

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

STATE OF OKLAHOMA, ex rel.)	
GLEN MULREADY, Insurance Commissioner,)	
)	
Plaintiff,)	
)	
v.)	Case No.: CJ-2010-5131
)	
PEGASUS INSURANCE COMPANY, INC,)	
In receivership,)	
)	
Defendant.)	

**RECEIVER'S RECOMMENDATION AS TO REMAINING CLAIMS,
APPLICATION TO DISTRIBUTE ASSETS, CLOSE ESTATE, AND
REQUEST FOR DISCHARGE**

Glen Mulready, Insurance Commissioner, as Receiver (the "Receiver") for Pegasus Insurance Company hereby submits his Recommendation as to Remaining Claims, Application to Distribute Assets, Close Estate, and Request for Discharge ("Application"). In support of this Application, the Receiver states as follows:

BACKGROUND

1. On June 21, 2010,¹ pursuant to its Consent Order of Rehabilitation and Permanent Injunction, the Court placed Pegasus Insurance Company ("Pegasus") in rehabilitation and appointed the Insurance Commissioner of the State of Oklahoma as Receiver of Pegasus. Glen Mulready is the Insurance Commissioner and submits this Application acting in his capacity as Receiver of Pegasus. The Pegasus Insurance Company, Inc. receivership estate is referred to herein as the "Pegasus Estate."

2. On August 12, 2010, pursuant to its Order of Liquidation with a Finding of Insolvency ("Liquidation Order"), the Court placed Pegasus in liquidation. The Liquidation Order

¹The Order was filed with the Oklahoma County District Court Clerk on June 22, 2010.

directed Receiver to take possession of the property of Pegasus, to liquidate the business of Pegasus, and to notify all persons holding claims against Pegasus to file proofs of claim within 180 days of the date of that Order.

3. On September 8, 2010, the Receiver filed his Combined Application for Approval of (A) Notices to Potential Claimants & Deadline to File Proof of Claim, (B) Form of Proof of Claim & Instructions, (C) Unconditional Assignment and Application for Approval of Receiver's Claims Reporting and Evaluation Plan.

4. On September 24, 2010, the Court entered an Order approving the Receiver's proposed (a) Notice of Liquidation of Insurer & Deadline to File Proof of Claim, (b) Proof of Claim form and Instructions; (c) Unconditional Assignment form; (d) Notice of Action by Oklahoma Department of Insurance to All Certificate Holders of Insureds form; and (e) and Notice of Action by Oklahoma Department of Insurance to All Clients of Insureds form.

5. On April 8, 2011, the Receiver filed the Receiver's Report on Timely Filed Claims ("Receiver's Report").

6. The Court has fully adjudicated all claims presented for adjudication in Classes 2 and below except for:(a) the claim of the Tennessee Insurance Guaranty Association for which Receiver presents recommendations below; and (b) the class 9 claims addressed below.

6. Pursuant to 36 O.S. §1927.1, the Court has previously approved the Class 1 Administrative expenses of the receivership through June 30, 2021.

7. Pursuant to 36 O.S. §1927.1, the Court previously approved the Assistant Receiver's recommendations for allowance of claims in Classes 2, 3, and 6 as follows:

Class 2: Administrative expenses of guaranty associations ("GA")	\$1,862,088.88
Class 3: Policy claims including GA for payment of covered claims	\$4,503,060.27
Class 6: Claims not specified elsewhere in the priority classes	\$296,670.09

8. Pursuant to 36 O.S. §1927.1, beginning with Class 1, the members of each class must be paid in full or adequate funds retained for such payment, before any member of the next class may receive payment.

9. On December 7, 2017,² the Court approved an Early Access Distribution Plan for Pegasus. As of October 1, 2021, the Receiver has made Class 2 early access distributions of \$2,208,238.88 and Class 3 early access distributions of \$4,665,116.48 to state guaranty associations.

10. The Receiver entered a release agreement with the United States Department of Justice releasing the Receiver from liability under the Federal Priority Statute, 31 U.S.C. § 3713. The Court approved the federal release on December 18, 2020.

