

STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND  
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NUMBER: 2014CP4005987

Raymond G Farmer

First Keystone Risk

South Carolina Dept of Insurance

PLAINTIFF(S)

DEFENDANT(S)

Submitted by: _____	Attorney for : <input type="checkbox"/> Plaintiff <input type="checkbox"/> Defendant or <input type="checkbox"/> Self-Represented Litigant
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**DISPOSITION TYPE (CHECK ONE)**

- JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ACTION DISMISSED (CHECK REASON):**  Rule 12(b), SCRPC;  Rule 41(a), SCRPC (Vol. Nonsuit);  Rule 43(k), SCRPC (Settled);  Other \_\_\_\_\_
- ACTION STRICKEN (CHECK REASON):**  Rule 40(j), SCRPC;  Bankruptcy;  Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award;  Other \_\_\_\_\_
- DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**  Affirmed;  Reversed;  Remanded;  Other \_\_\_\_\_

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED:  See attached order (formal order to follow)  Statement of Judgment by the Court:

**ORDER INFORMATION**

This order  ends  does not end the case.

Additional Information for the Clerk : \_\_\_\_\_

**INFORMATION FOR THE PUBLIC INDEX**

Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.

Judgment in Favor of (List name(s) below)	Judgment Against (List name(s) below)	Judgment Amount To be Enrolled
		\$
		\$
		\$

If applicable, describe the property, including tax map information and address, referenced in the order: \_\_\_\_\_

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. Note: Title abstractors and researchers should refer to the official court order for judgment details.

Circuit Court Judge \_\_\_\_\_ Judge Code \_\_\_\_\_ Date \_\_\_\_\_

**For Clerk of Court Office Use Only**

This judgment was entered on the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ and a copy mailed first class or placed in the appropriate attorney's box on this 17 November 2015 to attorneys of record or to parties (when appearing pro se) as follows:

Geoffrey Ross Bonham

Jeffrey A. Jacobs

Daniel J. Reynolds Jr.

ATTORNEY(S) FOR THE PLAINTIFF(S)

ATTORNEY(S) FOR THE DEFENDANT(S)

Court Reporter

**RECEIVED**  
**GENERAL COUNSEL**

Clerk of Court

*Jeanette W. McBride*

NOV 30 2015

STATE OF SOUTH CAROLINA  
RICHLAND COUNTY

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

Petitioner,

vs.

First Keystone Risk Retention Group, Inc.,

Respondent.

IN THE COURT OF COMMON PLEAS  
FIFTH JUDICIAL CIRCUIT

Civil Action No. 2014-CP-40-598

**CONSENT ORDER APPOINTING  
SPECIAL REFEREE AND  
APPROVING PROCEDURES  
GOVERNING REFEREE'S  
PARTICIPATION IN CLAIMS  
ADMINISTRATION**

JEANETTE W. WILSON  
C. J. P. & C. L. J.  
2015 NOV 17 9:58 AM

RICHLAND COUNTY  
FILED

WHEREAS, the Liquidator, by and through counsel, moves and by its consent agrees to the appointment Gerald M. Finkel, Esquire, 4000 Faber Place Drive, Suite 450, North Charleston, SC 29405, as Special Referee to review any and all appeals of determinations by the Special Deputy Liquidator for payments of liability claims against First Keystone Risk Retention Group (in Liquidation), the Respondent herein, in accordance with S.C. Code Ann. § 38-27-580 (2015) and the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.*, and also moves that the Court approve the Procedures Governing Special Referee's Participation in Claims Administration, attached hereto and incorporated by reference herein; and


WHEREAS said nominee, as indicated by his below-signed consent, has agreed to conduct all hearings in this receivership pursuant to and in accordance with Section 38-27-580 and this Order and to file his Findings of Fact and Recommendations with the Clerk of Court for Richland County, with a copy to be provided to the reviewing supervisory Judge and as otherwise provided herein;

IT IS THEREFORE ORDERED that Gerald M. Finkel, Esquire is appointed as Special Referee, vested with all powers as a judge to hear, determine and rule on all matters, both procedural

and substantive, coming before him necessary to carry out his duties as Special Referee pursuant to Section 38-27-580 and this Order.

