

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND

FOR THE FIFTH JUDICIAL CIRCUIT

Raymond G. Farmer, as Director of the South
Carolina Department of Insurance,

C.A. No. 2017-CP-40-05195

Petitioner,

**ORDER APPROVING
THIRD CLAIMS REPORT &
RECOMMENDATION
OF LIQUIDATOR**

vs.

Oceanus Insurance Company, a Risk Retention
Group,

Respondent.

This matter comes before the Court pursuant to the Liquidator's Third Claims Report, Recommendation & Application for Order Approving Same ("the Application") filed in accordance with S.C. Code Ann. § 38-27-620 (2015). Attached as Exhibit A to the Application is a schedule containing the names and addresses of all claimants and recommended amounts to be paid on each claim, as well as the priority class of each claim. Also attached as Exhibit B to the Application is a Schedule listing the names and addresses of claimants holding a previously adjudicated claim that has been reclassified with a priority subordinate to class 2 as defined by S.C. Code Ann. § 38-27-610(2) (2015), the revised class codes, and the amounts previously approved by the Court. Also attached to the Application as Exhibit C is a detailed Affidavit of the duly-appointed Special Deputy Liquidator filed in support of the Application. It appearing that the Recommendation is in the interests of these claimants and other creditors in this matter, the Application is hereby approved, with actual distributions to be determined at a later time in accordance with S.C. Code Ann. § 38-27-610 (2015).

IT IS THEREFORE ORDERED that pursuant to S.C. Code Ann. §§ 38-27-10 *et seq.*, the Third Claims Report and Recommendation is APPROVED.

IT IS FURTHER ORDERED that if any additional factors hereafter come to the attention of the Liquidator or his Special Deputy that may require modification, the Liquidator shall promptly file an application to modify these claims or the Recommendation thereon.

AND IT IS SO ORDERED.

Alison R. Lee
Chief Administrative Judge
Fifth Judicial Circuit

October ____, 2020
Columbia, South Carolina



Richland Common Pleas

Case Caption: Raymond G Farmer , plaintiff, et al vs Oceanus Insurance Company

Case Number: 2017CP4005195

Type: Order/Other

IT IS SO ORDERED!

s/ Alison Renee Lee, Chief Administrative Judge
for 2020

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

Raymond G. Farmer, as Director of the South
Carolina Department of Insurance,

Petitioner,

vs.

Oceanus Insurance Company, a Risk
Retention Group,

Respondent.

IN THE COURT OF COMMON PLEAS

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C.A. No. 2017-CP-40-05195

**LIQUIDATOR'S THIRD CLAIMS
REPORT, RECOMMENDATION &
APPLICATION FOR ORDER
APPROVING SAME**

Comes now Petitioner Raymond G. Farmer, as Liquidator of the above-captioned insurance company (Oceanus), by and through the undersigned counsel and files his Third Claims Report, applies to the Court for an Order approving the Liquidator's undisputed claim determinations specified herein and recommends approval thereof.

This application is made pursuant to the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.*, specifically, S.C. Code Ann. § 38-27-620(a) (2015), wherein the Liquidator is required to review all claims duly filed in the liquidation proceedings, make such further investigation as he deems necessary, and submit a claims report to the Court containing his claim recommendations.

In support of his report, recommendation and application, the Liquidator would respectfully show the following:

1. On September 21, 2017, the Court entered an Order Commencing Liquidation Proceedings & Granting an Injunction & Automatic Stay of Proceedings regarding Oceanus.
2. Between the Liquidation Date of September 21, 2017 and March 20, 2018, the latter being the Claims Bar Date, the Liquidator issued approximately seven thousand one hundred and

sixty-two (7,162) Notices of Liquidation and Proof of Claim (POC) forms, with instructions to policyholders, third-party claimants and other potential claimants and/or creditors of Oceanus.

3. For five (5) consecutive days commencing October 27, 2017, notice of the liquidation was published in the New York Times, a newspaper of nationwide circulation, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a POC.

4. For two (2) consecutive days commencing October 22, 2017, notice of the liquidation was published in the Miami Herald, a newspaper of countywide circulation in Miami-Dade, Broward, and Monroe Counties, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

5. On or before the Bar Date of March 20, 2018, the Liquidator received one thousand three hundred and eighty-nine (1,389) timely-filed POCs. The Liquidator also received forty-seven (47) late-filed claims, four (4) of which have been deemed timely filed, with the remaining forty-three (43) pending review.