11. On December 18, 2020, the Court approved Receiver's Application for Authority to Destroy Documents filed on October 30, 2020. The Receiver has destroyed the subject documents, except for those needed to prepare tax returns and to address Class 9 issues

12. The Assistant Receiver has marshalled and liquidated all assets and concluded all litigation.

13. The Receiver has faithfully and diligently completed the liquidation and performed the duties assigned to him pursuant to the Oklahoma Uniform Insurers Liquidation Act, 36 O.S. §§ 1901, et. seq., with the exception of certain remaining ministerial tasks described below.

FINAL RECOMMENDATION ON CLAIMS

14. The Receiver requests the Court's approval of: (a) the Class 1 expenditures that were incurred between and including July 1, 2021 and November 16, 2021 for Direct

² The Order was filed in the Oklahoma County District Court on December 8, 2017.

Administrative fees and expenses in the amount of \$5,573.52 (Exhibit 1); and (b) Expenses Allocated by Oklahoma Receivership Office, Inc. of \$69.22 for separate expenses and \$17, 510.63 in common expenses through October 31, 2021 (Exhibit 2).

15. Based on the claims of the Tennessee Insurance Guaranty Association ("TIGA") as of June 30, 2021, Receiver recommends the Proof of Claim filed by the Tennessee Insurance Guaranty Association ("TIGA") that seeks amounts to be determined be allowed as a **Class 2 claim** in the amount of **\$518,200.13** and as a **Class 3 claim** in the amount of **\$1,526,285.63**.

16. Through its Order in this matter dated September 5, 2019, the Court classified each of the following as a Class 9 claim: (a) the portion of POC # 57 brought by Ameriresource Group Inc. that seeks a payment of interest in the amount of \$12, 127.11; and (b) POC #123 brought by CoAdvantage in the amount of \$500,000 (collectively "Class 9 Claims"). The Court has not adjudicated the Class 9 Claims beyond classification to address what amount, if any, should be allowed to either of the Class 9 Claims. (Ameriresource Group Inc. and CoAdvantage are referred to collectively herein as the "Class 9 Claimants.")

17. Because the assets of the Pegasus estate are not expected to allow for a distribution to the Class 9, Receiver recommends that the Court deny the claims as moot rather than expend estate resources preparing and presenting a recommendation as to what amount if any should be allowed to either of the Class 9 Claims.

18. Receiver further recommends that the denial of the Class 9 Claims be without prejudice so that the Class 9 Claims may be reconsidered if it were later determined that the Pegasus estate had sufficient assets to pay to class 9 claims.

APPROVAL OF POST-CLOSING TASKS

19. The Oklahoma Receivership Office, Inc. ("ORO") is a not-for-profit Oklahoma corporation. Its purpose is to assist the Oklahoma Insurance Commissioner, as Receiver of

insurance companies subject to delinquency proceedings in Oklahoma. The ORO is a perpetual corporation whose existence is expected to continue after the closure and termination of this estate.

20. Attached as Exhibit 3 is a Closing Budget that details remaining administrative ministerial tasks necessary to conclude the Pegasus Estate. Those tasks and any others ORO determines in its discretion are necessary to conclude the Pegasus Estate are referred to as the “Post-Closing Tasks.” Exhibit 3 provides an estimate of fees and expenses to be incurred in relation to these tasks.

21. The ORO is the appropriate entity to perform the Post-Closing Tasks, and ORO’s performance of those tasks on behalf of Pegasus Estate is in the best interest of the Pegasus Estate.

22. The Receiver requests that the Court expressly authorize and approve the ORO’s performance of the Post-Closing Tasks and to use the Closing Account, as defined herein, to pay as determined by ORO, without further notice, hearing or Order of this Court: (a) invoices for reasonable professional services that are not filed with the Court for approval as of the entry of this order closing the Pegasus Estate; and (b) those reasonable expenses incurred in relation to ORO’s performance of Post-Closing Tasks.

APPLICATION FOR FINAL DISTRIBUTION

23. The Pegasus Estate as of November 16, 2021 has \$1,826,772.33 available for distribution and applications for approval and payment of fees and expenses totaling \$6,160.90 are to be heard by this Court on December 2, 2021.

