

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: First Sealord Surety, Inc., :
In Liquidation : No. 1 FSS 2012

APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS
ON FIRST SEALORD SURETY, INC. CLAIMS
UNDISPUTED AND RESOLVED
FROM JANUARY 1, 2015 TO DECEMBER 31, 2015

Applicant, Teresa D. Miller, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as the Statutory Liquidator ("Liquidator") of First Sealord Surety, Inc. ("FSSI"), pursuant to Pa.R.A.P. 3784(a) and 40 P.S. § 221.45, respectfully applies to this Court for an Order approving her Report and Recommendations on First Sealord Surety, Inc. Claims Undisputed and Resolved from January 1, 2015 to December 31, 2015. In support of her Application, the Liquidator avers the following:

BACKGROUND

1. The Insurance Commissioner of the Commonwealth of Pennsylvania was appointed Liquidator of FSSI pursuant to this Court's Order dated February 8, 2012 ("Liquidation Order").

2. The Liquidation Order provided that “in addition to the notice requirements of Section 524 of the Act,¹ 40 P.S. § 221.24, the Liquidator shall publish notice in newspapers of general circulation, where First Sealord has its principal places of business, and in the national edition of a national publication such as USA Today that: (a) specifies the last day for the filing of claims; (b) explains the procedure by which claims may be submitted to the Liquidator; (c) provides the address of the Liquidator’s office for the submission of claims; and (d) notifies the public of the right to present a claim, or claims, to the Liquidator.” See Liquidation Order, ¶17. By February 22, 2012, the Liquidator provided Proof of Claim (“POC”) forms and instructions to claimants and creditors of FSSI as identified by the books and records of FSSI. Additionally, the POC forms and instructions have been available on the Pennsylvania Insurance Department website at www.insurance.pa.gov since right after the Liquidation Order was entered.

3. 40 P.S. § 221.45 requires the Liquidator to present to the Court a report of the claims against the insurer with recommendations, including the name and address of each claimant, the particulars of the claim, and the amount of the claim finally recommended, if any. Pa.R.A.P. 3784(a) further refines 40 P.S. § 221.45, and requires that at least annually, the Liquidator present to the Court a report of the claims against the insurer’s estate that have been resolved, with recommendations, including the information required by 40 P.S. § 221.45, as well as the priority class, and whether the claim determination was finalized because no objection was filed, no exceptions were taken to a referee’s recommended decision, a recommended decision was sustained by the Court or the parties agreed to a settlement.

¹The Insurance Department Act of 1921, Act of May 17, 1921, (“Act”), P.L. 789, as amended, 40 P.S. §§ 221.1 – 221.63. (This footnote is added here, and is not contained in the text of the Liquidation Order that is being quoted in paragraph 2).

**REPORT AND RECOMMENDATIONS ON CLAIMS
UNDISPUTED AND RESOLVED AS OF DECEMBER 31, 2015**

4. The Liquidator's Report and Recommendations on First Sealord Surety, Inc. Claims Undisputed and Resolved from January 1, 2015 to December 31, 2015, is comprised of two parts and attached hereto as Exhibits A and B (collectively referred to as "Report"). The claims are sorted alphabetically, within each class, by the claimant's last name or company name. The amount claimed by the claimant, inter alia, is also included in the Report.²

5. The first part of the Report, which addresses claims that were determined and finalized without objection, and are referred to as "Undisputed Claims", reflects Notices Of Determination ("NOD") issued by the Liquidator for which the objection period expired on or before December 31, 2015. The total number of Undisputed Claims is 54 with an allowed amount of \$4,078,443.15. The list of Undisputed Claims is attached hereto as Exhibit A.

6. The second part of the Report, which addresses claims that were determined and finalized because no exceptions were taken to a referee's recommended decision, a recommended decision was sustained by the Court or the parties agreed to a settlement, and are referred to as "Resolved Claims", is a list of the disputed claims to which objections were filed and resolved on or before December 31, 2015. The total number of Resolved Claims is 2, with an allowed amount of \$166,706. The list of Resolved Claims is attached hereto as Exhibit B.

