

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

OCT 10 2012

PATRICIA PRESLEY, COURT CLERK  
by \_\_\_\_\_ DEPUTY

STATE OF OKLAHOMA, ex rel. )  
JOHN DOAK, Insurance Commissioner, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
PEGASUS INSURANCE COMPANY, )  
In Receivership, )  
 )  
Defendant. )

Case No. CJ-2010-5131  
Judge Bill Graves

RECEIVER'S FIRST AMENDMENT  
TO  
SECOND REPORT ON CLAIMS  
AND  
RECOMMENDATIONS AS TO PROOFS OF CLAIM NOS. 7 AND 82

The State of Oklahoma, ex rel., John Doak, Insurance Commissioner, as statutory receiver of and for Pegasus Insurance Company, Inc., in liquidation, ("Pegasus") hereby submits its first amendment and recommendations as to Proofs of Claim Nos. 7 and 82 and shows the Court as follows:

1. On August 8, 2012, the Receiver filed the Receiver's Second Report on Claims Evaluation and Request for Confirmation of Receiver's Recommendations ("Receiver's Second Report").
2. Among the recommendations presented through the Receiver's Second Report are the Receiver's recommendations as to Proofs of Claim Nos. 7 and 82.
3. The Receiver hereby amends its recommendations as to Proofs of Claim Nos. 7 and 82. The Receiver's initial and amended recommendations are set forth in the attached Exhibit 1.

4. As to Proof of Claim No. 7:
  - a. The Receiver initially recommended that \$1,604.25 of the \$14,130.00 sought be disallowed, leaving the reduced allowed amount of \$12,525.75.
  - b. Of the \$1,604.25 the Receiver initially recommended be disallowed, \$1462.00 pertains to medical bill review services presented for payment to the Florida Workers Compensation Insurance Guaranty Association ("FWCIGA"). On August 17, 2012, after the filing of the Receiver's Second Report, the FWCIGA advised the Receiver the submitted amount for bill review services is not covered by the FWCIGA.
  - c. Upon further consideration, the Receiver will not contest the issue but instead recommends the referenced amount be allowed against the Pegasus receivership estate.
  - d. Accordingly, the Receiver's recommendation as to Proof of Claim No. 7 is hereby amended to increase the allowed amount by \$1,462.00 for a total allowed amount of \$13,987.75.
  - e. The Receiver further recommends that such amount be allowed as a Class 6 claim under 36 O.S. § 1927.1.
5. As to Proof of Claim No. 82:
  - a. The Receiver initially recommended that \$6,288.80 of the \$8,524.80 sought be disallowed, for a reduced allowed amount of \$2,236.00.


- b. The amount the Receiver initially recommended be disallowed includes claim adjusting expenses presented to the Tennessee Insurance Guaranty Association (“TIGA”) for payment and a separate set of claim adjusting expenses to the North Carolina Insurance Guaranty Association (“NCIGA”) for payment.
  - c. After the filing of the Receiver’s Second Report, the TIGA and the NCIGA each advised the Receiver it does not provide coverage for claim adjusting expenses the Receiver submitted to it.
  - d. Upon further consideration, the Receiver will not contest the issue but instead recommends such amounts be allowed against the Pegasus receivership estate.
  - e. Accordingly, the Receiver’s recommendation as to Proof of Claim No. 82 is hereby amended to increase the allowed amount by \$6,288.80, for a total allowed amount of \$8,524.80, which is the full amount of the claim.
  - f. The Receiver further recommends that such amount be allowed as a Class 6 claim under 36 O.S. § 1927.1.
6. Attached as Exhibit 2 is a draft of the Notice which the Receiver proposes to send to the Claimants which filed Proofs of Claim Nos. 7 and 82.

**WHEREFORE**, the Receiver requests that this Court:

- a. order the Receiver to provide notice of opportunity to object and be heard to the claimants whose claims are the subject of the amended recommendations described herein and in the attached Exhibit 1;
- b. find that the proposed form of notice attached hereto as Exhibit 2 is proper in all respects;

- c. establish a date for filing an objection to the amended recommendations of the Receiver;
- d. hear the amended recommendations during the Court's November 8, 2012, hearing on the Receiver's Second Report;
- e. upon hearing any objections thereto, enter an order approving the Receiver's amended recommendations as to each of the claims described herein; and
- f. grant the Receiver such other and further relief as the Court deems appropriate.

Respectfully submitted,



---

John M. O'Connor, OBA No. 6741  
William W. O'Connor, OBA No. 13200  
Jon M. Payne, OBA No. 17910  
NEWTON, O'CONNOR, TURNER & KETCHUM, P.C.  
15 West Sixth Street, Suite 2700  
Tulsa, Oklahoma 74119  
Telephone: (918) 587-0101  
Facsimile: (918) 587-0102  
[jocconnor@newtonoconnor.com](mailto:jocconnor@newtonoconnor.com)

-AND-

Mark A. Willingham, OBA # 22769  
3613 NW 56<sup>th</sup> Street, Ste. 330  
Oklahoma City, OK 73112  
(405) 947-0022 – telephone  
(405) 947-0046 – facsimile  
[mark.willingham@oid.ok.gov](mailto:mark.willingham@oid.ok.gov)

**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**

This is to certify that a true and correct copy of the foregoing was served via United States mail, postage prepaid and properly addressed, on the 10<sup>th</sup> day of October, 2012, upon the following:

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

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

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

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



John M. O'Connor

**Exhibit "1"**

<b>POC #</b>	<b>Amount Claimed</b>	<b>Initial Recommended Amount Allowed</b>	<b>Amended Recommended Amount Allowed</b>
<b>7</b>	<b>\$14,130.00</b>	<b>\$12,525.75</b>	<b>\$13,987.75</b>
<b>82</b>	<b>\$8,524.80</b>	<b>\$2,236.00</b>	<b>\$8,524.80</b>

**IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA**

<b>STATE OF OKLAHOMA, et rel.</b>	)	
<b>JOHN DOAK, Insurance Commissioner,</b>	)	
	)	
<b>Plaintiff,</b>	)	
	)	
<b>v.</b>	)	<b>Case No. CJ-2010-5131</b>
	)	<b>Judge Bill Graves</b>
<b>PEGASUS INSURANCE COMPANY, INC.</b>	)	
	)	
<b>Defendant.</b>	)	

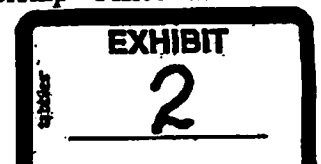
**NOTICE OF OBJECTION DEADLINE AND HEARING  
ON THE RECEIVER'S AMENDED RECOMMENDATIONS**

You are hereby notified that on **November 8, 2012 at 3:00 p.m.** a hearing will be held before the Honorable Bill Graves, District Court Judge of Oklahoma County, Oklahoma, at which time the Receiver's First Amendment to Second Report on Claims and Recommendations as to Proofs of Claims Nos. 7 and 82 ("the Receiver's First Amendment") shall be heard. The hearing will be conducted at the Oklahoma County Courthouse, 321 Park Avenue, Room # 315, Oklahoma City, Oklahoma.

You are receiving this Notice because the Receiver has evaluated your claim and such claim is ready for adjudication. The document accompanying this Notice sets forth the Receiver's amended recommendations to the Court in relation to your claim.<sup>1</sup> Your claim has been assigned the Proof of Claim number ("POC #") indicated on the accompanying document. The accompanying document also provides information specific to your claim, including the amount of your claim, the

---

<sup>1</sup> The Receiver's amended recommendations to the Court regarding your claim are set forth in the Receiver's First Amendment, which was filed in the above-entitled matter. A copy of the Receiver's First Amendment is available on the website for the Oklahoma Receivership Office at



Receiver's recommendation as to the amount of your claim to be allowed, if any, and the Receiver's recommendation regarding the classification of your claim, which classification reflects the nature of your claim and the priority the Receiver recommends be given to your claim under Oklahoma law, 36 O.S. § 1927.1. The recommendations contained in the accompanying document supersede any prior, inconsistent recommendations of which you have received notice in relation to your claim.

**IF YOU DO NOT WISH TO OBJECT TO THE RECEIVER'S FIRST AMENDMENT, YOU ARE NOT REQUIRED TO TAKE ANY ACTION AT THIS TIME. IF YOU WISH TO OBJECT TO THE RECEIVER'S FIRST AMENDMENT, YOU MUST FILE A PROPER, WRITTEN OBJECTION WITH THE COURT NO LATER THAN OCTOBER 29, 2012.** To be a proper, written objection:

- (1) **the objection must contain the case information located at the top of this Notice (State of Oklahoma, ex. rel. John Doak, Insurance Commissioner v. Pegasus Insurance Company, Inc., Case No. CJ-2010-5131, Judge Bill Graves);**
- (2) **the objection must be filed with the Clerk of the Oklahoma County District Court, 320 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102, and a copy mailed to the Receiver's legal counsel at the address shown below;**
- (3) **the objection must be signed by the claimant or the claimant's representative;**
- (4) **the objection must be typewritten on a good grade of white paper size 8 ½ by 11 inches, give the name, current address and telephone number of the claimant making the objection, including the name and position of the person signing the objection, if the claimant is a business; and**
- (5) **the objection must state the exact grounds on which the objection is based and be accompanied by a concise brief that contains (a) a written statement of material facts as to which the objecting party contends no genuine issue exists verified by a person with knowledge of the facts; (b) references to supporting documentation submitted with the proof of claim; and (c) citation to applicable authority supporting the objection;**
- (6) **if you wish to present the Court with oral argument on your objection at the hearing, the objection must indicate your intention to appear at the hearing and make such oral argument. Failure to expressly state an intention to make oral argument in your objection may be deemed by the Court to be a waiver of the**



**right to oral argument.**

***Failure to file a timely and proper written objection as described above may result in your objection being denied. If the Court approves your claim in whole or in part, it does not mean that you will actually receive the allowed amount as ordered by the Court. The amount of payment on your claim, if any, is dependent upon the class or priority the Court assigns your claim based on Oklahoma law, and the assets in the estate available for distribution. Certain legal matters still pending before the Court may prevent the payment of claims for some time. Any questions regarding this Notice, the Receiver's recommendations as to your claim or any of the other claims to be heard during the hearing on the date referenced above should be directed to the Oklahoma Receivership Office. Contact information for the Oklahoma Receivership Office is set forth below.***

**Oklahoma Receivership Office**

3613 NW 56<sup>th</sup>, Suite 330  
Oklahoma City, OK 73112  
Phone: (405) 947-0022  
Fax: (405) 947-0046;

**Receiver's Legal Counsel Address:**

John M. O'Connor  
William W. O'Connor  
Newton O'Connor Turner & Ketchum  
15 West Sixth Street, Suite 2700  
Tulsa, OK 74119  
(918) 587-0101 (telephone)  
(918) 587-0102 (facsimile).