24. The Receiver requests that the Court approve a Class 1 distribution of \$43,500 to the ORO to fund a separate ledger account for the completion of the Post-Closing tasks identified in Exhibit 3 (“Closing Account”).

25. The Receiver further requests that the Court approve a final Class 2 distribution in the amount of \$172,050.13 as reflected on Exhibit 4.

26. The Receiver further request that the Court approve a final Class 3 distribution in the amount of \$1,364,229.42 as reflected on Exhibit 5.

27. The Receiver further requests the Court approve a final Class 6 distribution in the amount of \$240, 831.88 as reflected on Exhibit 6. The Receiver further requests that the Court approve distribution of any excess funds following the completion of the Post-Closing Tasks to Class 6 claimants pro rata until the Class 6 claimants are paid the full amount that the Court has allowed for their claims or the excess funds are exhausted, whichever occurs first.

28. In addition, Pegasus holds several judgments (collectively, “Pegasus Judgments”) that the Receiver has not collected. The Pegasus Judgments include the following:

No.	Judgment Debtor	Date³	Principal Amount
1	Complete Ready, Inc.	6/12/13	\$12,400.06
2	A Total Resolutions, Inc. a/k/a A Total Resolution, Inc.	6/12/13	\$25,151.16
3	ALT Resource, Inc.	6/25/15	\$4,840.02
4	Complete Resource, Inc.	4/11/17	\$8,621.64
5	A Total Resource, Inc.	4/4/19	\$6,503.55

29. The Receiver requests that the Court enter an order authorizing the assignment of each of the Pegasus judgments to the ORO.

30. The Receiver further requests that the Court authorize the ORO to maintain or dispose of the Pegasus Judgments as it determines, in its discretion, is the best interest of the creditors of the Pegasus Estate and authorizes ORO to be reimbursed all reasonable expenses necessary to so maintain or dispose of the Pegasus Judgments.

31. The Receiver further requests that ORO be directed to distribute the net proceeds, if any, after reimbursement of reasonable expenses to either: (a) the Closing Account if the Post-Closing Tasks have not been completed or fully paid for when the net proceeds are received; or

³ Each of the Pegasus judgments has been renewed.

(b) to creditors in accordance with 36 O.S. § 1927.1. if the proceeds are received after Post-Closing Tasks are completed and fully paid for.

APPLICATION TO CLOSE ESTATE AND DISCHARGE RECEIVER

32. Having performed and completed his responsibilities as Receiver, the Receiver further requests that the Court's closing order discharge and release the Receiver, Assistant Receiver, and all other agents of the Receiver, without further notice, hearing, or order of this Court, from any claims, responsibilities and liabilities, in relation to Pegasus, whether or not asserted, effective upon the filing of a Post-Closing Report certifying that the Post-Closing Tasks have been completed.

33. Receiver further requests that all claims of liability against Pegasus, its Receiver, Assistant Receiver or their former or present employees or counsel or ORO, arising in relation to Pegasus or the administration of the Pegasus Estate, be deemed forever barred and completely extinguished including any liability with respect to any and all claims arising on or before the date of the filing of the Post-Closing Statement, whether such liability has been reduced to judgment, liquidated or unliquidated, contingent or non-contingent, asserted or unasserted, fixed or unfixed, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, and that any such claims be expunged and/or released by the holder thereof, and that the Court order that in no event will Pegasus, its Receiver, Assistant Receiver or their former or present employees or counsel or ORO have any liability for any of the claims so extinguished, or any other claim arising in relation to Pegasus or the administration of the Pegasus Estate.

34. The Receiver further requests that the Court enter an Order that confirms all injunctions and stays entered by the Court, including those in the Liquidation Order, permanently remain in full force and effect and that this Court retains exclusive jurisdiction of the enforcement thereof and to re-open these proceedings as necessary.

35. The Receiver further requests that the Court enter an Order that confirms the Receiver, Assistant Receiver, retained counsel, and any other employee or personnel of the Receiver or Assistant Receiver are entitled to the full protection of OKLA. STAT. tit. 36, § 1937 and shall retain that protection up to and after closure of the Pegasus Estate.