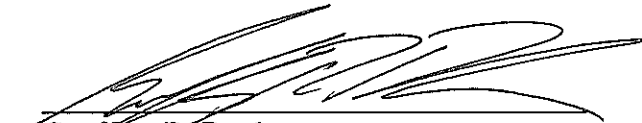
IT IS FURTHER ORDERED that the Special Referee's compensation and all proper and necessary expenses of the Referee be paid as Class 1 priority claims and as provided in the attached Procedures Governing Special Referee's Participation in Claims Administration, which are hereby approved and made a part of this Order.

**AND IT IS SO ORDERED.**

  
\_\_\_\_\_  
Alison R Lee  
Chief Administrative Judge  
Fifth Judicial Circuit

This 10<sup>th</sup> day of November, 2015  
Columbia, South Carolina

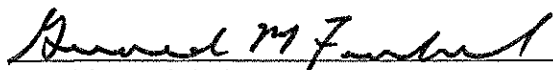
**I SO MOVE AND CONSENT:**

  
\_\_\_\_\_  
Geoffrey R. Bonham  
Associate General Counsel  
S.C. Department of Insurance  
P.O. Box 100105  
Columbia, SC 29202  
803-737-6219  
[gbonham@doi.sc.gov](mailto:gbonham@doi.sc.gov)

Nov. 9, 2015  
\_\_\_\_\_  
Date

One of the Attorneys for Petitioner

I CONSENT to the above appointment as Special Referee this 3 day of November, 2015:

  
\_\_\_\_\_  
Gerald M. Finkel, Esq.

**FIRST KEYSTONE RISK RETENTION GROUP, INC. IN LIQUIDATION  
PROCEDURES GOVERNING REFEREE'S PARTICIPATION IN CLAIM  
ADMINISTRATION**

These procedures ("Procedures") shall govern the Special Referee's participation in the administration of claims against First Keystone Risk Retention Group, Inc. (the Company), in accordance with Section 38-27-580 of the South Carolina Insurers Supervision, Rehabilitation and Liquidation Act, S.C. Code Ann. § 38-27-10 *et seq.* (the "Act").

**1. Liquidator's Claim Determination; Reconsideration Upon Claim Denial.** The Liquidator shall review each claim and make a determination first of the priority class of each claim and second, if claim is not a subordinate claim, of the amount of each claim. If the Liquidator determines that estate assets are insufficient to provide for a distribution, in whole or on part, for claims below a certain priority class, the Liquidator is not required to make a determination as to the value of any claim if he determines that the claim in question has a priority equal to or lower to the first priority class for which no funds will be available for distribution, i.e., is a "subordinate claim." The Liquidator shall provide written notice of the determination to the Claimant directly affected by the claim determination. The Claimant will have sixty (60) days from the date of mailing of the Liquidator's notice during which to file detailed written objections with the Liquidator. If the Claimant does not file detailed written objections with the Liquidator, the Claimant may not further object to the Liquidator's determination. Upon receipt of the written objections, the Liquidator will consider the objections and may or may not revise the claim determination. Following reconsideration of the claim, the Liquidator shall provide written notice to the Claimant whether or not the Liquidator revised the claim determination.

