

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. 2014-CP-40-5987

Petitioner,

**ORDER APPROVING FIFTH CLAIMS
REPORT AND REVISION TO
SECOND CLAIMS REPORT &
RECOMMENDATION
OF LIQUIDATOR**

vs.

First Keystone Risk Retention Group, Inc.,

Respondent.

This matter comes before the Court pursuant to the Liquidator's Fifth Claims Report and Revision to 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 name and address of one claimant, the Proof of Claim number and the recommended valuation amount as well as the priority class of the claim.

Attached as Exhibit B to the Application is a schedule containing the name and address of one claimant, the Court-allowed amount for that claim per the Second Claims Report, and the revised recommended valuation amount, as well as the priority class of the claim.

Also attached to the Application as Exhibit C is a detailed Affidavit of the Special Deputy Liquidator filed in support of the Application. It appears that the Recommendation is in the interests of all claimants and other creditors in this matter.

Therefore, 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 Fifth Claims Report and Recommendation and Revision to Second Claims Report and Recommendation are APPROVED.

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

AND IT IS SO ORDERED.

Jocelyn Newman
Chief Administrative Judge
Fifth Judicial Circuit

July __, 2019
Columbia, South Carolina



Richland Common Pleas

Case Caption: Raymond G Farmer , plaintiff, et al vs First Keystone Risk

Case Number: 2014CP4005987

Type: Master/Order/Other

So Ordered

Jocelyn Newman, Chief Judge for Administrative
Purposes, Court of Common Pleas, 5th Judicial
Circuit

STATE OF SOUTH CAROLINA

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Raymond G. Farmer, as Director of the South
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vs.

C.A. No. 2014-CP-40-5987

CERTIFICATE OF SERVICE

First Keystone Risk Retention Group, Inc.,

Respondent.

I hereby certify that one copy each of the *Liquidator's Fifth Claims Report and Revision to Second Claims Report, Recommendation & Application for Order Approving Same* and *proposed Order* has been served upon the following persons, by First Class U.S. Mail, postage prepaid, this 23rd day of July, 2019, addressed as follows:

Mr. Todd Rinaldo
c/o Tiana Gimbrone, Esq.
Rinaldo and Rinaldo Assocs., LLC
60 Walnut Ave Suite 150
Clark, NJ 07066

Tiana Gimbrone, Esq.
Rinaldo and Rinaldo Assocs., LLC
60 Walnut Ave Suite 150
Clark, NJ 07066

Respectfully submitted,

July 23, 2019

s/Geoffrey R. Bonham
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One of the Attorneys for Petitioner

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

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

Petitioner,

vs.

First Keystone Risk Retention Group, Inc.,

Respondent.

IN THE COURT OF COMMON PLEAS

FOR THE FIFTH JUDICIAL CIRCUIT

C.A. No. 2014-CP-40-5987

**LIQUIDATOR'S FIFTH CLAIMS
REPORT AND REVISION TO SECOND
CLAIMS REPORT,
RECOMMENDATION &
APPLICATION FOR ORDER
APPROVING SAME**

Comes now Petitioner Raymond G. Farmer, as Liquidator of the above-captioned insurance company (First Keystone), by and through the undersigned counsel, files herewith his Fifth Claims Report and Revision to Second Claims Report previously filed and approved, and applies to the Court for an Order approving the Liquidator's undisputed claim determination and revised claim determination specified herein.

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 claims recommendations.

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

1. Between the entry of the Order of Liquidation on October 21, 2014 and the Claims Bar Date, February 28, 2015, the Liquidator issued approximately five thousand and seven

hundred (5,700) Notices of Liquidation and Proof of Claim (POC) forms, with instructions to policyholders, third-party claimants and other potential claimants and/or creditors of First Keystone.

2. On November 3, 2014, notice of the liquidation was published in the Philadelphia Daily News, a newspaper of countywide circulation in the County of Philadelphia, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

3. On or before the Bar Date of February 28, 2015, the Liquidator received one thousand six hundred and seventy-six (1,676), valid timely-filed POCs. The Liquidator also received one-hundred and eighteen (118) late-filed claims, twenty-five (25) of which now have been deemed timely filed.

4. All undisputed claims have now been adjudicated and submitted to the Court for approval, with approval granted by orders entered March 24, 2017, July 24, 2017, December 5, 2017 and May 30, 2019.

5. Attached hereto as Exhibit A and incorporated herein is a Schedule listing the name and address of one claimant holding a priority class 2 claim as defined by S.C. Code Ann. § 38-27-610(2) (2015). Exhibit A also includes the POC number assigned to the Proof of Claim and the claim valuation recommended by the Liquidator pursuant to S.C. Code Ann. § 38-27-620 (2015).

6. The Liquidator has revised his recommendation for one claim previously submitted in the Second Claims Report & Recommendation of the Liquidator and approved by the Court on July 24, 2017. Attached hereto as Exhibit B and incorporated herein is a Schedule listing the name and address of this claimant holding a priority class 2 claim as defined by S.C. Code Ann. § 38-27-610(2) (2015). Exhibit B also includes the POC number assigned to the Proof of Claim, the

Court allowed amount per the Second Claims Report, and the revised claim valuation recommended by the Liquidator pursuant to S.C. Code Ann. § 38-27-620 (2015).