REQUEST FOR RELIEF

Accordingly, Receiver requests that the Court:

- a. approve the Class 1 expenses: (a) expenditures that were incurred between and including July 1, 2021 and November 16, 2021 for Direct Administrative fees and expenses in the amount of \$5,573.52 as shown on Exhibit 1; and (b) Expenses Allocated by Oklahoma Receivership Office, Inc. of \$69.22 for separate expenses and \$17,510.63 in common expenses through October 31, 2021 as shown on Exhibit 2;
- b. approve a Class 1 distribution to ORO in the amount of \$43,500 to fund the Closing Account for Post-Closing tasks as shown in Exhibit 3;
- c. enter a separate Order approving: (i) service of this Application as notice to the Class 9 Claimants of the Receiver's recommendation concerning the Class 9 Claims; and (ii) the form of Notice of Objection Deadline and Hearing on the Receiver's Recommendation as to claim of Tennessee Insurance Guaranty Association attached hereto as Exhibit 7;
- d. allow the claim of Tennessee Insurance Guaranty Association as a Class 2 claim in the amount of \$518,200.13 and as a Class 3 claim in the amount of \$1,526,285.63;
- e. authorize and direct ORO to perform the Post-Closing Tasks, and to use the Closing Account to pay as determined by the ORO, without further notice, hearing or order of this Court: (i) invoices for reasonable professional services that are not filed with the Court for approval as of the entry of the order closing the Pegasus Estate; and (ii) those reasonable expenses incurred in connection with the ORO's performance of Post-Closing Tasks;
- f. approve a final distribution of remaining assets of Pegasus, net of any early access distributions as shown in Exhibit 4, Exhibit 5, and Exhibit 6;
- g. approve assignment of the Pegasus Judgments to the ORO and direct ORO to maintain or dispose of the Pegasus Judgments as it determines, in its discretion, is in the best interest of the creditors of the Pegasus Estate and authorize ORO to be reimbursed all reasonable expenses necessary to so maintain or dispose of the Pegasus Judgments;

- h. deny the Class 9 Claims as moot without prejudice with direction to the ORO to seek a reopening of the estate to further adjudicate the Class 9 Claims if the Pegasus estate has monies available for a Class 9 distribution after completion of the Post-Closing Tasks and prior to filing the Post-Closing Report;
- i. direct ORO to distribute the net proceeds from the Pegasus Judgments, if any, after reimbursement of reasonable expenses to either: (a) the Closing Account if the Post-Closing Tasks have not been completed or fully paid for when the net proceeds are received; or (b) to creditors in accordance with 36 O.S. § 1927.1. if the proceeds are received after Post-Closing Tasks are completed and fully paid for;
- j. approve distribution of any excess funds, following the completion of the Post-Closing Tasks, to Class 6 claimants pro rata until the Class 6 claimants are paid the full amount that the Court has allowed for their claims or the excess funds are exhausted, whichever occurs first;
- k. confirm that all injunctions and stays entered by the Court, including those in the Liquidation Order, permanently remain in full force and effect and that this Court retain exclusive jurisdiction of the enforcement thereof;
- l. enter an order barring all claims against Pegasus, the Pegasus Estate, the Receiver, Assistant Receiver, and all other agents of the Receiver or Assistant Receiver;
- i. enter an order discharging and releasing the Receiver, Assistant Receiver and all other agents of the Receiver from any claims, responsibilities and liabilities in relation to Pegasus and the Pegasus Estate effective, without further notice, hearing or order of this Court, upon the filing of a Post-Closing Report certifying that the appropriate post-closing ministerial tasks related to the Pegasus Estate have been completed;
- j. enter an order stating that all claims of liability against Pegasus, its Receiver, Assistant Receiver, or their former or present employees or counsel or ORO, or the contractors of any of them, arising in relation to Pegasus or the administration of the Pegasus Estate, be deemed forever barred and completely extinguished including any liability with respect to any and all claims arising on or before the date of the filing of the Post-Closing Statement, whether such liability has been reduced to judgment, liquidated or unliquidated, contingent or non-contingent, asserted or unasserted, fixed or unfixd, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, and that any such claims be expunged and/or released by the holder thereof, and further order that in no event will Pegasus, its Receiver, Assistant Receiver or their former or present employees or counsel or ORO, or the contractors of any of them, have any liability for any of the claims so extinguished, or any other claim arising in relation to Pegasus or the administration of the Pegasus Estate;
- k. enter an Order that confirms the Receiver, Assistant Receiver, retained counsel, and any other employee or personnel of the Receiver or Assistant Receiver are entitled

to the full protection of OKLA. STAT. tit. 36, § 1937 and shall retain that protection up to and after closure of the Pegasus Estate;

