

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
SECOND 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 Second 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 to the Application as Exhibit B is a detailed Affidavit of the duly-appointed Special Deputy Liquidator filed in support of the Application. It is 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 Second 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.

February ____, 2020
Columbia, South Carolina

Alison R. Lee
Chief Administrative Judge
Fifth Judicial Circuit



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
FOR THE FIFTH JUDICIAL CIRCUIT**

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

**LIQUIDATOR'S SECOND 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 Second 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 executed 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-one (41) late-filed claims, four (4) of which have been deemed timely filed, with the remaining thirty-seven (37) pending review.

6. Sixty-two (62) claims have previously been adjudicated and submitted to the Court for approval, with such approval granted by order entered June 26, 2019.

7. Thirty-nine (39) additional POC's have now been completely adjudicated. All remaining POCs received, totaling one thousand three hundred and thirty-one (1,331), are presently under evaluation.

8. Attached hereto as Exhibit A and incorporated herein is a Schedule listing the names and addresses of thirty-seven (37) claimants holding a class 2 claim and one (1) claimant holding both a class 1 claim and a class 6 claim 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. In further support of this report, recommendation and application, the Liquidator has attached as Exhibit B, the affidavit of Michael J. FitzGibbons, Special Deputy Liquidator.

WHEREFORE, the Liquidator prays the Court issue an Order approving this first 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.

February 18, 2020

Respectfully submitted,

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

Telephone: 803-737-6200
Fax: 803-737-6229
Email: gbonham@doi.sc.gov

One of the attorneys for the Liquidator of
Oceanus Insurance Company, a Risk
Retention Group in Liquidation

EXHIBIT A

Oceanus Insurance Company, a RRG
Second Claims Report

POC #	Class Code	Claimant	Contact	Contact II	Address	City	State	Zip	Liquidator's Recommended Amount
100004	2	A.C. for Estate of P.S.	Michael Zerres, Esq	Blume Folte Fried Zerres & Molinari	1 Main Street	Chatham	NJ	07928	150,000.00
1000025	2	E.H.	George Smith, Esq	Murphy & Lambiase	26 Scotchtown Ave. #4	Goshen	NY	10924	125,000.00
1000029	2	D.R.	Magdaleno C. Muro	Muro & Muro Law Offices: Muro Magdaleno	68828 Ramon Road, #C2	Cathedral City	CA	92234	25,000.00
1000044	2	C.M. & N.M.	Frank Cernigliaro, Esq	Landers & Cernigliaro	One Old Country Road Suite 400	Carle Place	NY	11514	75,000.00
1000090	2	M.A.D.	George Smith, Esq	Murphy & Lambiase	26 Scotchtown Ave	Goshen	NY	10924	100,000.00
1000132	2	A.W.	Sam Rosmarin, Esq	Friedman, Levy, Goldfarb & Green, P.C.	250 West 57th St., Suite 1619	New York	NY	10107	250,000.00
1000149	2	H.M.	Harvey Manes	256 N.Wellwood Ave.		Lindenhurst	NY	11757	-
1000212	2	J.A.B.	Frank Andrea, Esq.	Andrea & Towsky Attorneys and Counselors at Law	320 Old Country Rd.	Garden City	NY	11530	235,000.00
1000282	2	Estate of E.J.	Richard P. Abraham & Suzanne H. dePillis	Messa & Associates	123 South 22nd St	Philadelphia	PA	19104	50,000.00
1000332	2	J.L. as Admin. Of Estate of M.B.B.	John Bonina, Esq	Bonina & Bonina, PC	16 Court St., Ste. 1800	Brooklyn	NY	11241	75,000.00
1000336	2	J.L.	John Bonina, Esq	Bonina & Bonina, PC	16 Court St., Ste. 1800	Brooklyn	NY	11241	-
1000364	2	T.S. & M.S.	Montgomery L. Lair, Esq.	Brewster & De Angelis PLLC	2617 E. 21 St	Tulsa	OK	74114	150,000.00
1000407	2	M.A.	Mark Goldstein, Esq	Goldstein & Goldstein	26 Court Street , Suite 2005	Brooklyn	NY	11242	50,000.00
1000454	2	G.O.	Jeffrey Shapiro	Jeffrey Shapiro & Associates, LLC	675 3rd Ave Suite 3005	New York	NY	10017	750,000.00
1000500	2	J.G.	Keith M Sullivan, Esq	Sullivan & Galleshaw, LLP	108-15 Crossbay Blvd	Ozone Park	NY	11417	-
1000565	2	L.S. as Admin of the Est of C.J.-M.	Jeffrey B. Bloom	Gair Gair Conason	80 Pine St	New York	NY	10005	-
1000569	2	G.K.	Carolyn Caccese, Esq	Salenger, Sack, Kimmel & Bavaro	180 Froehlich Farm Blvd	Woodbury	NY	11797	50,000.00
1000570	2	G.K.	Carolyn Caccese, Esq	Salenger, Sack, Kimmel & Bavaro	180 Froehlich Farm Blvd	Woodbury	NY	11797	50,000.00
1000571	2	G.K.	Carolyn Caccese, Esq	Salenger, Sack, Kimmel & Bavaro	180 Froehlich Farm Blvd	Woodbury	NY	11797	-
1000572	2	K.K.	Carolyn Caccese, Esq	Salenger, Sack, Kimmel & Bavaro	180 Froehlich Farm Blvd	Woodbury	NY	11797	-
1000668	2	C.H., as Personal Representative of the Estate of A.H.	G. William Lazenby IV	Greco & Wozniak, P.A	501 N. Morgan St. Ste.200	Tampa	FL	33602	286,500.00
1000688	2	D.M.M.	Pablo A. Sosa, Esq.	Law Office: William A. Gallina PLLC	1250 Waters Place, Suite 708	Bronx	NY	10461	-
1000689	2	J.K.	Steven B. Tannenbaum	Tannenbaum, Bellantone & Silver, P.C	2001 Marcus Ave, Suite N125	Lake Success	NY	11042	50,000.00
1000721	2	H.O.	Brian Schochet	Law Office of Biran Schochet, PLLC	575 Madison Ave, Suite 1006	New York	NY	10022	25,000.00
1000722	2	G.G.	Marianne C. Burke, Esq.	Silberstein Awad & Miklos	600 Old County Rd Ste 505	Garden City	NY	11530	25,000.00
1000805	2	M.B., M.D.	Helen M. Benzie	Law Office of Vincent D. McNamara	1045 Oyster Bay Road	East Norwich	NY	11732	-
1001015	2	C.W., an infant by his m/n/g/S.W.	John M. Daly, Esq	The Fitzgerald Law Firm	538 Riverdale Ave	Yonkers	NY	10705	600,000.00
1001047	2	J.P., deceased	Christopher Meagher	Meagher & Meagher	111 Church St	White Plains	NY	10601	-
1001048	2	J.P., deceased	Christopher Meagher	Meagher & Meagher	111 Church St	White Plains	NY	10601	-
1001050	2	L.S.M. LTD 4472	Peter F Clancy	Clark Hill PLC	150 East Randolph St, Ste 3900	Chicago	IL	60601	-
1001062	2	L.S.M. LTD 4472	Peter F Clancy	Clark Hill PLC	150 East Randolph St, Ste 3900	Chicago	IL	60601	-
1001076	2	C.B.A., M.D.	Clinton B. Ashford, M.D	1750 South Lumpkin St		Athens	GA	30606	-
1001315	2	A.H. D.O./Medical Office of H.B. P.C.	Helen M. Benzie	Law Office of Vincent D. McNamara	1045 Oyster Bay Road	East Norwich	NY	11732	-
1001324	2	L.I.C.	Michael S. Davis, Esq	Zeichner, Ellman & Krause, LLP	1211 Avenue of the Americas	New York	NY	10036	-
1001345	2	L.K.	Hadley L Matarazzo Esq	Faraci Lange, LLP	28 E Main Street, Suite 1100	Rochester	NY	14614	100,000.00
1001382	2	K.Y.	Joseph G. Dell	Dell & Dean, PLLC	1225 Franklin Ave Suite 450	Garden City	NY	11530	300,000.00
1001394	2	M.M.G.	Mandy Majerski Gonzalez	6910 Cibola RD		San Diego	CA	92120	-
Total Class 2									3,521,500.00

