

2. On June 22, 2015, the Receiver filed the Receiver's First Report on Claims Evaluation and Request for Confirmation of Receiver's Recommendation ("Receiver's First Report") recommending adjudication of 68 claims totaling \$26,832,577.60. These claims were subsequently adjudicated by the Court consistent with the Receiver's recommendations.

3. Review and approval by the Court of Class 1 claims continues on a regular basis and these claims are not included in this Report.

RECEIVER'S RECOMMENDATIONS

4. The Receiver submits that, at this time, eighty-four (84) timely Class 3 claims totaling \$138,781,880.55 are ready for adjudication. Class 3 claims include:

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 premiums, 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 obligation of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment by an employer to his employee shall be treated as a gratuity. 36 O.S. §1927.1.

5. Class 3 claims included in this Report are only a portion of the Class 3 claims to be adjudicated. Remaining Class 3 claims will be addressed in subsequent reports as they become ready for adjudication.

6. Thirteen (13) timely Class 5 claims totaling \$245,243.60 are ready for adjudication. Class 5 claims include:

Debts due employees for services, benefits, contractual or otherwise due arising out of such reasonable compensation to employees for services performed to the extent that they do not exceed two (2) months of monetary compensation and represent payment for services performed within six (6) months before the filing of the petition for liquidation or, if rehabilitation preceded liquidation, within one (1) year before the filing of the petition for rehabilitation. Principal officers and directors shall not be entitled to the benefit of this priority except as otherwise approved by the liquidator and the court. 36 O.S. §1927.1.

7. Class 5 claims included in this Report may be only a portion of the Class 5 claims to be adjudicated. Any remaining Class 5 claims will be addressed in subsequent reports as they become ready for adjudication.

8. Twenty-one (21) timely Class 6 claims totaling \$540,728.98 are ready for adjudication. Class 6 claims include “[c]laims of any person, including claims of state or local governments, except those specifically classified elsewhere in [the statute].” 36 O.S. §1927.1. The Class 6 claims included in this Report are only a portion of the Class 6 claims to be adjudicated. Remaining Class 6 claims will be addressed in subsequent reports as they become ready for adjudication.

9. Two (2) untimely filed claims are ready for adjudication at this time. Pursuant to 36 O.S. §1930, untimely filed claims shall not “share in the distribution of the assets until all allowed claims, proofs of which have been filed before that date, have been paid in full with interest.”

10. The sum of claims recommended for adjudication by class exceeds the total number of claims evaluated in this Report, as some claims are evaluated in more than one

class. Similarly, the Recommended Allowance and Recommended Denial in the chart below may not equal the amount claimed in a particular class.

11. This Report does not address the actual distribution of assets that ultimately may be made to creditors and beneficiaries of Red Rock. Neither the Receiver's recommendation that a claim be allowed in a certain amount, nor the Court's Order allowing a claim, ensure that the claim will be paid in whole or in part. Payment of an allowed claim is contingent upon: (a) the assets available to the estate for payment of a claim; (b) the class of the claim allowed, and; (c) whether the assets of the estate are sufficient to pay in full all allowed claims and all classes of claims.

EXPLANATION OF RECEIVER'S RECOMMENDATIONS

12. Attached hereto as **Exhibit 1**, **Exhibit 2**, and **Exhibit 3** are reports itemizing the Receiver's recommendations on the Class 3, Class 5, and Class 6 claims ready for adjudication. **Exhibit 4** details the Receiver's recommendations concerning the untimely filed claims ready for adjudication. The table below is a summary of the Receiver's recommendations:

Class	Claimed	Recommended Allowance	Recommended Denial
3	\$138,781,880.55	\$0.00	\$138,781,880.55
5	\$245,243.60	\$133,144.99	\$0.00
6	\$540,728.98	\$165,684.34	\$270,115.77
Untimely	\$150.00	\$0.00	\$150.00

13. **Exhibit 1** refers to the Receiver's recommendations on the Class 3 claims ready for adjudication. The Receiver has analyzed the claims in **Exhibit 1** and recommends that each be classified as Class 3 for purposes of 36 O.S. §1927.1.