- l. enter an order dissolving Pegasus and authorizing ORO to take steps to dissolve Pegasus in accordance with applicable law prior to filing the Post-Closing Report;
- m. authorize ORO to distribute any Pegasus funds in the Closing Account or otherwise in the custody of the ORO following the completion of the Post-Closing Tasks and prior to the filing of the Post-Closing Report, to allowed claims of Pegasus creditors pro-rata in the order prescribed by 36 O.S. §1927.1;
- n. close the Pegasus Estate and terminate this proceeding; and
- o. grant the Receiver such other and further relief, at law or in equity, to which the Receiver is entitled.

Respectfully submitted,

By:



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-AND-

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**ATTORNEYS FOR PLAINTIFF, STATE OF
OKLAHOMA, ex rel., GLEN MULREADY,
Insurance Commissioner for the State of Oklahoma as
Receiver for Pegasus Insurance Company, Inc., in
Liquidation**

NOTICE OF HEARING

Notice is hereby given that the above Application shall be heard before the Honorable Don Andrews at 1:30 pm. on the 13th day of December 2021. At the hearing, you may have the following rights:

1. To appear in person at the hearing or to be represented by counsel;
2. To testify under oath, call witnesses to testify, and furnish documentary evidence, relevant to the determination of the compensation;
3. To cross-examine witnesses and have a reasonable opportunity to inspect all documentary evidence; and
4. To subpoena witnesses and compel the production of testimony and documents, relevant to the determination of the compensation.

CERTIFICATE OF MAILING

I hereby certify that on the 17th day of November, 2021, a true and correct copy of the above and foregoing instrument was sent via U.S. Mail, postage paid and/or by electronic mail with written consent to:

Oklahoma Receivership Office
Donna Wilson / Debra Crowe
dcrowe@okaro.org

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

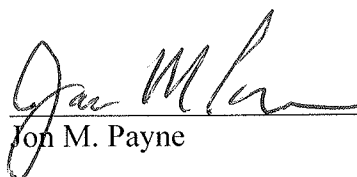
Oklahoma Insurance Department
Bo.DeBose@oid.ok.gov

Tennessee Insurance Guaranty Association
3100 West End Ave., Suite 670
Nashville, TN 37203

Terry K. Smith, Assistant Receiver
terry@tkscpa.com

Ameriresource Group Inc.
2525 NW Expressway, suite 532
Oklahoma City, OK 73112

CoAdvantage
3350 Buschwood Park Dr., Suite 200
Tampa, FL 33618



Jon M. Payne

PEGASUS INSURANCE COMPANY
 CLASS 1 CLAIMS SUBMITTED FOR COURT APPROVAL
 JULY 1, 2021 THROUGH NOVEMBER 16, 2021

(Exhibit 1, Administrative Direct Expenses)

DATE	CHECK NO	CHECK AMOUNT	COURT DATE	TOTAL	EXPLANATION OF EXPENSES
VENDOR: OKLAHOMA RECEIVERSHIP INVESTMENT FUND					
07/31/21	DR	927.52		927.52	INVESTMENT ACCOUNT FEE INVESTMENT ACCOUNT FEE
VENDOR: EIDE BAILLY, LLP					
		2,200.00		2,200.00	CPA SERVICES CPA SERVICES
VENDOR: MIDCON DATA SERVICES, LLC					
07/13/21	10017	41.80			STORAGE RENT
08/17/21	2015100002	41.80			STORAGE RENT
10/13/21	2015100005	41.80			STORAGE RENT
09/10/21	2015100004	308.60			STORAGE RENT/SERVICES
11/16/21	Pending	2,012.00		2,446.00	STORAGE RENT/SERVICES STORAGE RENT
		5,573.52		5,573.52	TOTAL EXPENDITURES