7. Upon resolution of the disputed claims listed in Exhibit B, the Liquidator issued an Amended NOD for these claims reflecting the resolution of the dispute and an agreement that no objection would be filed to the Amended NOD, or in some cases, the claimant withdrew their objection. Additionally, claims are sometimes dismissed by the Court *sua sponte* for failure to follow the rules.

² If the claimant did not indicate a specific claim amount on the Proof of Claim, the claimed amount is noted as \$0.

8. As set forth in Exhibits A and B, the Liquidator respectfully submits his recommendations for a total of 56 claims with a total allowed amount of \$4,245,149.15 in accordance with Pa.R.A.P. 3784(a) and 40 P.S. § 221.45 for this Court's approval.

9. In fulfilling her statutory requirements, the Liquidator carefully reviewed all documentation submitted by the claimants in support of the claims and independently determined the merit, classification and value of each claim, as required by the Act. See 40 P.S. §§ 221.37, 221.38, 221.44, 221.45.


10. Given the discretion afforded the Liquidator pursuant to 40 P.S. § 221.45(a) to "comport, compromise, or in any other manner negotiate the amount for which claims will be recommended to the court," the Liquidator believes that the classification and amounts she has determined for the reported claims are appropriate, fair and equitable and consistent with the relevant provisions of the Act. The Liquidator further believes that the approval of the claims listed in the attached Report is in the best interests of the FSSI estate, claimants and other creditors.

11. Pursuant to Pa.R.A.P. 3784(a) and 40 P.S. § 221.45(b), the Liquidator respectfully requests that this Court approve the classification and allowed amount of the claims listed in the Report and allow the Claimants listed in the Report or their lawful assignees to receive a distribution in accordance with 40.P.S. §221.44 at the time and in the manner as approved by this Court.

WHEREFORE, the Liquidator respectfully requests that this Court grant her Application and approve and allow the claims as listed in the Report attached as Exhibits A and B, enter an

Order in the form attached hereto, and grant such other relief as the Court shall determine appropriate and just.

Respectfully submitted:

By: 

Preston M. Buckman (I.D. No. 57570)
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Pennsylvania Insurance Department
Office of Liquidations, Rehabilitations
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(717) 787-6009

Attorney for Applicant, Teresa D. Miller,
Insurance Commissioner of the
Commonwealth of Pennsylvania, in her
Official Capacity as Liquidator of First
Sealord Surety, Inc. (In Liquidation)

Date: 

