

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

MAR - 6 2015

TIM RHODES
COURT CLERK

STATE OF OKLAHOMA, ex rel.)
 JOHN D. DOAK, Insurance Commissioner,)
)
 Petitioner,)
)
 v.)
)
 PRIDE NATIONAL INSURANCE)
 COMPANY,)
)
 Defendant.)

35

Case No. CJ-2013-1448

**RECEIVER’S SECOND REPORT ON CLAIMS EVALUATION AND REQUEST FOR
CONFIRMATION OF RECEIVER’S RECOMMENDATION**

John D. Doak, Insurance Commissioner, as Receiver of Pride National Insurance Company (“PNIC”), through Assistant Receiver, Donna L. Wilson, pursuant to 36 O.S. § 1918 respectfully submits to this Court the Receiver’s Second Report on Claims Evaluation and Request for Confirmation of Receiver’s Recommendation, and in support thereof, would show the Court as follows:

BACKGROUND

1. On March 8, 2013, John D. Doak, Insurance Commissioner of the State of Oklahoma was appointed as Receiver of Pride National Insurance Company (“PNIC”).
2. On July 10, 2013, an Order of Liquidation was entered placing PNIC in liquidation. As such, the Receiver is charged with liquidating the estate, marshalling the assets, and collecting all monies due PNIC for the benefit of PNIC and its creditors.
3. The Court further directed the Receiver to notify all persons who have claims against PNIC of the claims filing bar date, in a form approved by the Court. On August 9, 2013 the Court entered an Order Approving the Proof of Claim Form, and on December 20, 2013, the

Court entered an Order Approving the Revised Claims Evaluation Plan and established the claims filing bar date of April 7, 2014.

4. Pursuant to OKLA. STAT. tit. 36, § 1930, the Receiver took all reasonable efforts to determine the identity of all persons who may have claims against PNIC and to provide them with notice to allow them the opportunity to file a claim before the April 7, 2014 claims bar date.

5. The Receiver distributed 20,729 notices of liquidation to potential claimants. Additionally, notice of the proof of claim process and the availability of the proof of claim packets was published on the Oklahoma Receivership Office website.

6. On December 20, 2013, the Court entered an Order Extending the Claims Filing, Claims Reporting and Evaluation Plan Deadlines establishing June 6, 2014 as the date by which the Receiver must file his Report of Timely Filed Claims.

7. On June 5, 2014, the Receiver filed the Receiver's Report on Timely Filed Claims. The Receiver's report stated that 814 timely proofs of claim and 19 untimely proofs of claims were filed with the Receiver. In addition, various States' Guaranty Associations have claims which amounts are currently undetermined.

8. On October 3, 2014 this Court approved the Receiver's First Report on Claim Evaluation and Request for Confirmation of Receiver's Recommendation denying 72 Class 3 claims totaling \$24,328.42

9. The Assistant Receiver informs the Court that 52 Class 3 claims are ready for adjudication at this time. Pursuant to 36 O.S. § 1927.1, Class 3, is "All claims under policies including claims of the federal or any state or local, government for losses incurred ("loss claims") including third party claims, claims for unearned premium, all claims of a guaranty association for payment of covered claims or covered obligations of the insurer and all claims of

a guaranty association for reasonable expenses other than those included in Class 2. All claims under life and health insurance and annuity policies, whether for death proceeds, health benefits, annuity proceeds or investment values shall be treated as loss claims. That portion of any loss, indemnification for which is provided by other benefits or advantages recovered by the claimant, shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities". The vast majority of claims filed against the PNIC Estate consist of Class 3 claims. The Receiver intends to adjudicate the Class 3 claims as quickly as possible, but given the number of claims adjudication of them all in one application is not feasible. Therefore the claims included in this report are only a portion of the Class 3 claims to be adjudicated. As other claims become ready for adjudication the Receiver will file additional reports.

10. The Assistant Receiver has not completed marshalling all of PNIC's assets. Therefore, this Report does not address the actual distribution of assets that may ultimately be made to creditors and beneficiaries of PNIC. The amount distributed to a creditor on its claim will likely be less than the "recommended allowed" amount due to anticipated insufficiency of funds in the PNIC estate.