OKLAHOMA RECEIVERSHIP OFFICE, INC.
 Summary of Management Fee Allocations for Pegasus Insurance Company

(Exhibit 2, ORO Administrative Fees & Expenses)

UNALLOCATED RESERVE FUND AT BEGINNING OF QUARTER	\$ 14,713.39
FUNDING APPROVED:	
AUGUST 2021	\$ 4,000.00
SEPARATE EXPENSES:	
POSTAGE	17.01
CONTRACT LABOR	-
OFFICE EXPENSE	10.95
ASSET RESEARCH	-
TELEPHONE SERVICE	-
TRAVEL EXPENSE	41.26
OFFICE EXPANSIION	-
OFFICE RENT - TULSA	-
TOTAL SEPARATE EXPENSES	<u>\$ 69.22</u>
	<u>3rd Qtr. & October 2021</u>
COMMON EXPENSES	
EMPLOYEE/LABOR COSTS	\$ 11,066.99
OFFICE SUPPLIES	68.63
TRAVEL EXPENSE	95.15
POSTAGE	17.62
TELEPHONE EXPENSE	257.94
FACILITY USAGE	3,258.79
MOVING EXPENSE	-
STORAGE	-
CORPORATE INSURANCE	2,256.13
OFFICE AUDIT	-
OFFICE RENT-TULSA	-
CONSULTANT FEES	-
CONTRACT LABOR	-
RECORD DESTRUCTION	-
BANK CHARGES	-
BOOKS & PUBLICATIONS	-
LEGAL EDUCATION	-
LEGAL EXPENSE	489.38
ACCOUNTING	-
OTHER OVERHEAD EXPENSE	-
ASSISTANT RECEIVER	-
TOTAL MANAGEMENT FEE ALLOCATED	<u>\$ 17,510.63</u>
INTEREST EARNED	0.85
UNALLOCATED RESERVE FUND AT END OF PERIOD	<u><u>\$ 1,134.39</u></u>

Exhibit 3

OKLAHOMA RECEIVERSHIP OFFICE INC
Estate: Pegasus Insurance Company

Post-Closing Tasks to be Performed by ORO
Make Class 2 distribution per court order Finalize Estate Accounting Preparation and filing of 2021 tax returns and related documents Maintain estate records supporting tax returns Assign judgments to Oklahoma Receivership Office, Inc Make final distribution of remaining estate assets Preparation and filing of 2022 final tax returns and related documents Dissolve corporation

Post-Closing Budget						
	Pending	Nov-21	Dec-21	2021	2022	TOTAL
Separate Expenses:						
Assistant Receiver Fees	-	200.00	400.00	600.00	1,000.00	1,600.00
Special Deputy Fees	2,653.29	1,000.00	750.00	4,403.29	2,000.00	6,403.29
Legal Fees	-	3,500.00	3,500.00	7,000.00	1,200.00	8,200.00
Tax Preparer	-	-	-	-	5,100.00	5,100.00
Document Storage	-	2.80	2.80	5.60	34.61	40.21
Document Destruction	-	-	-	-	147.08	147.08
Corporate Dissolution	-	-	-	-	50.00	50.00
Postage	-	25.00	25.00	50.00	60.00	110.00
Office Expense	-	50.00	50.00	100.00	200.00	300.00
Travel Expense	11.22	50.00	-	61.22	50.00	111.22
Total Separate Expenses	2,664.51	4,827.80	4,727.80	12,220.11	9,841.69	22,061.80
ORO Common Expenses	-	5,000.00	4,000.00	9,000.00	12,000.00	21,000.00
Projected Closing Budget	2,664.51	9,827.80	8,727.80	21,220.11	21,841.69	43,061.80
Funding Requested						43,500.00