EXHIBIT A

Undisputed and Resolved Claims

Undisputed Claims

FIRST SEALORD SURETY COMPANY

Report Period: 01/01/2015 thru 12/31/2015

Name	Address	POC #	POC Received Dt	Claim Numbers	Class	Total Claimed Amt	Total Allowed Amt	Claim Particulars
ARKANSAS PROPERTY & CASUALTY, GUARANTY ASSOC	ARKANSAS PROPERTY & CASUALTY, GUARANTY ASSOC SUITE 2 1023 WEST CAPITOL AVENUE LITTLE ROCK, AR 72201	3	05/07/2012		A	78,423.54	78,423.54	GUARANTY ASSOC ADMIN
KENTUCKY INSURANCE GA (KYC)	KENTUCKY INSURANCE GA (KYC) 10605 SHELBYVILLE ROAD SUITE 101 LOUISVILLE, KY 40222	9	03/26/2012		A	15,540.65	15,540.65	GUARANTY ASSOC ADMIN
MICHIGAN PROPERTY, & CASUALTY GA (MIPCGA)	MICHIGAN PROPERTY, & CASUALTY GA (MIPCGA) P.O. BOX 531266 39810 GRAND RIVER AVENUE LIVONIA, MI 48375	15	08/24/2012		A	29,755.18	29,755.18	GUARANTY ASSOC ADMIN
NY PROPERTY/CASUALTY INS SF, (NYPCISF)	NY PROPERTY/CASUALTY INS SF, (NYPCISF) 123 WILLIAM STREET 2ND FLOOR NEW YORK, NY 10038	18	12/31/2012		A	365,324.00	365,324.00	GUARANTY ASSOC ADMIN
OREGON INSURANCE DIVISION	OREGON INSURANCE DIVISION 350 WINTER ST. NE P O BOX 14480 SALEM, OR 97309-0405	1262	06/16/2014		A	7,742.10	0.00	GUARANTY ASSOC ADMIN
A+A SPRINKLER CO., INC.	A+A SPRINKLER CO., INC. SUITE D 205 PRAIRIE LK RD EAST DUNDEE, IL 60118	114	03/02/2012	11-00021	E	2,215.55	95.67	P&C THIRD PARTY
ARKANSAS PROPERTY & CASUALTY, GUARANTY ASSOC	ARKANSAS PROPERTY & CASUALTY, GUARANTY ASSOC SUITE 2 1023 WEST CAPITOL AVENUE LITTLE ROCK, AR 72201	1	05/07/2012		E	603,771.45	416,746.95	GUARANTY ASSOC LOSS
BAKER CORPORATION	BAKER CORPORATION 3020 OLD RANCH PKWY SEAL BEACH, CA 90740	293	03/26/2012	11-00852	E	14,240.00	6,240.84	P&C THIRD PARTY
BONITZ FLOORING GROUP INC	BONITZ FLOORING GROUP INC 645 ROSEWOOD DR COLUMBIA, SC 29201	688	07/16/2012	11-00867	E	67,390.00	0.00	P&C THIRD PARTY
CLEAR CUT CONCRETE CUTTING CO	CLEAR CUT CONCRETE CUTTING CO 3416 SAN BERNARDO SUITE C LAREDO, TX 78041	461	04/26/2012	12-00533	E	3,850.00	2,150.00	P&C THIRD PARTY
COMMERCIAL GLASS + MIRROR, INC	COMMERCIAL GLASS + MIRROR, INC 2317 CAMPBELL PARK RD COLUMBIA, TN 38401-4567	141	03/16/2012	11-00602	E	5,292.25	0.00	P&C THIRD PARTY
DOUGLAS STEEL SUPPLY CO	DOUGLAS STEEL SUPPLY CO 5764 ALCOA AVE VERNON, CA 90058	308	04/02/2012	12-00071	E	14,403.35	14,386.18	P&C THIRD PARTY
E J PLUMBING INC	E J PLUMBING INC 3422 N ODELL AVE CHICAGO, IL 60634	472	04/26/2012	11-00463	E	15,361.07	0.00	P&C THIRD PARTY
EGIZI ELECTRIC INC, A DIV OF EEI HOLDING CORP	EGIZI ELECTRIC INC, A DIV OF EEI HOLDING CORP 700 N MACARTHUR BLVD SPRINGFIELD, IL 62702	316	04/10/2012		E	125,000.00	0.00	GEN CRED