EXPLANATION OF RECEIVER'S RECOMMENDATION

11. Attached hereto as Exhibit 1 is a report detailing the Receiver's recommendation on 52 Class 3 claims that are ready for adjudication. The table below is a summary of the Receiver's recommendations with respect to the Class 3 claims that are ready for adjudication:

Class	Amount Claimed	Recommended Allowance	Recommended Denial
3	\$631,990.50	\$0	\$631,990.50

12. The attached Exhibit 1 refers to the Receiver's recommendations as to the Class 3 claims that are ready for adjudication. The Receiver has analyzed the claims reflected on Exhibit 1 and recommends that each of the claims be classified as a Class 3 claim for purposes of OKLA. STAT. tit. 36, § 1927.1.

13. The "Amount Claimed" column on Exhibit 1 reflects the amount that the Class 3 claimant has sought through the particular claim. The "Amount Allowed" column sets forth the amount the Receiver recommends that the Court allow as to the particular Class 3 claim. The Receiver has recommended denial of all 52 claims.

14. The Proof of Claim form filed by each claimant contains the following language in bold type: **"If you have a change of address, you are required to inform the receiver of the new address in order to receive any payment that might be due."** To the extent any Notice of this proceeding is returned undeliverable, the Receiver asks the Court to find that the due process rights of the claimant have not been impaired and to order the denial of their claim without further attempts to give actual notice.

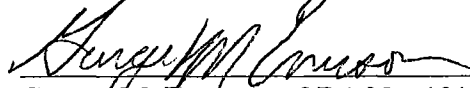
15. In compliance with the due process required by 36 O.S. § 1918, the Receiver asks the court to set a hearing on the claims and establish a date certain for filing an objection to the Receiver's recommendation.

16. The recommended denial by the Receiver of any timely filed proof of claim included in the Receiver's Second Report does not alter the statutory obligation, if any, of the Oklahoma Property & Casualty Insurance Guaranty Association or similar associations in other states, to provide indemnity and defense of a "covered claim" as defined by each association's applicable state law.

WHEREFORE, the Receiver prays that this Court enter an Order for the following: 1) order that notice of opportunity to object and be heard on the claims on the Exhibit be given by the Receiver; 2) establish a date for filing an objection to the recommendation of the Receiver; 3) establish a date for hearing the Receiver's recommendation to the court and any objections thereto; 4) upon hearing any objections thereto, enter an order approving the Receiver's Report; and 5) such other relief as the Court deems appropriate.

Respectfully submitted,

RIGGS, ABNEY, NEAL, TURPEN,
ORBISON & LEWIS



George M. Emerson, OBA No. 13159
Robert A. Nance, OBA No. 6581
528 NW 12th
Oklahoma City, OK 73103
(405) 843-9909
(405) 842-2913 Facsimile
ATTORNEY FOR RECEIVER

CERTIFICATE OF MAILING

I, hereby certify that on this 6th day of March, 2015, I caused to be mailed a true and correct copy of the within and foregoing instrument to:

Matt Petcoff, President
Pride Holdings, Inc.
5200 Maryland Way, Suite 204
Brentwood, TN 37027

J. Angela Ables
Kerr, Irvine, Rhodes & Ables, P.C.
201 Robert S. Kerr Ave., Suite 600
Oklahoma City, OK 73102

Donna Wilson, CIR.
Assistant Receiver
Three Corporate Plaza
3613 NW 56th Street, Suite 330
Oklahoma City, OK 73112

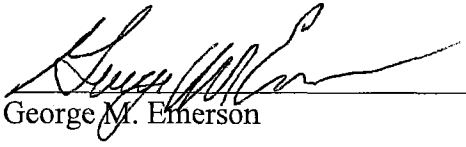
Susan Loving
Lester Loving & Davies
1701 S. Kelly Avenue
Edmond, OK 73013

Susan Dobbins, General Counsel
Oklahoma Insurance Department
Five Corporate Plaza
3625 NW 56th Street, Suite 100

Larry Fitch
Oklahoma Property & Casualty
Insurance Guaranty Association
2601 NW Expressway, Suite 330E