14. **Exhibit 2** refers to the Receiver's recommendations on the Class 5 claims ready for adjudication. The Receiver has analyzed the claims in **Exhibit 2** and recommends that each be classified as Class 5 for purposes of 36 O.S. §1927.1.

15. **Exhibit 3** refers to the Receiver's recommendations on the Class 6 claims ready for adjudication. The Receiver has analyzed the claims in **Exhibit 3** and recommends that each be classified as Class 6 for purposes of 36 O.S. §1927.1.

16. The "Amount Claimed" column in **Exhibits 1** through **Exhibit 4** reflects the amount that a claimant seeks through their claim. The "Amount Allowed" column represents the amount the Receiver recommends that the Court allow on a particular claim. The "Remark Code" column provides a code indicating the basis for the Receiver's recommendation on a claim. A definition for each code used is set forth in **Exhibit 5**.

17. 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 that any Notice served in this proceeding is returned undeliverable, the Receiver requests that the Court find that the due process rights of the claimant have not been impaired, and enforce the recommendation of the Receiver.

18. Pursuant to 36 O.S. §1918, the Receiver requests that the Court set a hearing on the claims addressed herein, and establish a date certain for filing an objection to the Receiver's recommendation. Attached as **Exhibit 6** is the Receiver's proposed form of notice of hearing to be provided to claimants whose claims are evaluated in this Report.

19. The denial of a timely-filed proof of claim included in the Receiver's Report does not alter the statutory obligation, if any, of the Oklahoma Property and Casualty Insurance Guaranty Association or other applicable state guaranty fund to provide indemnity and defense of a covered claim as defined in 36 O.S. §2004(7), or other applicable statute.

20. The Receiver submits that its evaluation of a claim or recommendation for payment does not constitute an admission of liability by Red Rock for purposes of litigation.

WHEREFORE, the Receiver respectfully requests that this Court issue an Order that:

- a. the Receiver shall provide notice or opportunity to object and be heard to each of the claimants making a claim evaluated in this Report and find that the proposed form of notice attached hereto as **Exhibit 6** is proper;
- b. establishes a date for filing an objection to the recommendations of the Receiver;

- c. establishes date(s) for hearing the Receiver's recommendations to the Court;
- d. directs the Receiver, upon the filing of any objections, to file with the Court a briefing and hearing schedule for each objection which may include a consolidated schedule to adjudicate multiple objections, where appropriate in the interest of judicial efficiency, and;
- e. grants the Receiver such other and further relief as the Court deems proper.

Further, upon hearing objections to the Receiver's recommendations, if any, the Receiver respectfully moves that the recommendations contained in the Receiver's Second Report be approved.

Respectfully Submitted,



Ryan Leonard, OBA #19155
Jason A. Reese, OBA #20813
Robert Edinger, OBA #2619
Meyer, Leonard & Edinger, PLLC
100 Park Avenue, Suite 500
Oklahoma City, OK 73102
Telephone: (405) 702-9900
Facsimile: (405) 605-8381

**ATTORNEYS FOR THE STATE OF
OKLAHOMA, EX REL. JOHN
DOAK, INSURANCE
COMMISSIONER FOR THE
STATE OF OKLAHOMA**

CERTIFICATE OF SERVICE

This is to certify that on December 22, 2015, a true and correct copy of this pleading was mailed first class, U.S. Mail, to:

<p>Rachel Lawrence Mor, OBA#1140 Dan M. Peters, OBA#7073 3037 N.W. 63rd Street, Suite 205 Oklahoma City, OK 73116 <i>Attorneys for BancInsure, Inc., now known as Red Rock Insurance Company</i></p> <p>Robert Nance George Emerson Riggs, Abney, Neal, Turpen Orbison & Lewis 528 N.W. 12th Street Oklahoma City, OK 73103</p> <p>Julie Meaders Susan Dobbins Oklahoma Insurance Department 3625 N.W. 56th Street, Suite 101 Oklahoma City, OK 73112 <i>Attorneys for Insurance Commissioner</i></p> <p>J. Angela Ables Ker, Irvine, Rhodes & Ables, P.C. 201 Robert S. Kerr Ave., Suite 600 Oklahoma City, OK 73102 <i>Attorney for Red Rock Ins. Co.</i></p> <p>David L. Bryant Thomas W. Gruber GABLEGOTWALS One Leadership Square, 15th Floor 211 North Robinson Oklahoma City, OK 73102 <i>Attorneys for Federal Deposit Insurance Corporation</i></p>	<p>Warren F. Bickford Terry W. Tippens Fellers Snider Blankenship Bailey & Tippens, P.C. 100 N. Broadway, Suite 1700 Oklahoma City, OK 73102 <i>Attorneys for Red Rock Holdings Group, LLC and Scott Hartman</i></p> <p>Nestor Romero Assistant Receiver Regulatory Consultants, Inc. 10433 Montgomery Parkway Loop, NE Albuquerque, NM 87111</p> <p>Debra Crowe Oklahoma Receivership Office, Inc. Three Corporate Plaza 3613 N.W. 56th Street, Suite 330 Oklahoma City, OK 73112</p> <p>Oklahoma Property & Casualty Insurance Guaranty Association 2601 NW Expressway, Suite 330E Oklahoma City, OK 73112</p> <p>Andrew M. Reidy Catherine Serafin Michael M. McGaughey Courtney E. Alvarez LOWENSTEIN SANDLER LLP 2200 Pennsylvania Avenue NW Washington, D.C. 20037 <i>Attorneys for Federal Deposit Insurance Corporation</i></p>
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<p>Judy Hamilton Morse Anthony J. Hendricks Crowe & Dunlevy Braniff Building 324 N. Robinson, Suite 100 Oklahoma City, OK 73102 <i>Attorneys for Anthony J. Bonomo and Mary Ellen Bonomo</i></p>	<p>Ryan Allen 427 S. Boston Ave., Suite 520 Tulsa, OK 74104 <i>Attorney for Zahara A. Makhani, Trustee of the AZM Trust, et. al.</i></p> <p>John T. Palter Palter Stokley Sims PLLC 8115 Preston Road, Suite 600 Dallas, TX 75225 <i>Attorney for Zahara A. Makhani, Trustee of the AZM Trust, et. al.</i></p>
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 Ryan Leonard

CERTIFIED COPY
 AS FILED OF RECORD
 IN DISTRICT COURT
 DEC 22 2015
 TIM RHODES Court Clerk
 Oklahoma County
T. Rhodes

Red Rock Insurance Company

Claims Allowed by Class

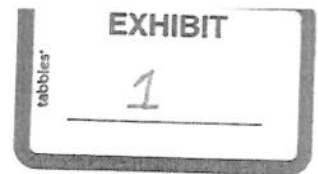


Exhibit 1
Class 3

POC No	Amount claimed	Amount Allowed	Timely	Remark Code
1038	Undetermined	\$0.00	Y	GFA
1041	\$250,000.00	\$0.00	Y	GFA
1043	\$102,979.20	\$0.00	Y	GFA
1049	Undetermined	\$0.00	Y	GFA
1054	Undetermined	\$0.00	Y	GFA
1057	Undetermined	\$0.00	Y	GFA
1060	Undetermined	\$0.00	Y	GFA
1069	Undetermined	\$0.00	Y	GFA
1080	Undetermined	\$0.00	Y	GFA
1082	\$250,000.00	\$0.00	Y	GFA
1087	\$17,238.65	\$0.00	Y	GFA
1089	Undetermined	\$0.00	Y	GFA
1095	Undetermined	\$0.00	Y	GFA
1098	\$40,000.00	\$0.00	Y	GFA
1100	\$1,164.46	\$0.00	Y	GFA
1112	Undetermined	\$0.00	Y	GFA
1114	Undetermined	\$0.00	Y	GFA
1122	Undetermined	\$0.00	Y	GFA
1130	Undetermined	\$0.00	Y	GFA
1154	\$12,500.00	\$0.00	Y	GFA
1156	Undetermined	\$0.00	Y	GFA
1159	\$12,500.00	\$0.00	Y	GFA
1166	Undetermined	\$0.00	Y	GFA

