

**FILED IN THE DISTRICT COURT
IN THE DISTRICT COURT OF OKLAHOMA, OKLAHOMA COUNTY, OKLA.
STATE OF OKLAHOMA**

NOV - 8 2012

STATE OF OKLAHOMA, ex rel.)	PATRICIA PRESLEY, COURT CLERK
JOHN DOAK, Insurance Commissioner,)	BY _____
)	
Plaintiff,)	
)	Case No. CJ-2010-5131
vs.)	<i>The Honorable Bill Graves</i>
)	
PEGASUS INSURANCE COMPANY, INC.)	
)	
Defendant.)	

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

On this 8th day of November, 2012, there came on for hearing the Receiver's Second Report on Claims Evaluation and Request for Confirmation of Receiver's Recommendations filed with the Court on August 8, 2012 ("Receiver's Second Report"). The Receiver appeared through his counsel, Jon M. Payne of the law firm of Newton, O'Connor, Turner & Ketchum, P.C. No one appeared at the hearing in opposition to the Receiver's Second 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. On February 8, 2012, the Receiver filed the Receiver's First Report on Claims, Evaluation and Request for Confirmation of Receiver's Recommendations ("Receiver's First Report"). The Receiver's First Report presented the Receiver's recommendations as to 79

claims. After a hearing, the Court approved the Receiver's First Report and adjudicated those 79 claims in accordance with the Receiver's recommendations.

4. The Receiver's Second Report presents the Receiver's recommendations as to 17 additional claims, including two (2) Class 3 claims, and fifteen (15) Class 6 claims.

5. On August 30, 2012, the Court issued its Order Establishing Deadlines Relating to Receiver's Second Report on Claims Evaluation and Setting Hearing Date for Receiver's Second Report ("August 30, 2012 Order").

6. The August 30, 2012 Order set a deadline of October 5, 2012, for claimants to file an objection to the Receiver's recommendations, approved the form of the notice ("Notice") to be given to claimants, and set the Receiver's Second Report for hearing on November 8, 2012.

7. On August 30, 2012, the Receiver mailed the written, Court-approved Notice to each of the claimants whose claims are addressed in the Receiver's Second Report. The Notice stated the October 5, 2012 deadline for filing objections to recommendations in the Receiver's Second Report, as well as the date, time and place of the Court's hearing on the Receiver's Second Report. Additionally, the Notice contained the specific recommendations of the Receiver as to the claim of the claimant to whom the Notice was sent.

8. The October 5, 2012 deadline for filing an objection to the Receiver's Second Report has passed and no objections to the Receiver's Second Report were filed.

9. On October 10, 2012, the Receiver filed the Receiver's First Amendment to Second Report on Claims and Recommendations as to Proof of Claims Nos. 7 and 82 ("First Amendment"). The First Amendment modifies the Receiver's recommendations as to Proofs of Claim Nos. 7 and 82 as set forth in Exhibit 1 to the First Amendment.

10. On October 16, 2012, the Court issued its Order Establishing Deadlines Relating to Receiver's First Amendment to Second Report on Claims ("October 16, 2012 Order").

11. The October 16, 2012 Order set a deadline of October 31, 2012 for claimants to file an objection to the Receiver's recommendations, approved the form of the Notice ("First Amendment Notice") to be given to claimants, and set the First Amendment for hearing on November 8, 2012.

12. On October 16, 2012, the Receiver mailed the Court-approved First Amendment Notice to each of the claimants whose claims are addressed in the First Amendment. The First Amendment Notice stated the October 31, 2012 deadline for filing objections to recommendations in the First Amendment, as well as the date, time and place of the Court's hearing on the First Amendment. Additionally, the First Amendment Notice contained the specific recommendations of the Receiver as to the claim of the claimant to whom the First Amendment Notice was sent.

13. The October 31, 2012 deadline for filing an objection to the First Amendment has passed and no objections to the First Amendment were filed.