EGIZII ELECTRIC INC., A DIV OF EEI HOLDING CORP 700 N MACARTHUR BLVD SPRINGFIELD, IL 62702	517	04/10/2012	E	100,000.00	0.00	GEN CRED
FIDALGO PAVING & CONSTRUCTION 16825 45 ROAD ARLINGTON, WA 98223	357	03/19/2012 12-00503	E	2,000.00	876.52	P&C THIRD PARTY
GRAYBAR ELECTRIC COMPANY INC P O BOX 40578 CHARLESTON, SC 29423	291	03/26/2012 12-00043	E	19,147.07	0.00	P&C THIRD PARTY
GRAYBAR ELECTRIC COMPANY INC P O BOX 40578 CHARLESTON, SC 29423	765	08/17/2012 12-00582	E	54,365.07	0.00	P&C THIRD PARTY
GREATAMERICA LEASING CORP P.O. BOX 609 CEDAR RAPIDS, IA 52406	99	03/05/2012	E	5,274.13	4,674.13	GEN CRED
HD SUPPLY ELECTRICAL, LTD 501 WEST CHURCH ST ORLANDO, FL 32805	102	03/05/2012 12-00018	E	262,409.75	33,820.79	P&C THIRD PARTY
HUNT GOMEZ A JOINT VENTURE 7690 UNIVERSAL BLVD S #250 ORLANDO, FL 32819	1004	10/05/2012 11-00414	E	0.00	453,042.29	P&C INSURED
IWT TRANSPORT INC 306 RAMAPO VALLEY RD SUITE 2 OAKLAND, NJ 07436	341	04/09/2012 11-00828	E	4,248.00	3,949.62	P&C THIRD PARTY
KENTUCKY INSURANCE GA (KYC) 10605 SHELBYVILLE ROAD SUITE 101 LOUISVILLE, KY 40222	7	03/26/2012	E	859,626.38	559,148.73	GUARANTY ASSOC LOSS
KENTUCKY INSURANCE GA (KYC) 10605 SHELBYVILLE ROAD SUITE 101 LOUISVILLE, KY 40222	8	03/26/2012	E	0.00	0.00	GUARANTY ASSOC UEP
LARSON PLUMBING & UTILITY CO P O BOX 10709 CORPUS CHRISTIE, TX 784600709	814	09/14/2012 11-00283	E	15,320.20	5,341.01	P&C THIRD PARTY
LIQUIDITY SOLUTIONS INC ONE UNIVERSITY PLAZA SUITE 312 HACKENSACK, NJ 07601	860	09/26/2012 11-00944	E	18,515.35	17,214.82	P&C THIRD PARTY
LIQUIDITY SOLUTIONS, INC. ONE UNIVERSITY PLAZA SUITE 312 HACKENSACK, NJ 07601	960	10/04/2012 11-00906	E	154,709.67	154,055.02	P&C INSURED
LIQUIDITY SOLUTIONS, INC. ONE UNIVERSITY PLAZA SUITE 312 HACKENSACK, NJ 07601	961	10/04/2012 11-00907	E	511,933.73	510,335.23	P&C INSURED
LIQUIDITY SOLUTIONS, INC. ONE UNIVERSITY PLAZA SUITE 312 HACKENSACK, NJ 07601	315	04/02/2012 11-00775	E	27,500.00	21,977.04	P&C THIRD PARTY
M.B. KAHN CONST CO., INC P.O. BOX 1179 COLUMBIA, SC 29202	1007	10/04/2012 10-00638	E	97,222.00	0.00	P&C INSURED
MANLEY'S CARPET SUPPLIES AND SERVICE INC 65 RAILROAD AVE WEST HAVEN, CT 06516	703	07/26/2012 11-00464	E	16,435.65	15,297.32	P&C THIRD PARTY
MICHIGAN PROPERTY, & CASUALTY GA (MPCGA) P.O. BOX 531266 39810 GRAND RIVER AVENUE LIVONIA, MI 48375	14	08/24/2012	E	0.00	0.00	GUARANTY ASSOC UEP
MICHIGAN PROPERTY, & CASUALTY GA (MPCGA) P.O. BOX 531266	13	08/24/2012	E	283,391.30	282,502.33	GUARANTY ASSOC LOSS