POC No	Amount claimed	Amount Allowed	Timely	Remark Code
1167	Undetermined	\$0.00	Y	GFA
1172	Undetermined	\$0.00	Y	GFA
1175	Undetermined	\$0.00	Y	GFA
1176	\$323,969.00	\$0.00	Y	GFA
1177	Undetermined	\$0.00	Y	GFA
1189	Undetermined	\$0.00	Y	GFA
1190	Undetermined	\$0.00	Y	GFA
1191	Undetermined	\$0.00	Y	GFA
1202	Undetermined	\$0.00	Y	GFA
1203	Undetermined	\$0.00	Y	GFA
1210	Undetermined	\$0.00	Y	GFA
1213	Undetermined	\$0.00	Y	GFA
1224	Undetermined	\$0.00	Y	GFA
1247	\$3,585,884.63	\$0.00	Y	DO
1249	\$1,000,000.00	\$0.00	Y	GFA
1252	\$1,000,000.00	\$0.00	Y	GFA
1253	Undetermined	\$0.00	Y	GFA
1255	\$2,758,920.70	\$0.00	Y	NCUP
1256	\$2,000,000.00	\$0.00	Y	NCUP
1257	\$48,545,060.00	\$0.00	Y	NCUP
1260	\$4,546,358.20	\$0.00	Y	NCUP
1261	\$8,250,000.00	\$0.00	Y	NCUP
1262	\$1,742,798.94	\$0.00	Y	NCUP
1263	\$1,000,000.00	\$0.00	Y	NCUP
1264	\$1,000,000.00	\$0.00	Y	NCUP
1265	\$1,000,000.00	\$0.00	Y	NCUP
1266	\$2,000,000.00	\$0.00	Y	NCUP

POC No	Amount claimed	Amount Allowed	Timely	Remark Code
1267	\$2,000,000.00	\$0.00	Y	NCUP
1268	\$2,000,000.00	\$0.00	Y	NCUP
1269	\$2,000,000.00	\$0.00	Y	NCUP
1270	\$2,250,000.00	\$0.00	Y	NCUP
1271	\$2,250,000.00	\$0.00	Y	NCUP
1272	\$2,250,000.00	\$0.00	Y	NCUP
1273	\$2,250,000.00	\$0.00	Y	NCUP
1274	\$2,250,000.00	\$0.00	Y	NCUP
1275	\$2,250,000.00	\$0.00	Y	NCUP
1276	\$2,250,000.00	\$0.00	Y	NCUP
1277	\$5,935,000.00	\$0.00	Y	NCUP
1278	\$5,935,000.00	\$0.00	Y	NCUP
1279	\$5,935,000.00	\$0.00	Y	NCUP
1280	\$5,935,000.00	\$0.00	Y	NCUP
1281	\$5,935,000.00	\$0.00	Y	NCUP
1345	\$1,092,906.34	\$0.00	Y	DO
1365	\$1,710.00	\$0.00	Y	GFA
1366	\$66,215.00	\$0.00	Y	GFA
1368	\$31,876.87	\$0.00	Y	GFA
1370	Undetermined	\$0.00	Y	GFA
1403	\$200,000.00	\$0.00	Y	GFA
1417	Undetermined	\$0.00	Y	GFA
1446	Undetermined	\$0.00	Y	GFA
1459	\$200,000.00	\$0.00	Y	GFA
1463	Undetermined	\$0.00	Y	GFA
1464	Undetermined	\$0.00	Y	GFA
1475	Undetermined	\$0.00	Y	GFA

