

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

JUL 26 2012

PATRICIA PRESLEY, COURT CLERK

By \_\_\_\_\_

STATE OF OKLAHOMA, ex rel. )  
JOHN DOAK, Insurance Commissioner, )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
PEGASUS INSURANCE COMPANY, INC. )  
 )  
Defendant. )

Case No. CJ-2010-5131  
*The Honorable Bill Graves*

**ORDER DETERMINING CLAIMS, APPROVING  
RECEIVER'S FIRST REPORT ON CLAIMS**

On this 26<sup>th</sup> day of July, 2012, there came on for hearing the Receiver's First Report on Claims, Evaluation and Request for Confirmation of Receiver's Recommendations filed with the Court on February 8, 2012 ("Receiver's Report"). The Receiver appeared through his counsel, John M. O'Connor, of the law firm of Newton, O'Connor, Turner & Ketchum, P.C. In support of the Receiver's Report, the Receiver presented evidence at the hearing including the sworn testimony of the Assistant Receiver, Terry K. Smith, and certain Exhibits. No one appeared at the hearing in opposition to the Receiver's Report.

The Court, for good cause shown, and being fully advised, finds and concludes as follows:

1. The Receiver made good faith and sufficient efforts to determine the identity of all persons who may have claims against Pegasus Insurance Company, Inc. ("Pegasus") and mailed approximately 6,400 Proof of Claim packets to such potential claimants, including notice of the opportunity to file a claim before the February 8, 2011 claims bar date.
2. A total of 147 timely proofs of claims were submitted to the Receiver.

3. The Receiver's Report presents the Receiver's recommendations as to 79 of such claims, including fifty-one (51) Class 3 claims, and twenty-eight (28) Class 6 claims.

4. On April 17, 2012, the Court issued its Order Establishing Deadlines on Claims Evaluation and Setting Hearing Date for Receiver's Report ("April 17, 2012 Order").

5. The April 17, 2012 Order set a deadline of May 25, 2012 for claimants to file an objection to the Receiver's recommendations, approved the form of the Notice to be given to claimants, and set the Receiver's Report for hearing on July 26, 2012.

6. On April 17, 2012, the Receiver mailed the written, Court-approved Notice to each of the claimants whose claims are addressed in the Receiver's Report. The Notice stated the May 25, 2012 deadline for filing objections to recommendations in the Receiver's Report, as well as the date, time and place of the Court's hearing on the Receiver's Report. Additionally, the Notice contained the specific recommendations of the Receiver as to the claim of the claimant to whom the Notice was sent.

7. The Notice which the Receiver sent to each such claimant complies with the requirements of due process of law and adequately protected any and all due process interests of the claimants.

8. The May 25, 2012 deadline for filing an objection to the Receiver's Report has passed and no objections to the Receiver's Report were filed.

9. The Receiver's recommendations as to the 79 claims addressed in the Receiver's Report, as detailed in Exhibits 1, 2 and 3 of the Receiver's Report, are supported by the law and the facts and the Receiver's recommendations should be approved by this Court.

10. The disallowance of any timely-filed proof of claim included in the Receiver's Report does not alter the statutory obligation, if any, of the Oklahoma Property & Casualty

Insurance Guaranty Association or other applicable state guaranty fund, to provide indemnity and defense of a "covered claim" as defined by the Oklahoma Property & Casualty Insurance Guaranty Association Act, 36 O.S. § 2004(7), or other applicable statute.

11. There is no just reason to delay the entry of a final, appealable Judgment as to the matters hereby adjudicated. Good cause exists to enter this order as a final appealable Order, pursuant to 12 O.S. § 994(A).

12. This is a final and appealable order as to the matters addressed herein for purposes of 36 O.S. § 1902 (H) and in accordance with 36 O.S. § 1918 (D).

13. Pursuant to the Receiver's request, the Receiver shall identify the claims on the attached Exhibits by reference to the claim number and shall redact from the Exhibits the names of the claimants. When no amount is stated in the "Amount Allowed" column on an attached Exhibit with respect to a claim, the claim is disallowed.