6. One-hundred and one (101) claims have previously been adjudicated and submitted to the Court for approval, with such approval granted by orders entered June 26, 2019 and February 21, 2020.

7. Fifteen (15) additional POC's have now been completely adjudicated. All remaining POCs received, totaling one thousand three-hundred and twenty (1,320), are presently under evaluation.

8. Attached hereto as Exhibit A and incorporated herein is a Schedule listing the names and addresses of fifteen (15) claimants holding a class 2 as defined by S.C. Code Ann. § 38-27-610(2) (2015), the POC number assigned by the Liquidator and the valuation of the claim

proposed by the Liquidator.

9. Eight (8) claims previously submitted to the Court for approval, with such approval granted February 21, 2020 were inaccurately defined as class 2. The Liquidator's recommended amounts remain unchanged and all claims are denied in whole.

10. Attached hereto as Exhibit B and incorporated herein is the listing of these eight (8) claimants referenced above at Paragraph 9 holding a claim subordinate to class 2 as defined by S.C. Code Ann. § 38-27-610(2) (2015), the revised class codes, and the amounts previously approved by the Court.

11. In further support of this report, recommendation and application, the Liquidator has attached as Exhibit C, the affidavit of Michael J. FitzGibbons, Special Deputy Liquidator.

WHEREFORE, the Liquidator prays the Court issue an Order approving this Third Claims Report and recommendation, with the actual distribution to be determined at the appropriate time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015), as well as such other relief as the Court deems just and proper.

Respectfully submitted,

October 28, 2020

s/ Geoffrey R. Bonham
Associate General Counsel
South Carolina Department of Insurance
P.O. Box 100105
Columbia, South Carolina 29202

Capitol Center
1201 Main Street, Suite 1000
Columbia, South Carolina 29201

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One of the attorneys for the Liquidator of
Oceanus Insurance Company, a Risk

Retention Group in Liquidation

Exhibit A

Oceanus Insurance Company, a RRG
Third Claims Report

POC	Class Code	Claimant	Contact	Contact II	Address	City	State	Zip	Claim Amount	Liquidator's Recommended Amount
1001078	2	V.T. for A.K.P.	Michelle Maloney	Marynell Maloney Law Firm, PLLC	922 S. Alama St.	San Antonia	TX	78205	200,000.00	200,000.00
1000993	2	Z.N., by his parent A.K.	Joseph Ciacchio	Napoli Shkolnick PLLC	360 Lexington Ave, 11th Floor	New York	NY	10017	1,000,000.00	1,000,000.00
1000675	2	S.P., Admin of the Estate of M.P.	Joel A Glaser	Trolman, Glaser & Lichtman, P.C	747 3rd Ave, 23rd Floor	New York	NY	10017	150,000.00	150,000.00
1000597	2	E.G.	Daniel Flaherty	Flaherty Law Office	PO Box 1968	Great Falls	MT	59401	850,000.00	-
1000486	2	B.L.		10507 E 91st St	Suite 500	Tulsa	OK	74133	unstated	-
1000442	2	V.S.	Steven R Davis	Davis & Davis, Attorneys at Law	440 Louisiana, Suite 1850	Houston	TX	77002	284,950.32	200,000.00
1000350	2	N.S.B. & Estate of T.B.	Edward Kopko, Esq	Edward E. Kopko, Lawyer, PC	308 N Tioga Street	Ithaca	NY	14850	2,000,000.00	150,000.00
1000348	2	P.S.		718 Townsend Ave		Gastonia	NC	28052	50,000.00	50,000.00
1000329	2	R.R.	Glenn Cunningham, Esq	14100 San Pedro Ave	Suite 550	San Antonio	TX	78232	333,319.78	200,000.00
1000250	2	L.V.	Stefano A. Filippazzo	Stefano A. Filippazo, P.C.	16 Court Street 28th Flr	Brooklyn	NY	11241	unstated	75,000.00
1000240	2	L.R.	Eleni Coffinas, Esq	Sullivan Papain Block McGrath & Cannavo, P.C.	120 Broadway 18th Floor	New York	NY	10271	1,000,000.00	400,000.00
1000213	2	P.B. & M.B.	Howard Essner, Esq	Essner & Kobin, LLP	50 Broadway, Floor 27	New York	NY	10004	unstated	50,000.00
1000180	2	O.U.C., LLC	Devin B. Noble	Hinshaw & Culbertson, LLP	100 Park Ave	Rockford	IL	61101	185,770.55	77,857.00
1000103	2	M. & J. D.	Annamarie Bondi-Stoddard, Esq.	Pegalis & Erickson, LLC	1 Hollow Lane, Ste. 107	Lake Success	NY	11042	1,000,000.00	150,000.00
1000077	2	E.L.	Sheldon Green Esq. PC	566 Sunset Drive	Suite 202	Woodmere	NY	11598	65,000.00	65,000.00
									Total	2,767,857.00