Exhibit 4

PEGASUS INSURANCE COMPANY FINAL DISTRIBUTION - CLASS 2

-- CLASS 2 DISTRIBUTION PERCENTAGE --

LINE

Estate Funds Available for Distribution

2a	Estate Assets available for distribution		
	Class 2 Early Access Distributions	\$ 2,208,238.88	
	Assets Held by Estate	\$ 1,826,772.33	\$ 4,035,011.21
2b	Less reserve for Class 1 Claims		
	Pending Court Approval	\$ 6,160.90	
	Closing Budget (Exhibit 4)	\$ 43,500.00	
2c	Equals funds available for distribution to Class 2 and lower		<u>\$ 3,985,350.31</u>

Class 2 Liability

2d	Guaranty Fund Class 2 - OPCIGA	\$ 533,513.50	
2e	Other Guaranty Fund Class 2	1,846,775.51	
2f	Total Class 2 Liability		<u>\$ 2,380,289.01</u>

Class 2 Distribution Percentage

2g	Distribution Percentage for Class 2		
	= line 2c divided by line 2f	167.43%	
2h	Maximum Allowable Distribution Percentage	100.00%	
2i	Final Distribution Percentage		
	= lesser of line 2g or line 2h, limited to zero if negative		<u>100.00%</u>

-- DISTRIBUTION AMOUNT ON CLASS 2 --

LINE

2j	Class 2 - inception-to-date	\$ 2,380,289.01	
	= amount per line 2d		
2k	Final Distribution Percentage	100.00%	
	= amount per line 2i		
2l	Total Class 2 Distribution		<u>\$ 2,380,289.01</u>

-- CLASS 2 CLAIMS FINAL DISTRIBUTION --

LINE

2m	Total Class 2 Distribution	\$ 2,380,289.01	
	= amount per line 2l		
2n	Less Class 2 Early Access Distributions	\$ 2,208,238.88	
2o	Final Class 2 Distribution		<u>\$ 172,050.13</u>

Exhibit 5

PEGASUS INSURANCE COMPANY PROJECTED FINAL DISTRIBUTION - CLASS 3

-- CLASS 3 DISTRIBUTION PERCENTAGE --

LINE

Estate Funds Available for Distribution

3a	Estate Assets available for distribution = amount per line 2a	\$ 4,035,011.21
	Class 3 Early Access Distributions	\$ 4,665,116.48
3b	Less reserve for Class 1 = amount per line 2b	\$ 49,660.90
3c	Less Total Class 2 Distribution = amount per line 2l	\$ 2,380,289.01
3d	Equals funds available for distribution to Class 3 and lower	<u>\$ 6,270,177.78</u>

Class 3 Liability

3e	Guaranty Fund Class 3 - OPCIGA	\$ 696,095.47
3f	Guaranty Fund Class 3 - Other States Uncovered Policyholder claims	\$ 5,333,250.43 \$ -
3g	Total Guaranty Fund Class 3 Liability	<u>\$ 6,029,345.90</u>
3h	Other Class 3 Liability	-
3i	Total Class 3 Claims Liability	<u>\$ 6,029,345.90</u>

Class 3 Distribution Percentage

3j	Distribution Percentage for Class 3 = line 3d divided by line 3i	103.99%
3k	Maximum Allowable Distribution Percentage	100.00%
3l	Final Distribution Percentage = lesser of line 3j or line 3k, limited to zero if negative	<u>100.00%</u>

-- DISTRIBUTION AMOUNT ON CLASS 3 --

LINE

3m	Total Class 3 Liability = amount per 3i	\$ 6,029,345.90
3n	Final Distribution Percentage = amount per line 3l	100.00%
3o	Total Class 3 Distribution	<u>\$ 6,029,345.90</u>

-- CLASS 3 FINAL DISTRIBUTION --

LINE

Guaranty Fund Class 3 Distribution

3p	Total Guaranty Fund Class 3 Liability = amount per line 3h	\$ 6,029,345.90
3q	Final Distribution Percentage = amount per line 3l	100.00%
3r	Total Guaranty Fund Class 3 Distribution	<u>\$ 6,029,345.90</u>
3s	Less Class 3 Early Access Distributions	<u>\$ 4,665,116.48</u>
3t	Final Guaranty Fund Class 3 Distribution	<u>\$ 1,364,229.42</u>
	Total Final Class 3 Distribution	<u><u>\$ 1,364,229.42</u></u>