MONTGOMERY HARDWARE CO	39810 GRAND RIVER AVENUE LIVONIA, MI 48375	602	06/15/2012	12-00560	E	11,402.50	0.00	P&C THIRD PARTY
NETWORK CABLING SERVICES INC	MONTGOMERY HARDWARE CO 8777 LANYARD COURT RANCHO CUCAMONGA, CA 91730	778	08/28/2012	11-00628	E	9,550.00	8,376.01	P&C THIRD PARTY
NY LIQUIDATION BUREAU	NY LIQUIDATION BUREAU ADMINISTRATOR OF PROPERTY/CASUALTY SECURITY FUND 110 WILLIAM STREET NEW YORK, NY 10038	1078	10/05/2012		E	0.00	0.00	GUARANTY ASSOC LOSS
NY PROPERTY/CASUALTY INS SF, (NYPCISF)	NY PROPERTY/CASUALTY INS SF, (NYPCISF) 123 WILLIAM STREET NEW YORK, NY 10038	16	02/06/2012		E	475,920.28	780,054.12	GUARANTY ASSOC LOSS
PAINTERS COMBINED FUNDS OF	PAINTERS COMBINED FUNDS OF GEM GROUP 6009 OXON HILL RD OXON HILL, MD 20745	1038	10/04/2012	12-00659	E	35,845.96	13,485.45	P&C THIRD PARTY
PALMETTO CORP OF CONWAY	PALMETTO CORP OF CONWAY P O BOX 346 CONWAY, SC 29528	543	06/01/2012	12-00550	E	27,431.40	0.00	P&C THIRD PARTY
PASCH & SONS CONSTRUCTION CO.	PASCH & SONS CONSTRUCTION CO. 680 SUMMIT DRIVE LOCKPORT, IL 60441	832	09/21/2012	11-00596	E	17,179.50	4,172.95	P&C THIRD PARTY
PR SYSTEMS, INC.	PR SYSTEMS, INC. 8351 30TH AVE NE LACEY, WA 98516	136	03/09/2012	11-00396	E	33,492.50	0.00	P&C THIRD PARTY
RANGER CONSTRUCTION INDUSTRIES	RANGER CONSTRUCTION INDUSTRIES P O BOX 15065 WEST PALM BEACH, FL 33416	491	04/30/2012	11-00946	E	107,541.75	0.00	P&C THIRD PARTY
RESOURCE ACQUISITION, & MANAGEMENT SERVICES	RESOURCE ACQUISITION, & MANAGEMENT SERVICES 12902 COMMODITY PLACE TAMPA, FL 33626	1089	04/03/2012	12-00506	E	0.00	28,939.99	P&C INSURED
ROOFING SUPPLY GROUP -SOUTHERN CA	ROOFING SUPPLY GROUP -SOUTHERN CA 2734 SOUTH SUSAN STREET SANTA ANA, CA 92704	937	10/01/2012	12-00026	E	23,225.52	23,197.83	P&C THIRD PARTY
ROSE TALBERT PAINT CO	ROSE TALBERT PAINT CO P O BOX 2658 WEST COLA, SC 29171	344	04/09/2012	12-00044	E	14,775.96	0.00	P&C THIRD PARTY
SOFTCHOICE CORPORATION	SOFTCHOICE CORPORATION 173 DUFFERIN ST SUITE 200 TORONTO, ON M4X 1H4 CANADA	332	03/26/2012		E	4,133.59	0.00	GEN CRED
SPIRELLI ELECTRIC INC	SPIRELLI ELECTRIC INC 990 EAST MAIN STREET SHRUB OAK, NY 10588	665	06/29/2012	11-00552	E	2,410.00	2,243.00	P&C THIRD PARTY
SUNBELT RENTALS	SUNBELT RENTALS 1004 HICKORY HILL LANE UNIT 1 HERMITAGE, TN 37076	298	03/29/2012	11-00467	E	100,002.81	79,918.77	P&C THIRD PARTY
THE GARLAND CO INC	THE GARLAND CO INC 3800 E 91ST STREET CLEVELAND, OH 44105	309	03/26/2012	12-00041	E	186,224.91	129,969.21	P&C THIRD PARTY
TITAN VIRGINIA READY MIX LLC	TITAN VIRGINIA READY MIX LLC P O BOX 7892 RICHMOND, VA 232317892	901	10/02/2012	11-00207	E	38,013.47	0.00	P&C THIRD PARTY
UNITED RENTALS NORTHWEST INC	UNITED RENTALS NORTHWEST INC 450 GLASS LANE SUITE C MODESTO, CA 95356	475	04/20/2012	11-00478	E	11,747.85	5,148.63	P&C THIRD PARTY