Oklahoma City, OK 73112

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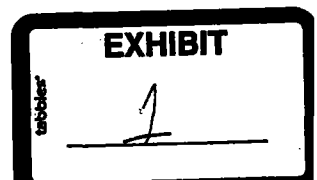


George M. Emerson

Claims Allowed By Class

Claim Class: 3

POC #	Amount Claimed	Amount Allowed	Timely Filed?	<u>Yes</u>
1012	\$10,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1013	\$36,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1017	\$16,500.00	\$0.00	Timely Filed?	<u>Yes</u>
1019	\$0.00	\$0.00	Timely Filed?	<u>Yes</u>
1022	\$0.00	\$0.00	Timely Filed?	<u>Yes</u>
1049	\$20,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1066	\$3,656.33	\$0.00	Timely Filed?	<u>Yes</u>
1092	\$120,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1143	\$25,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1146	\$30,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1191	\$41,787.00	\$0.00	Timely Filed?	<u>Yes</u>
1192	\$10,300.00	\$0.00	Timely Filed?	<u>Yes</u>
1195	\$7,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1196	\$4,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1197	\$5,500.00	\$0.00	Timely Filed?	<u>Yes</u>
1249	\$7,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1253	\$1,116.00	\$0.00	Timely Filed?	<u>Yes</u>
1256	\$25,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1272	\$5,095.00	\$0.00	Timely Filed?	<u>Yes</u>
1312	\$2,294.25	\$0.00	Timely Filed?	<u>Yes</u>
1325	\$35,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1369	\$0.00	\$0.00	Timely Filed?	<u>Yes</u>
1386	\$250.00	\$0.00	Timely Filed?	<u>Yes</u>
1388	\$25,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1391	\$464.60	\$0.00	Timely Filed?	<u>Yes</u>
1409	\$10,038.00	\$0.00	Timely Filed?	<u>Yes</u>
1438	\$9,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1449	\$0.00	\$0.00	Timely Filed?	<u>Yes</u>
1457	\$9,730.54	\$0.00	Timely Filed?	<u>Yes</u>
1460	\$0.00	\$0.00	Timely Filed?	<u>Yes</u>
1491	\$4,000.00	\$0.00	Timely Filed?	<u>Yes</u>
1507	\$0.00	\$0.00	Timely Filed?	<u>Yes</u>



Claim Class: 3

POC #	Amount Claimed	Amount Allowed	
1573	\$2,996.55	\$0.00	Timely Filed? <u>Yes</u>
1602	\$0.00	\$0.00	Timely Filed? <u>Yes</u>
1609	\$0.00	\$0.00	Timely Filed? <u>Yes</u>
1620	\$25,000.00	\$0.00	Timely Filed? <u>Yes</u>
1628	\$0.00	\$0.00	Timely Filed? <u>Yes</u>
1631	\$15,000.00	\$0.00	Timely Filed? <u>Yes</u>
1714	\$4,965.29	\$0.00	Timely Filed? <u>Yes</u>
1719	\$800.00	\$0.00	Timely Filed? <u>Yes</u>
1726	\$0.00	\$0.00	Timely Filed? <u>Yes</u>
1727	\$100,000.00	\$0.00	Timely Filed? <u>Yes</u>
1729	\$3,515.00	\$0.00	Timely Filed? <u>Yes</u>
1749	\$0.00	\$0.00	Timely Filed? <u>Yes</u>
1756	\$1,697.22	\$0.00	Timely Filed? <u>Yes</u>
1758	\$1,196.78	\$0.00	Timely Filed? <u>Yes</u>
1774	\$1,166.37	\$0.00	Timely Filed? <u>Yes</u>
1787	\$0.00	\$0.00	Timely Filed? <u>Yes</u>
1806	\$3,567.31	\$0.00	Timely Filed? <u>Yes</u>
1816	\$3,150.00	\$0.00	Timely Filed? <u>Yes</u>
1820	\$2,204.26	\$0.00	Timely Filed? <u>Yes</u>
1826	\$3,000.00	\$0.00	Timely Filed? <u>Yes</u>
Class 3 Totals:	\$631,990.50	\$0.00	
Total Claims:	\$631,990.50	\$0.00	