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that the Receiver's Report is hereby **APPROVED** and the recommendations contained therein, as set forth in the attached Exhibits 1 through 3 of the Receiver's Report, are hereby **ACCEPTED** and **APPROVED** in their entirety.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that each of the claims addressed in the Receiver's Report identified on Exhibit 1 attached to this Order is properly classified as a Class 3 claim under 36 O.S. § 1927.1 and is allowed, allowed in part, or disallowed, in accordance with the Receiver's recommendations, as reflected in the "Amount Allowed" column on Exhibit 1 attached to this Order.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that each of the claims addressed in the Receiver's Report identified on Exhibit 2 attached to this Order is properly

classified as a Class 6 claim under 36 O.S. § 1927.1 and is allowed, allowed in part, or disallowed, in accordance with the Receiver's recommendations, as reflected in the "Amount Allowed" column on Exhibit 2 attached to this Order.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the claim addressed in the Receiver's Report identified on Exhibit 3 attached to this Order, is a Class 6 claim under 36 O.S. § 1927.1 and is denied in its entirety, in accordance with the Receiver's recommendations, as reflected in the "Amount Allowed" column on Exhibit 3 attached to this Order.

**IT IS FINALLY ORDERED, ADJUDGED, AND DECREED** that this Order is hereby certified, pursuant 12 O.S. § 994(A), to be a final, appealable Order and, accordingly, the Court Clerk is hereby directed to file this instrument as a final, appealable Order.

SIGNED THIS 26<sup>th</sup> DAY OF JULY, 2012.

**BILL GRAVES**

The Honorable Bill Graves  
Judge of the District Court

Respectfully submitted,



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 Pegasus Insurance  
Company, Inc. in Liquidation**

**CERTIFICATE OF SERVICE**

I hereby certify that on the 26<sup>th</sup> day of July, 2012, a true and correct copy of the above and foregoing instrument was sent via U.S. Mail, postage paid, to:

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

Owen W. Laughlin  
Oklahoma Insurance Department  
3625 NW 56<sup>th</sup>, Suite 100  
Oklahoma City, OK 73112

Terry K. Smith, Assistant Receiver  
4120 E. 51<sup>st</sup> Street, Suite 100  
Tulsa, OK 74135

PIC Holding Company, Inc.  
P. O. Box 729  
Alexander City, AL 35011

  
\_\_\_\_\_  
John M. O'Connor

# Claims Allowed By Class

Claim Class: 3

POC #	Amount Claimed	Amount Allowed	Timely Filled?	Yes
37	\$882.66	\$0.00	Timely Filled?	Yes
62	\$3,640.00	\$0.00	Timely Filled?	Yes
8	\$12,975.00	\$0.00	Timely Filled?	Yes
80	\$30,243.30	\$0.00	Timely Filled?	Yes
79	\$18,168.70	\$0.00	Timely Filled?	Yes
48	\$3,200.00	\$0.00	Timely Filled?	Yes
66	\$937.00	\$0.00	Timely Filled?	Yes
68	\$3,792.00	\$0.00	Timely Filled?	Yes
67	\$1,796.00	\$0.00	Timely Filled?	Yes
24	\$1,661.00	\$0.00	Timely Filled?	Yes
101		\$0.00	Timely Filled?	Yes
60	\$115.00	\$0.00	Timely Filled?	Yes
45	\$115.00	\$0.00	Timely Filled?	Yes
58	\$622.00	\$0.00	Timely Filled?	Yes
46	\$240.00	\$0.00	Timely Filled?	Yes
28	\$266.00	\$0.00	Timely Filled?	Yes
97	\$0.00	\$0.00	Timely Filled?	Yes
76		\$0.00	Timely Filled?	Yes
99	\$188.00	\$0.00	Timely Filled?	Yes
71	\$10,000.00	\$0.00	Timely Filled?	Yes
86	\$2,368.00	\$0.00	Timely Filled?	Yes
85	\$1,915.00	\$0.00	Timely Filled?	Yes
64	\$538.00	\$0.00	Timely Filled?	Yes
41	\$1,372.00	\$0.00	Timely Filled?	Yes
104	\$100,000.00	\$0.00	Timely Filled?	Yes
105	\$100,000.00	\$0.00	Timely Filled?	Yes
90	\$747.78	\$0.00	Timely Filled?	Yes
89	\$655.78	\$0.00	Timely Filled?	Yes
87	\$12.00	\$0.00	Timely Filled?	Yes
69	\$12,926.53	\$0.00	Timely Filled?	Yes
61	\$190.00	\$0.00	Timely Filled?	Yes
72	\$4,730.85	\$0.00	Timely Filled?	Yes