POC No	Amount claimed	Amount Allowed	Timely	Remark Code
1477	\$2,700.00	\$0.00	Y	GFA
1479	Undetermined	\$0.00	Y	GFA
1485	Undetermined	\$0.00	Y	GFA
1498	\$1,322,098.56	\$0.00	Y	GFA
1506	\$5,000,000.00	\$0.00	Y	DO
1510	Undetermined	\$0.00	Y	GFA
1511	Undetermined	\$0.00	Y	GFA
	\$138,781,880.55	\$0.00		

Y Proof of Claim is exhibited in multiple classes

Red Rock Insurance Company

Claims Allowed by Class

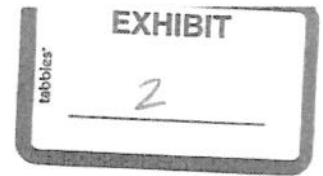


Exhibit 2
Class 5

POC No		Amount claimed	Amount Allowed	Timely	Remark Code
1004	¹	\$20,035.00	\$15,298.40	Y	AP
1005	¹	\$25,675.44	\$10,254.40	Y	AP
1006	¹	\$47,650.52	\$17,135.73	Y	AP
1008	¹	\$13,153.32	\$6,666.40	Y	AP
1023	¹	\$37,522.52	\$16,019.47	Y	AP
1051	¹	\$19,131.12	\$10,836.80	Y	AP
1083		\$8,416.32	\$8,416.32	Y	AP
1096	¹	\$16,155.04	\$7,432.53	Y	AP
1103	¹	\$25,389.60	\$10,330.67	Y	AP
1225		\$10,159.20	\$10,159.20	Y	AP
1237		\$7,691.60	\$7,691.60	Y	AP
1246		\$2,500.00	\$2,500.00	Y	AP
1350	¹	\$11,763.92	\$10,403.47	Y	AP
		\$245,243.60	\$133,144.99		

¹ Proof of Claim is exhibited in multiple classes.

Red Rock Insurance Company

Claims Allowed by Class

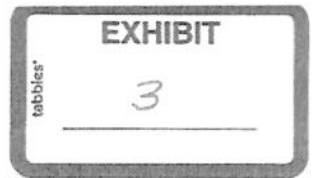


Exhibit 3
Class 6

POC No		Amount claimed	Amount Allowed	Timely	Remark Code
1004	¹	\$20,035.00	\$4,736.60	Y	AP
1005	¹	\$25,675.44	\$15,421.04	Y	AP
1006	¹	\$47,650.52	\$30,514.79	Y	AP
1008	¹	\$13,153.32	\$6,486.92	Y	AP
1023	¹	\$37,522.52	\$21,503.05	Y	AP
1051	¹	\$19,131.12	\$8,294.32	Y	AP
1065		\$9,350.00	\$0.00	Y	DO
1096	¹	\$16,155.04	\$8,722.51	Y	AP
1103	¹	\$25,389.60	\$15,058.93	Y	AP
1116		\$22,197.63	\$0.00	Y	DO
1120		\$620.00	\$325.50	Y	AP
1150		\$6,031.61	\$6,031.61	Y	AP
1170		\$899.68	\$899.68	Y	AP
1215		\$2,327.00	\$2,327.00	Y	AP
1304		\$238,568.14	\$0.00	Y	DO
1347		\$7,992.96	\$7,736.46	Y	AP
1349		\$1,638.40	\$1,638.40	Y	AP
1350	¹	\$11,763.92	\$1,360.45	Y	AP
1362		\$31,810.80	\$31,810.80	Y	AP
1466		\$1,978.00	\$1,978.00	Y	AP
1469		\$838.28	\$838.28	Y	AP
		\$540,728.98	\$165,684.34		

¹ Proof of Claim is exhibited in multiple classes.