14. The Notice and the First Amendment Notice together comply with the requirements of due process of law and adequately protected any and all due process interests of the claimants.

15. The Receiver's recommendations as to the 17 claims addressed in the Receiver's Second Report, as detailed in Exhibits 1, 2 and 3 of the Receiver's Second Report as modified by the First Amendment, are supported by the law and the facts and the Receiver's recommendations should be approved by this Court.

16. The disallowance of any timely-filed proof of claim 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.

17. 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).

18. 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).

19. 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 any Exhibits the names of the claimants. When no amount or \$0.00 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 Second Report as modified by the First Amendment is hereby **APPROVED** and the recommendations contained therein, as set forth in the attached Exhibits 1 through 3 of the Receiver’s Second Report as modified by the First Amendment, 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 Second 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 disallowed, in accordance with the Receiver’s recommendations, as reflected on Exhibit 1 attached to this Order.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that each of the claims

addressed in the Receiver's Second Report (as modified by the First Amendment) 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 claims addressed in the Receiver's Report identified on Exhibit 3 attached to this Order, are Class 6 claims under 36 O.S. § 1927.1 and are denied in their entirety, in accordance with the Receiver's recommendations, as reflected 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 8 DAY OF NOVEMBER, 2012.

BILL GRAVES
The Honorable Bill Graves
Judge of the District Court

I, PATRICIA PRESLEY, Court Clerk for Oklahoma County, Okla., hereby certify that the foregoing is a true, correct and complete copy of the instrument herewith set out as appears of record in the District Court Clerk's Office of Oklahoma County, Okla. this 8 day of NOVEMBER, 2012.
By: PATRICIA PRESLEY
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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 8th day of November, 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 56th Street, Ste. 330
Oklahoma City, OK 73112

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

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

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



Jon M Payne

Claims Allowed By Class

Claim Class: 3

POC #	Amount Claimed	Amount Allowed	
26	\$3,318.75	\$0.00	Timely Filed? <u>Yes</u>
25	\$4,528.78	\$0.00	Timely Filed? <u>Yes</u>
Class 3 Totals:	\$7,847.53	\$0.00	

Total Claims: \$7,847.53 \$0.00



Claims Allowed By Class

Claim Class: 6

POC #	Amount Claimed	Amount Allowed	
7	\$14,130.00	\$13,987.75	Timely Filed? <u>Yes</u>
106	\$449.50	\$449.50	Timely Filed? <u>Yes</u>
111	\$4,511.97	\$4,511.97	Timely Filed? <u>Yes</u>
112	\$4,266.50	\$4,266.50	Timely Filed? <u>Yes</u>
113	\$1,617.07	\$1,617.07	Timely Filed? <u>Yes</u>
110	\$57.74	\$57.74	Timely Filed? <u>Yes</u>
109	\$50.00	\$50.00	Timely Filed? <u>Yes</u>
108	\$275.93	\$275.93	Timely Filed? <u>Yes</u>
107	\$731.82	\$731.82	Timely Filed? <u>Yes</u>
59	\$13,818.77	\$6,637.86	Timely Filed? <u>Yes</u>
115	\$17,857.04	\$17,857.04	Timely Filed? <u>Yes</u>
42	\$714.22	\$714.22	Timely Filed? <u>Yes</u>
82	\$8,524.80	\$8,524.80	Timely Filed? <u>Yes</u>
Class 6 Totals:	\$67,005.36	\$59,682.20	

Total Claims: \$67,005.36 \$59,682.20



Claims Allowed By Class

Claim Class: 6

POC #	Amount Claimed	Amount Allowed		
91	\$646.00	\$0.00	Timely Filed?	<u>Yes</u>
100	\$138.77	\$0.00	Timely Filed?	<u>Yes</u>
Class 6 Totals:	\$784.77	\$0.00		

Total Claims: \$784.77 \$0.00