UNUM	UNUM OLIVER MURRAY, C475 2211 CONGRESS STREET PORTLAND, ME 04122	753	08/20/2012	10-00388	E	78,312.71	0.00	P&C INSURED
WASTE MNGMNT NAT SRVCS, INC	WASTE MNGMNT NAT SRVCS, INC 2625 W GRANDVIEW RD #150 PHOENIX, AZ 85023	131	03/09/2012	11-00270	E	27,470.65	12,039.33	P&C THIRD PARTY
WHITE CRANE COMPANY, INC.	WHITE CRANE COMPANY, INC. 3414 AUGUSTA RD W COLUMBIA, SC 29170	26	02/22/2012	12-00021	E	27,062.50	0.00	P&C THIRD PARTY
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EXHIBIT B

Undisputed and Resolved Claims Report

Resolved Claims

FIRST SEALORD SURETY COMPANY

Report Period: 01/01/2015 thru 12/31/2015

Name	Address	POC #	POC Received Dt	Claim Numbrs	Class	Total Claimed Amt	Total Allowed Amt	Claim Particulars
CRITTENDEN HEALTH SYSTEM	CRITTENDEN HEALTH SYSTEM 520 W GUM STREET MARION, KY 42064	907	10/02/2012	11-00595	E	735,898.00	100,000.00	P&C INSURED
LEON E. WINTERMYER CO., INC.	LEON E. WINTERMYER CO., INC. MCNEES WALLACE & NURICK LLC 100 PINE STREET P O BOX 1166 HARRISBURG, PA 17108	1180	10/05/2012		E	270,494.35	66,706.00	GEN CRED

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 1 Pa. Code Chapter 33 in the following manner:

Service by first-class mail, addressed as follows:

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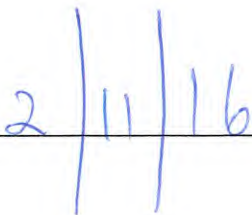
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Attorney for Teresa D. Miller, Insurance
Commissioner of the Commonwealth of
Pennsylvania, in her official capacity as Statutory
Liquidator of FSSI

Dated: _____



IN THE COMMONWEALTH COURT OF PENNSYLVANIA

IN RE: First Sealord Surety, Inc., :
In Liquidation : No. 1 FSS 2012

RE: Liquidator's Report and Recommendations on First Sealord Surety, Inc. Claims
Undisputed and Resolved from January 1, 2015 to December 31, 2015.

ORDER

AND NOW, this ____ day of _____, 2016, upon consideration of the Liquidator's Application for Approval of Report and Recommendations on First Sealord Surety, Inc. Claims Undisputed and Resolved from January 1, 2015 to December 31, 2015 ("Application"), it is hereby ORDERED and DECREED:

1. The Application is GRANTED and the claims listed in the Report and Recommendations on First Sealord Surety, Inc. Claims Undisputed and Resolved from January 1, 2015 to December 31, 2015 ("Report") are APPROVED and ALLOWED both as to classification and amount as listed;

2. The Report is incorporated herein by reference; and

3. The Claimants listed in the Report or their lawful assignees shall receive a distribution in accordance with 40.P.S. §221.44 at the time and in the manner as approved by this Court.

BONNIE BRIGANCE LEADBETTER, Judge



COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF GENERAL COUNSEL

February 11, 2016

Michael F. Krimmel, Chief Clerk
Commonwealth Court of Pennsylvania
601 Commonwealth Avenue, Suite 2100
P.O. Box 69185
Harrisburg, PA 17120-9185

***Re: In Re: First Sealord Surety, Inc. (In Liquidation)
No. 1 FSS 2012***

Dear Mr. Krimmel:

Attached please find the Liquidator's Application for Approval of Report and Recommendations on First Sealord Surety, Inc. Claims Undisputed and Resolved from January 1, 2015 to December 31, 2015, with regard to the above-referenced liquidation.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in blue ink, reading "Preston M. Buckman".

Preston M. Buckman
Insurance Department Counsel

PMB:drh

Enclosures