Red Rock Insurance Company

Claims Allowed by Class

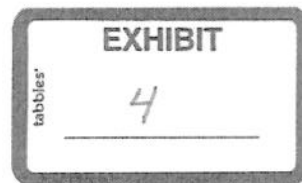


Exhibit 4
Class NA

POC No	Amount claimed	Amount Allowed	Timely	Remark Code
1450	\$150.00	\$0.00	N	DO
1512	Undetermined	\$0.00	N	GFA
	\$150.00	\$0.00		

¹ Proof of Claim is exhibited in multiple classes.

Red Rock Insurance Company
Remark Codes

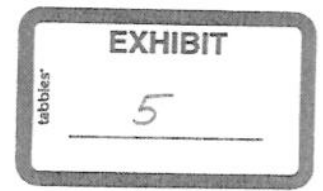


Exhibit 5

Code	Description
AP	Approved
DO	Denied No Obligation Due Claimant
GFA	Guaranty Fund Accepted
NCUP	No Coverage Under Policy

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN D.)
DOAK, Insurance Commissioner)
)
Plaintiff,)
)
v.)
)
RED ROCK INSURANCE COMPANY,)
a licensed insurer in the State of Oklahoma,)
)
Defendant.)

Case No. CJ-2014-4353

**NOTICE OF HEARING ON THE RECEIVER'S
SECOND REPORT ON CLAIMS EVALUATION AND
REQUEST FOR CONFIRMATION OF RECEIVER'S RECOMMENDATIONS**

You are hereby notified that on _____, 2016, at 9:00 a.m., a hearing will be held before the Honorable Thomas E. Prince, District Court Judge of Oklahoma County, Oklahoma, at which time the Receiver's Second Report on Claim Evaluation and Request for Confirmation of Receiver's Recommendations ("Receiver's Second Report") shall be heard. **The hearing will be conducted at the Oklahoma County Courthouse, 321 Park Avenue, Room 304, Oklahoma City, Oklahoma.**

You are receiving this Notice because the Receiver has evaluated your claim and such claim is ready for adjudication. The Exhibit attached to this Notice sets forth the Receiver's recommendations to the Court in relation to your claim. The Receiver's recommendations to the Court regarding your claim and other claims set for hearing on the cited hearing date are set forth in the Receivers Second Report, which was filed on

December 22, 2015. A copy of the Receiver's Second Report is available on the website of the Oklahoma Receivership Office at www.okaro.org. Your claim has been assigned the Proof of Claim number ("POC#") indicated on the attached Exhibit. The attached Exhibit also provides information specific to your claim including the amount of your claim, the 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 36 O.S. §1927.1.

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 January 21, 2016. 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. Red Rock Insurance Company Case No. CJ-2014-4353, Judge Thomas E. Prince);
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 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 8.5 x 11 inches, provide the name, current address and telephone number of the claimant making the objection, and provide the name and title 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 statement that contains (a) a written statement of material facts contained in the proof of claim 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 oral argument to the Court on your objection at the hearing, the objection must indicate your intention to appear at the hearing and present 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 that the Court assigns to your claim based upon Oklahoma law, and the assets in the estate available for payment. 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 Assistant Receiver's Office. Contact information for the Assistant Receiver's Office is set forth below:

Assistant Receiver's Office

Nestor Romero, Assistant Receiver
Albuquerque, NM
10433 Montgomery Parkway Loop, NE
Albuquerque, NM 87111
Telephone: (505) 944-0058
Facsimile: (505) 944-0059

Receiver's Counsel Address:

Ryan Leonard
Jason Reese
Robert Edinger
Meyer, Leonard & Edinger, PLLC
100 Park Avenue, Suite 500
Oklahoma City, OK 73104
Telephone: (405) 702-9900
Facsimile: (405) 605-8381

Respectfully,

Ryan Leonard, OBA #19155
Jason A. Reese, OBA #20813
Robert Edinger, OBA #2619
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Oklahoma City, OK 73102
Telephone: (405) 702-9900
Facsimile: (405) 605-8381

**ATTORNEYS FOR THE STATE OF
OKLAHOMA, EX REL. JOHN
DOAK, INSURANCE
COMMISSIONER FOR THE STATE
OF OKLAHOMA**