**2. Referral of Denied Claims to Special Referee.** If, upon reconsideration, the Liquidator does not revise the claim determination to the Claimant's satisfaction, the Liquidator shall provide written notice to the Claimant of its decision and the Claimant shall have fifteen (15) days from the date of mailing of the Liquidator's notice to file with the Liquidator a

request for review by the Special Referee appointed by the Court. If the Claimant does not timely request a review by the Special Referee, the Claimant may not further object to the Liquidator's determination. Upon receipt of a request from the Claimant for a review by the Special Referee, the Liquidator shall refer the matter to the Special Referee by written notice. This referral shall include the Liquidator's determination of claim priority, the Liquidator's approved amount, the amount claimed, the POC number, the insured and the Claimant. The Liquidator shall provide copies of the claim referral to the Claimant and any other affected parties. Thereafter, the cost of the Special Referee shall be borne by the Company, except that the referral shall also instruct the Claimant to deliver to the Liquidator a non-refundable deposit of \$500.00 for each Proof of Claim. This deposit must be received within ten (10) days from the date of mailing of notice of the of the Liquidator's referral to the Special Referee. Failure of the Claimant to deliver this deposit to the Liquidator within the ten (10) days will place said claim review on hold until the Special Referee receives notice from the Liquidator that it has received said deposit. Failure of Claimant to remit this non-refundable deposit within twenty (20) days from the date of mailing of the Liquidator's referral of the claim to the Special Referee will result in the Special Referee dismissing said referral and allowing the claim in the amount as recommended by the Liquidator, if any.

3. **Setting the Matter for Hearing; Exchange of Documentation.** Upon notice by the Liquidator to the Special Referee of the receipt of the Claimant's deposit, the Special Referee shall set the matter for hearing and so notify the Liquidator's legal counsel in writing. The Liquidator's legal counsel shall then provide written notice of the hearing to the Claimant and any other parties directly affected not less than ten (10) nor more than thirty (30) days before the date of the hearing. The Liquidator's legal counsel shall also make available to the Claimant a copy of the Liquidator's claim file or such portions thereof as are requested by the Claimant. If a copy of the claim file is requested by the Claimant the Claimant shall pay the Liquidator's reasonable costs (or those of its legal counsel) for copying and mailing the claim file within ten

(10) days from the date of mailing of the claim file. The claim file shall include Company's original claim file, the Claimant's proof of claim with any accompanying or clarifying material, a statement of the amount of the claim and coverage, the Liquidator's initial claim determination, Claimant's objections to the claim determination, the Liquidator's claim redetermination, if any and the Liquidator's referral of the claim to the Special Referee. The Liquidator shall forward the claim file to his legal counsel, who shall make the same available to the Special Referee and the Claimant as provided herein. The Liquidator's legal counsel shall provide a copy of these Procedures to the Claimant and to all other parties directly affected, if any.

4. **The Hearing.** The hearing referred to in the Act shall commence (the "Commencement Date") on the date set by the Special Referee. Unless otherwise determined by the Special Referee in his sole discretion, all hearings and any other proceedings before the Special Referee will be conducted in Charleston, South Carolina at the office of the Special Referee. The Claimant shall have thirty (30) days following the Commencement Date to provide any additional written material in support of the Claimant's position to the Special Referee with a copy to the Liquidator's attorney. The Liquidator shall have twenty-one (21) days thereafter to further supplement the record with written material by submitting the same to the Special Referee with a copy to the Claimant or Claimant's designate. Such written material shall include any arguments and legal authorities supporting the parties' positions.

5. **Special Referee's Determination.** Following submission of all written information to the Special Referee, the matter will be deemed submitted to the Special Referee for determination. The Special Referee shall close the record and make a determination of the claim, *de novo*, on the record. The Special Referee may, in his discretion, receive as evidence any written material concerning the claim in controversy which he deems to be relevant and which provides competent material evidence relating to the claim in dispute. Unless determined appropriate by the Special Referee, in his sole discretion, no meeting or other session at which the

parties or their legal counsel are present in person (or by telecommunications equipment) shall be held. If meetings or sessions are held, the Special Referee shall determine in his sole discretion the procedures to be followed. The Special Referee will make written findings of fact and a determination of the claim, and shall file the original with the Clerk of Court of Richland County, South Carolina, P.O. Box 2766, Columbia, SC 29202 while providing a copy to the Chief Administrative Judge Fifth Judicial Circuit as the Special Referee's recommendation. He shall also provide copies to the Claimant, the Liquidator and any other affected party at the time of filing.

