Guaranty Association	328,253	325,630	2,623
9	PAPC-00270	Louisiana Insurance Guaranty Association	97,310	97,310	-
10	PAPC-00184	Maryland Property & Casualty Insurance Guaranty Corporation	100,198	92,518	7,680
11	PAPC-00091	Michigan Property & Casualty Guaranty Association	3,089,692	2,763,719	325,973
12	PAPC-00293	Missouri Property & Casualty Insurance Guaranty Association	13,073	13,073	-
13	PAPC-00175	Mississippi Insurance Guaranty Association	261,214	182,495	78,719
14	PAPC-00253	North Carolina Insurance Guaranty Association	916,851	916,851	-
15	PAPC-00062	Nevada Insurance Guaranty Association	36,349	36,349	-
16	PAPC-00104	Oklahoma Property & Casualty Insurance Guaranty Association	670,894	392,701	278,193
17	PAPC-00080	Pennsylvania Workers' Compensation Security Fund	14,842	14,842	-
18	PAPC-00188	South Carolina Property & Casualty Insurance Guaranty Association	1,336,296	1,336,296	-
19	PAPC-00214	Texas Property & Casualty Insurance Guaranty Association	1,987,471	1,987,471	-
20	PAPC-00054	West Virginia Insurance Guaranty Association	9,719	-	9,719
<b>Totals</b>			<b>\$ 15,842,212</b>	<b>\$ 15,045,894</b>	<b>\$ 796,318</b>