Exhibit B

Oceanus Insurance Company, a RRG
Third Claims Report

POC	Claimant	Contact	Contact II	Address	City	State	Zip	Class Code per Second Claims Report	Revised Class Code	Court Allowed Amount
1001394	M.M.G.	Mandy Majerski Gonzalez	6910 Cibola RD		San Diego	CA	92120	2	3	-
1001324	L.I.C.	Michael S. Davis, Esq	Zeichner, Ellman & Krause, LLP	1211 Avenue of the Americas	New York	NY	10036	2	6	-
1001315	A.H., D.O./M.O. of H.B., PC	Helen M. Benzie	Law Office of Vincent D. McNamara	1045 Oyster Bay Road	East Norwich	NY	11732	2	3	-
1001076	C.B.A., M.D	Clinton B. Ashford, M.D	1750 South Lumpkin St		Athens	GA	30606	2	3	-
1001062	L.S.M. LTD 4472	Peter F Clancy	Clark Hill PLC	150 East Randolph St, Ste 3900	Chicago	IL	60601	2	6	-
1001050	L.S.M. LTD 4472	Peter F Clancy	Clark Hill PLC	150 East Randolph St, Ste 3900	Chicago	IL	60601	2	6	-
1000805	M.B., M.D	Helen M. Benzie	Law Office of Vincent D. McNamara	1045 Oyster Bay Road	East Norwich	NY	11732	2	3	-
1000149	H.M.		256 N.Wellwood Ave.		Lindenhurst	NY	11757	2	3	-
									Total	-

Exhibit C

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

Raymond G. Farmer, as Director of the South
Carolina Department of Insurance,

Petitioner,

vs.

Oceanus Insurance Company, a Risk
Retention Group,

Respondent.

IN THE COURT OF COMMON PLEAS

FOR THE FIFTH JUDICIAL CIRCUIT

C.A. No. 2017-CP-40-05195

**AFFIDAVIT OF MICHAEL J.
FITZGIBBONS
IN SUPPORT OF LIQUIDATOR'S
THIRD CLAIMS REPORT,
RECOMMENDATION &
APPLICATION FOR ORDER
APPROVING SAME**

Michael J. FitzGibbons, being first duly sworn, deposes and says as follows:

1. I am the Special Deputy Liquidator of Oceanus Insurance Company, a Risk Retention Group ("Oceanus"). I was appointed to my position by the Liquidator, Raymond G. Farmer, Director of the South Carolina Department of Insurance, which designation was approved by the Court on September 21, 2017.

2. I am over 21 years of age and suffer no legal disability.

3. By virtue of my appointment as Special Deputy Liquidator, I have been actively and personally involved in the liquidation of Oceanus at all times since it was placed into liquidation, including the matters addressed in this Affidavit. My responsibilities as the Special Deputy Liquidator include supervision and oversight of and direct involvement in the liquidation process. I am familiar with the claims process and with the claims that have been filed. Therefore, I have personal knowledge of the matters addressed in this Affidavit.

4. The claims process has included the following components, each and every one of which has been followed:

a. Notice of Oceanus' liquidation was given in accordance with S.C. Code Ann. § 38-

27-410(a) (2015).