6. **Court Approval of Special Referee's Determination; Objections.** The Liquidator and the Claimant shall have twenty-one (21) days following the date of mailing of the Special Referee's determination to object to the Special Referee's determination. Any objections shall become part of the record to be submitted to the Liquidation Court along with the Special Referee's findings of fact and determination. The Liquidation Court shall accept and approve the Special Referee's determination if it is supported by competent, material and substantive evidence appearing in the record and if it was made in accordance with these Procedures and South Carolina Law. The Liquidation Court may modify the Special Referee's determination so that it complies with these standards and South Carolina Law. The Liquidation Court's order accepting or modifying the Special Referee's findings of fact and determination shall be entered and a copy provided to the Special Referee, the Liquidator, the Claimant, and any other affected parties. For purposes of appeal, the Liquidation Court's order shall be a final order.

7. **Legal Counsel.** In matters before the Special Referee, legal counsel licensed to practice law and in good standing with the bar of any United States jurisdiction may represent a Claimant or any other parties directly affected to the extent allowed by South Carolina Law. Such privilege will be extended to appearances before the Liquidation Court as determined by the Liquidation Court to the extent allowed by South Carolina Law.

8. **Compromises.** At any time a claim referral is pending before the Special Referee, the Liquidator and Claimant, together with any other parties directly affected, may compromise the claim and withdraw the claim from consideration by the Special Referee, whereupon the agreed disposition of the claim will become final and binding as an approved claim in the liquidation proceedings.

9. **General.** As used in these Procedures, "Liquidation Court" shall mean the Chief Administrative Judge of the Court of Common Pleas, Fifth Judicial Circuit, County of Richland, State of South Carolina, and/or his or her successors in that position, and/or the Circuit Judge appointed by the Chief Administrative Judge to preside over Case No. 2014-CP-40-05987; "Liquidator" shall mean Michael J. FitzGibbons, Special Deputy Liquidator of First Keystone Risk Retention Group, Inc., at 8300 N. Hayden, Suite A100, Scottsdale, Arizona, 85258, or his successors in that position; "Company" shall mean First Keystone Risk Retention Group, Inc. (in Liquidation); "Claimant" shall mean the person or entity asserting a claim against the Liquidator; "Special Referee" shall mean Gerald M. Finkel, Esq., the Special Referee appointed by the Liquidation Court pursuant to S.C. Code Ann. § 38-27-580(B) (2002), at 4000 Faber Place Drive, Suite 450, North Charleston, South Carolina 29405; and the Liquidator's legal counsel shall mean Geoffrey R. Bonham, Associate General Counsel, P.O. Box 100105, Columbia, SC 29201-3105. All notices and other communications provided for herein shall be in writing and shall be sent by first class mail postage prepaid. If any party is represented by legal counsel, such legal counsel shall be entitled to receive copies of any notices provided for herein, and the parties shall have the right to appear by counsel. Unless otherwise specifically indicated, all time periods provided for herein shall be calculated in accordance with the South Carolina Rules of Civil Procedure and shall be subject to extension by the Special Referee for good cause shown.

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**FINKEL LAW FIRM LLC**  
**P.O. Box 1899 (29202)**  
**1201 Main Street, Suite 1800**  
**Columbia, SC 29201**

Professional Rates:

Gerald M. Finkel: \$450.00

Magalie A. Creech: \$215.00

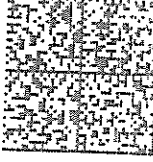
Dominique Biggers/Paralegal Rate: \$125.00

**SCANNED**

**Geoffrey Ross Bonham**  
**PO Box 100105**  
**Columbia, SC 29202-3105**

Jeanette W. McBride  
CLERK OF COURT  
RICHLAND COUNTY  
P.O. Box 2766  
Columbia, SC 29202-2766

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