7. In further support of this 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 Fifth Claims Report and Revision to Second Claims Report and claims recommendations, 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,

July 19, 2019

s/ Geoffrey R. Bonham
Associate General Counsel
South Carolina Department of Insurance
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Capitol Center
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One of the Attorneys for the Liquidator of
First Keystone Risk Retention Group, Inc.,
in Liquidation

Exhibit A

First Keystone RRG, Inc. in Liquidation
Fifth Claims Report

POC No.	Claimant Name	Contact I	Contact II	Address	City	State	Zip	Class Code	Liquidator's Revised Recommended Amount
101076	Todd Rinaldo	Rinaldo & Rinaldo Associates, PC	c/o Matthew T. Rinaldo	60 Walnut Ave, Ste. 150	Clark	NJ	07066	2	80,000.00

Exhibit B

First Keystone RRG, Inc. in Liquidation
Revision to Second Claims Report

POC No.	Claimant Name	Contact I	Contact II	Address	City	State	Zip	Class Code	Court Allowed Amount per Second Claims Report	Liquidator's Revised Recommended Amount
100654	Tayseer J. Hweh	Huddock & Huddock PC	c/o Christopher A. Huddock	6051 Castor Ave.	Philadelphia	PA	19149	2	-	4,743.85

Exhibit C

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

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

Petitioner,

vs.

First Keystone Risk Retention Group, Inc.,

Respondent.

**IN THE COURT OF COMMON PLEAS
FOR THE FIFTH JUDICIAL CIRCUIT**

C.A. No. 2014-CP-40-5987

**AFFIDAVIT OF MICHAEL J.
FITZGIBBONS
IN SUPPORT OF LIQUIDATOR'S
FIFTH CLAIMS REPORT AND
REVISION TO 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 First Keystone Risk Retention Group, Inc. ("First Keystone"). I was appointed to my position by the Liquidator, Raymond G. Farmer, Director of the South Carolina Department of Insurance.

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 First Keystone 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 First Keystone's 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 February 28, 2015. Timely proofs of claim must be postmarked no later than 5:00 P.M. Mountain Standard Time, on such date.
- 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 thereof in accordance with S.C. Code Ann. § 38-27-410(b) (2015).
- d. As the duly-appointed Special Deputy Liquidator, I have considered the POC subject to this Claims Report and the POC subject to this revision to the Second Claims Report, in accordance with the requirements of the South Carolina Insurers Rehabilitation and Liquidation Act.
- e. I am administering the POC process. I contracted with Glynloen Consulting to assist me in the adjudication of claims under policies for losses incurred. I have charged Glynloen 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 approves or denies Glynloens' recommendations in whole or in part and submit the same to this Court for approval.
- f. The POCs subject to this Claims Report and Revision to the Second Claims Report contain the necessary claim file documentation for the Liquidator's recommendations 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 Liquidator's Fifth Claims Report and Revision to the Second Claims Report, Recommendation & Application for Order Approving Same ("Report, Revision, Recommendations and Application"), which pertains to two claims in priority class 2, as prescribed by S.C. Code Ann. §§ 38-27-610 & -620 (2015).

6. Between the entry of the Liquidation Order on October 21, 2014 and February 28, 2015, I caused to be issued approximately five thousand and seven hundred (5,700) Notices of Liquidation and Proof of Claim (POC) forms, with instructions to policyholders, third-party claimants, and/or other potential claimants and creditors of First Keystone.

7. On November 3, 2014, I caused to be published Notice of the liquidation in the Philadelphia Daily News, a newspaper of countywide circulation in the County of Philadelphia, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

8. On or before the Bar Date of February 28, 2015, I received one thousand six hundred and seventy-six (1,676) timely filed POCs, and I received one hundred and eighteen (118) late-filed claims. Twenty-five (25) of the one hundred and eighteen (118) late-filed claims have now been considered timely filed.

9. All undisputed claims have been submitted to the Court for approval, with approvals granted by orders entered March 24, 2017, July 24, 2017, December 5, 2017 and May 30, 2019.

10. Attached to the Report, Revision, Recommendations and Application and

incorporated by reference as Exhibit A is a listing of the name and address of the claimant subject to this application with a priority class 2 as defined in S.C. Code Ann. § 38-27-610(2) (2015), the number assigned to the Proof of Claim submitted, and the claim valuation recommended and now proposed as the Liquidator's recommendation pursuant to S.C. Code Ann. § 38-27-620 (2015).

11. Attached as Exhibit B is a listing of the name and address of the claimant subject to this application with a priority class 2 as defined in S.C. Code Ann. § 38-27-610(2) (2015). Exhibit B also includes the number assigned to the Proof of Claim, the Court allowed amount per the Second Claims Report and the revised claim valuation recommended and proposed by the Liquidator pursuant to S.C. Code Ann. § 38-27-620 (2015).

12. Actual distributions will be determined and made at the appropriate time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015).

13. To the best of my knowledge and belief, the claims subject to this Report, Revision 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 application to modify such claims.

FURTHER AFFIANT SAYETH NOT.



Michael J. FitzGibbons
Special Deputy Liquidator

SWORN to before me this 17th day of July, 2019

Sarah E. Alexander
Notary Public for the State of Arizona
My commission expires 09/15/22



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