- b. In accordance with S.C. Code Ann. § 38-27-410(b) (2015), the notice specified that the last date to file a timely proof of claim with the Liquidator was March 20, 2018. Proofs of claim had to be postmarked no later than 5:00 P.M. Eastern Daylight Time on that date to be considered timely.
- c. The Liquidator's Proof of Claim (POC) forms are in compliance with S.C. Code Ann. § 38-27-550(a) (2015) and provided notice of the liquidation of Oceanus in accordance with S.C. Code Ann. § 38-27-410(b) (2015).
- d. As the duly-appointed Special Deputy Liquidator, I have considered each of the twenty-three (23) POCs subject to this Claims Report, in accordance with the requirements of the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.*
- e. I am administering the claims process. I retained as Oceanus employees Tim Morris and Jennifer Arias to assist me in the adjudication of claims under policies for losses incurred. I have charged Mr. Morris and Ms. Arias with the responsibility to make recommendations to the Liquidator as to the validity, valuation and priority of each POC. The Liquidator and/or his duly-appointed Special Deputy then independently approve or deny these recommendations, in whole or in part, and submits the same to this Court for approval.
- f. Each POC subject to this Claims Report contains the necessary claim file documentation for the Liquidator's recommendation thereon.
- g. To the extent this Claims Report includes claims that were denied in whole or in part, notice of such denial complying with S.C. Code Ann. § 38-27-580(a) (2015)

was provided to the affected claimants and either no timely objection was made by the affected claimants or the objection was resolved by mutual agreement.

5. I am submitting this Affidavit in support of the Liquidator's Third Claims Report, Recommendation & Application for Order Approving Same ("Report, Recommendation and Application"), which pertains to fifteen (15) Class 2 claims as prescribed by S.C. Code Ann. §§ 38-27-610 & -620 (2015) and eight (8) claims previously approved as Class 2, which under further review, should have been subordinate to class 2.

6. Between the entry of the Liquidation Order on September 21, 2017 and March 20, 2018, I caused to be issued approximately seven thousand one hundred and sixty-two (7,162) Notices of Liquidation and Proof of Claim (POC) forms, with instructions to policyholders, third-party claimants, and/or other potential claimants and creditors of Oceanus.

7. For five (5) consecutive days commencing October 27, 2017, I caused to be published Notice of the liquidation in the New York Times, a newspaper of nationwide circulation, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

8. For two (2) consecutive days commencing October 22, 2017, I caused to be published Notice of the liquidation in the Miami Herald, a newspaper of countywide circulation in Miami-Dade, Broward and Monroe Counties, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

9. On or before the Bar Date of March 20, 2018, I received one thousand three hundred and eighty-nine (1,389) timely filed POCs, and I received forty-seven (47) late-filed claims. Four (4) of the forty-seven (47) late-filed claims have been deemed timely filed, with forty-three (43) pending further review.

10. One-hundred and one (101) claims have previously been adjudicated and submitted to the Court for approval, with such approval granted by order entered June 26, 2019 and February 21, 2020.

11. Fifteen (15) additional claims have now been adjudicated and are the subject of this application. All remaining unadjudicated POCs are under evaluation.

12. Attached to the Report, Recommendation and Application and incorporated by reference as Exhibit A is a listing of the names and addresses of these fifteen (15) claimants with Class 2 claims as defined in S.C. Code Ann. § 38-27-610(2) (2015), the POC number assigned and the Liquidator's valuation and recommendation pursuant to S.C. Code Ann. § 38-27-620 (2015). Actual distributions of Class 2 claims will be determined and made at the appropriate time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015).

13. Eight (8) claims previously submitted to the Court for approval, with such approval granted February 21, 2020, were inaccurately defined as class 2. All of these claims remain valued at zero.

14. Attached to the Report, Recommendation and Application and incorporated by reference as Exhibit B is a Schedule listing the names and addresses of the eight (8) claimants discussed above at paragraph 13 holding a class of claim subordinate to class 2 as defined by S.C. Code Ann. § 38-27-610(2) (2015), the revised class codes, and the amounts previously approved by the Court.

15. To the best of my knowledge and belief, the claims and recommendation thereon subject to this Report and Application are not subject to modification. If any additional factors hereafter come to my attention which may require any modification, such as third-party payments or releases of any such claims, I will immediately notify the Liquidator, and he and/or I will

promptly bring those matters to the attention of this Court in an amendment to modify such claims and recommendation.

FURTHER AFFIANT SAYETH NOT.



Michael J. FitzGibbons
Special Deputy Liquidator

SWORN to before me this 27th day of October, 2020

Sarah E. Alexander
Notary Public for the State of Arizona
My commission expires 09/15/2022



SARAH E. ALEXANDER
Notary Public - Arizona
Maricopa Co. / #551135
Expires 09/15/2022