EXHIBIT A

Oceanus Insurance Company, a RRG
 Second Claims Report

POC #	Class Code	Claimant	Contact	Contact II	Address	City	State	Zip	Liquidator's Recommended Amount
1000996	1	L.B.B. & S., LLP	Richard Lauter, Esq.		550 West Adams Street, Suite 300	Chicago	IL	60661	80,244.67
1000996A	6	L.B.B. & S., LLP	Richard Lauter, Esq.		550 West Adams Street, Suite 300	Chicago	IL	60661	287,899.84

Exhibit B

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
SECOND 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 thirty-nine (39) 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 Second Claims Report, Recommendation & Application for Order Approving Same ("Report, Recommendation and Application"), which pertains to thirty-seven (37) Class 2 claims, one (1) Class 1 claim and one (1) Class 6 claim, as prescribed by S.C. Code Ann. §§ 38-27-610 & -620 (2015).

6. Between the execution 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-one (41) late-filed claims. Four (4) of the forty-one (41) late-filed claims have been deemed timely filed, with thirty-seven (37) pending further review.

10. Sixty-two (62) claims have previously been adjudicated and submitted to the Court

for approval, with such approval granted by order entered June 26, 2019.

11. Thirty-nine (39) additional claims have now been adjudicated and are the subject of this application. All remaining unadjudicated POCs are under evaluation.

12. Of note, the Liquidator adjudicated the claims of a defense counsel that was actively engaged in a recovery action at the date of liquidation. *See* POC numbers 1000996 and 1000996A. All of this firm's fees and costs were initially categorized as a Class 6 claim in that the majority of fees and costs were incurred pre liquidation. The liquidator, to maintain the continuity of this significant collection action and to maximize the potential for recovery of a significant asset, determined that it was in the best interest of the estate to continue to engage this counsel rather than incurring the start-up costs of new counsel and potentially lose the benefit of valuable knowledge regarding the action. Counsel agreed to continue the representation despite his outstanding unpaid fees in the amount of \$368,144.51. Counsel pursued the matter zealously and efficiently which resulted in securing \$1.4 million collection for the benefit of all creditors. Consequently, it is the opinion of the liquidator that \$80,244.67 of their \$368,144.51 claim be a class 1(e) administrative claim¹, subject to the approval of the Liquidation Court.

13. Attached to the Report, Recommendation and Application and incorporated by reference as Exhibit A is a listing of the names and addresses of these thirty-seven (37) claimants with Class 2 claims and the one claimant with both the Class 1 claim and the Class 2 claim 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 and Class 6 claims will be determined and made at the appropriate time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015).

¹ Class 1(e) provides for the compensation of the special deputies, attorneys, and other persons as appointed by the receiver for the efficient conduct of the receivership, rehabilitation or liquidation

14. 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 18th day of Feb., 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