Exhibit 6

PEGASUS INSURANCE COMPANY PROJECTED FINAL DISTRIBUTION - CLASS 6

-- CLASS 6 DISTRIBUTION PERCENTAGE --

LINE

Estate Funds Available for Distribution

6a	Estate Assets available for distribution = amount per line 3a	\$	8,700,127.69
6b	Less reserve for Class 1 = amount per line 2b	\$	49,660.90
6c	Less Total Class 2 Distribution = amount per line 2l	\$	2,380,289.01
6d	Less Total Class 3 Distribution = amount per line 3o	\$	6,029,345.90
6d	Equals funds available for distribution to Class 6 and lower	\$	<u>240,831.88</u>

Class 6 Liability

6e	Class 6 Liability (Timely filed)	\$	296,670.09
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Class 6 Distribution Percentage

6f	Distribution Percentage for Class 6 = line 6d divided by line 6e		81.18%
6g	Maximum Allowable Distribution Percentage		100.00%
6h	Final Distribution Percentage = lesser of line 6f or line 6g, limited to zero if negative		<u>81.18%</u>

-- CLASS 6 FINAL DISTRIBUTION --

Class 6 Distribution

6i	Total Class 6 Liability = amount per line 6e	\$	296,670.09
6j	Final Distribution Percentage		81.18%
	Total Final Class 6 Distribution	\$	<u><u>240,831.88</u></u>

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

STATE OF OKLAHOMA, et rel.)	
JOHN DOAK, Insurance Commissioner,)	
)	
Plaintiff,)	
)	
v.)	Case No. CJ-2010-5131
)	Judge Don Andrews
PEGASUS INSURANCE COMPANY, INC.)	
)	
)	
Defendant.)	

**NOTICE OF OBJECTION DEADLINE AND HEARING ON THE
RECEIVER’S RECOMMENDATION
AS TO CLAIM OF TENNESSEE INSURANCE GUARANTY ASSOCIATION**

To: Tennessee Insurance Guaranty Association
3100 West End Ave., Suite 670
Nashville, TN 37203

You are hereby notified that on **December 13, 2021 at 1:30 p.m.**, a hearing will be held before the Honorable Don Andrews, District Court Judge of Oklahoma County, Oklahoma, at which time the Receiver’s Recommendation as to the Claim of the Tennessee Insurance Guaranty Association (“TIGA”) against the receivership estate of Pegasus Insurance Company shall be heard. **The hearing will be conducted at the Oklahoma County Courthouse, 321 Park Avenue, Room # 359, Oklahoma City, Oklahoma.**

The Receiver’s recommendations to the Court in relation to TIGA’s claim are set forth in the Receiver’s Recommendation as to Remaining Claim, Application to Distribute Assets, Close Estate, and Request for Discharge filed in this matter on November 17, 2021 (“Receiver’s Recommendation”). The Receiver’s Recommendation recommends that the TIGA claim, which seeks amounts to be determined, be allowed as a **Class 2 claim** in the amount of **\$518,200.13** and as a **Class 3 claim** in the amount of **\$1,526,285.63**.

To the extent the recommendation(s) regarding your claim differ(s) from any prior notices, the recommendation(s) in this Notice supersede and govern over any prior inconsistent notices.

IF YOU DO NOT WISH TO OBJECT TO THE RECEIVER’S RECOMMENDATION, YOU ARE NOT REQUIRED TO TAKE ANY ACTION AT THIS TIME. **IF YOU WISH TO OBJECT TO THE RECEIVER’S RECOMMENDATION, YOU MUST FILE A PROPER, WRITTEN OBJECTION WITH THE COURT NO LATER THAN DECEMBER 8, 2021.** 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 Don Andrews);
- (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 and emailed 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. If your claim is allowed but was filed untimely (i.e. after February 8, 2011), it is given a lower priority in any distribution of the estate in accordance with Oklahoma law. 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 matters 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 56th, Suite 330
Oklahoma City, OK 73112
Phone: (405) 947-0022
Fax: (405) 947-0046

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