**EXHIBIT**  
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**Claim Class: 3**

<b>POC #</b>	<b>Amount Claimed</b>	<b>Amount Allowed</b>		
102	\$1,668.73	\$0.00	Timely Filed?	<u>Yes</u>
50		\$0.00	Timely Filed?	<u>Yes</u>
38	\$375.00	\$0.00	Timely Filed?	<u>Yes</u>
31	\$702.00	\$0.00	Timely Filed?	<u>Yes</u>
114		\$0.00	Timely Filed?	<u>Yes</u>
114		\$0.00	Timely Filed?	<u>Yes</u>
32	\$4,722.00	\$0.00	Timely Filed?	<u>Yes</u>
40	\$1,650.00	\$0.00	Timely Filed?	<u>Yes</u>
39	\$1,755.00	\$0.00	Timely Filed?	<u>Yes</u>
43	\$0.00	\$0.00	Timely Filed?	<u>Yes</u>
22	\$82.00	\$0.00	Timely Filed?	<u>Yes</u>
63	\$3,579.00	\$0.00	Timely Filed?	<u>Yes</u>
27	\$4,835.00	\$0.00	Timely Filed?	<u>Yes</u>
65	\$389.00	\$0.00	Timely Filed?	<u>Yes</u>
23	\$1,965.25	\$0.00	Timely Filed?	<u>Yes</u>
92		\$0.00	Timely Filed?	<u>Yes</u>
120	\$740.00	\$0.00	Timely Filed?	<u>Yes</u>
121	\$570.00	\$0.00	Timely Filed?	<u>Yes</u>
116	\$707.00	\$0.00	Timely Filed?	<u>Yes</u>
138	\$3,501.00	\$0.00	Timely Filed?	<u>Yes</u>
<b>Class 3 Totals:</b>	<b>\$341,538.58</b>	<b>\$0.00</b>		
<b>Total Claims:</b>	<b>\$341,538.58</b>	<b>\$0.00</b>		

# Claims Allowed By Class

Claim Class: 6

POC #	Amount Claimed	Amount Allowed	Timely Filled?	Yes
20	\$687.50	\$687.50	Timely Filled?	<u>Yes</u>
134	\$2,080.00	\$2,080.00	Timely Filled?	<u>Yes</u>
141	\$1,738.50	\$1,738.50	Timely Filled?	<u>Yes</u>
139	\$1,581.50	\$1,581.50	Timely Filled?	<u>Yes</u>
131	\$1,712.00	\$1,712.00	Timely Filled?	<u>Yes</u>
138	\$2,157.00	\$2,157.00	Timely Filled?	<u>Yes</u>
140	\$247.50	\$247.50	Timely Filled?	<u>Yes</u>
132	\$2,940.00	\$2,940.00	Timely Filled?	<u>Yes</u>
137	\$1,052.00	\$1,052.00	Timely Filled?	<u>Yes</u>
133	\$1,625.00	\$1,625.00	Timely Filled?	<u>Yes</u>
136	\$921.00	\$921.00	Timely Filled?	<u>Yes</u>
126	\$2,242.00	\$2,242.00	Timely Filled?	<u>Yes</u>
129	\$1,090.00	\$1,090.00	Timely Filled?	<u>Yes</u>
135	\$4,020.00	\$4,020.00	Timely Filled?	<u>Yes</u>
130	\$1,699.50	\$1,699.50	Timely Filled?	<u>Yes</u>
75	\$1,297.27	\$1,297.27	Timely Filled?	<u>Yes</u>
143	\$1,246.88	\$1,246.88	Timely Filled?	<u>Yes</u>
74	\$624.00	\$624.00	Timely Filled?	<u>Yes</u>
73	\$942.62	\$942.62	Timely Filled?	<u>Yes</u>
34	\$1,299.50	\$1,269.50	Timely Filled?	<u>Yes</u>
33	\$3,617.50	\$3,617.50	Timely Filled?	<u>Yes</u>
35	\$862.98	\$862.98	Timely Filled?	<u>Yes</u>
47	\$950.00	\$950.00	Timely Filled?	<u>Yes</u>
81	\$1,414.35	\$1,414.35	Timely Filled?	<u>Yes</u>
36	\$4,676.33	\$4,676.33	Timely Filled?	<u>Yes</u>
156	\$7,942.75	\$7,942.75	Timely Filled?	<u>Yes</u>
93	\$60.00	\$60.00	Timely Filled?	<u>Yes</u>
<b>Class 6 Totals:</b>	<b>\$50,727.68</b>	<b>\$50,697.68</b>		

**EXHIBIT**  
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Claim Class: 6

<u>POC #</u>	<u>Amount Claimed</u>	<u>Amount Allowed</u>
Total Claims	\$50,727.68	\$50,697.68

# Claims Allowed By Class

Claim Class: 6

POC #	Amount Claimed	Amount Allowed	Timely Filed?	Yes
128	\$1,243.50	\$0.00		
<b>Class 6 Totals:</b>	<b>\$1,243.50</b>	<b>\$0.00</b>		
<b>Total Claims:</b>	<b>\$1,243.50</b>	<b>\$0.00</b>		

EXHIBIT  
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