

MAY 16 2013

TIM RHODES
COURT CLERK

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IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

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

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

ORDER DETERMINING CLAIMS, APPROVING
RECEIVER'S THIRD REPORT ON CLAIMS

On this 16th day of May, 2013, there came on for hearing the Receiver's Third Report on Claims Evaluation and Request for Confirmation of Receiver's Recommendations filed with the Court on February 5, 2013 ("Receiver's Third 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 Third 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. 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"). The Receiver's Second Report presented the Receiver's recommendations as to 17 additional claims. After a hearing, the Court approved the Receiver's Second Report and adjudicated those 17 claims in accordance with the Receiver's recommendations.

5. The Receiver's Third Report presented the Receiver's recommendations as to 10 additional claims, including four (4) Class 3 claims and six (6) Class 6 claims.

6. On February 7, 2013, the Court issued its Order Establishing Deadlines Relating to Receiver's Third Report on Claims Evaluation and Setting Hearing Date for Receiver's Third Report ("February 7, 2013 Order").

7. The February 7, 2013 Order set a deadline of March 15, 2013, 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 Third Report for hearing on May 16, 2013.

8. On February 7, 2013, the Receiver mailed the written, Court-approved Notice to each of the claimants whose claims are addressed in the Receiver's Third Report. The Notice stated the March 15, 2013 deadline for filing objections to recommendations in the Receiver's Third Report, as well as the date, time and place of the Court's hearing on the Receiver's Third Report. Additionally, the Notice contained the specific recommendations of the Receiver as to the claim of the claimant to whom the Notice was sent.

9. The March 15, 2013 deadline for filing an objection to the Receiver's Third Report has passed and no objections to the Receiver's Third Report were filed.

10. The Receiver's recommendations as to the 10 claims addressed in the Receiver's Third Report, as detailed in Exhibits 1, 2 and 3 of the Receiver's Third Report, are supported by the law and the facts and the Receiver's recommendations should be approved by this Court.

11. 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.

12. 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).

13. 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).

14. Pursuant to the Receiver's request, the Receiver shall identify the claim 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 Third Report is hereby **APPROVED** and the recommendations contained therein, as set forth in the attached Exhibits 1 through 3 of the Receiver's Third Report, are hereby **ACCEPTED** and **APPROVED** in their entirety.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that each of the claims identified on Exhibit 1 attached to this Order is properly classified as a Class 6 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 identified on Exhibit 2 attached to this Order is properly classified as an untimely Class 3 claim under 36 O.S. § 1927.1 and is disallowed, in accordance with the Receiver's recommendations, as reflected on Exhibit 2 attached to this Order.

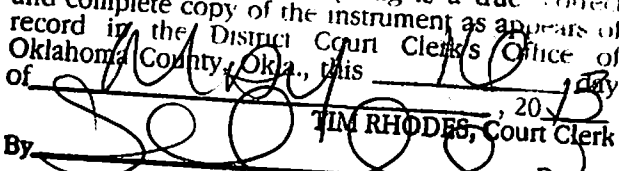
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that each of the claims identified on Exhibit 3 attached to this Order, is properly classified as a Class 6 claim under 36 O.S. § 1927.1 and is (a) allowed in accordance with the Receiver's recommendations, as reflected on Exhibit 3 attached to this Order; and (b) found to be untimely and not eligible to share in any distribution of the Estate except as allowed under 36 O.S. § 1930.

IT IS FINALLY ORDERED, ADJUDGED, AND DECREED that this Order is hereby certified, pursuant to 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 16th DAY OF MAY, 2013.

BILL GRAVES

The Honorable Bill Graves
Judge of the District Court

I, TIM RHODES, Court Clerk for Oklahoma County, Okla., certify that the foregoing is a true and complete copy of the instrument as appears of record in the District Court Clerk's Office of Oklahoma County, Okla., this _____ day of _____, 2013.
By:  TIM RHODES, Court Clerk
Deputy

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 16th day of May, 2013, 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, Suite 330
Oklahoma City, Oklahoma 73112

Owen W. Laughlin
Oklahoma Insurance Department
3613 NW 56th Street, Suite 330
Oklahoma City, Oklahoma 73112

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

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



John M. O'Connor
John M. O'Connor

Claims Allowed By Class

Claim Class: 6

POC #	Amount Claimed	Amount Allowed	Timely Filed?
55	\$1,300.00	\$0.00	<u>Yes</u>
127	\$1,850.00	\$0.00	<u>Yes</u>
Class 6 Totals:	\$3,150.00	\$0.00	

Total Claims: \$3,150.00 \$0.00

EXHIBIT
1

Claims Allowed By Class

Claim Class: 3

POC #	Amount Claimed	Amount Allowed		
137	\$1,404.00	\$0.00	Timely Filed?	<u>No</u>
149	\$4,446.08	\$0.00	Timely Filed?	<u>No</u>
144	\$19,762.85	\$0.00	Timely Filed?	<u>No</u>
148	\$19,762.85	\$0.00	Timely Filed?	<u>No</u>
Class 3 Totals:	\$45,375.78	\$0.00		
Total Claims:	\$45,375.78	\$0.00		

EXHIBIT
2

Claims Allowed By Class NOT TIMELY FILED

Claim Class: 6

POC #	Amount Claimed	Amount Allowed		
145	\$947.25	\$947.25	Timely Filed?	<u>No</u>
154	\$1,150.00	\$1,150.00	Timely Filed?	<u>No</u>
153	\$1,725.00	\$1,725.00	Timely Filed?	<u>No</u>
152	\$395.34	\$395.34	Timely Filed?	<u>No</u>
Class 6 Totals:	\$4,217.59	\$4,217.59		

Total Claims: \$4,217.59 \$4,217.59

EXHIBIT
3