

1. The Applicant Insurance Commissioner of the Commonwealth of Pennsylvania was appointed Liquidator of Legion pursuant to this Court's Order dated July 25, 2003 ("Liquidation Order"), under the relevant provisions of the Insurance Department Act of 1921, 40 P.S. §§ 221.1 - 221.63 (the "Act").

2. The Liquidation Order provided that “in addition to the notice requirements of Section 524 of Article V, 40 P.S. §221.24, the Liquidator shall publish notice in newspapers of general circulation, where Legion has its principal place of business, and in the national edition of the *Wall Street Journal*, 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, ¶18. By the end of the third quarter of 2003, the Liquidator provided Proof of Claim (“POC”) forms and instructions to policyholders and creditors of Legion as identified by the books and records of Legion. Additionally, since the fourth quarter of 2004, the POC forms and instructions have been available on the Legion Documents website at [www.legioninsurance.com](http://www.legioninsurance.com).

3. On July 30, 2012, the Court implemented new rules to govern insurance rehabilitations and liquidations and all other matters under Article V of the Act. See Pa. R.A.P. 3771 - 3784 (the “New Rules”). The New Rules require that the Liquidator present to the Court a report of the Liquidator’s recommendations with respect to each Proof of Claim. The Report shall include the following: the claimant’s name, address, class, and the particulars of the claim, including whether the value of the claim was determined without objection (hereinafter referred to as “Undisputed Claims”) or after settlement or Court resolution of an objection (hereinafter referred to as “Resolved Claims”).<sup>1</sup> Additionally, the Report shall include the amount of the claim finally recommended. See Pa. R.A.P. 3784(a), See also 40 P.S. § 221.45(a).

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<sup>1</sup>Pursuant to an earlier Claims Order, earlier reports did not include NOD objections resolved through the referee process since they were approved by the Court through individual orders. Effective July 1, 2012, such NOD objections are included in the Report in accordance with the new Commonwealth Court Rule 3784(a).



4. The New Rules further provide that “[n]o claim shall be paid, in part or in whole, until the Report is approved by the Court.” Pa. R.A.P. 3784(a).

**REPORT AND RECOMMENDATIONS ON CLAIMS  
UNDISPUTED AND RESOLVED AS OF JUNE 30, 2016**

5. The Liquidator’s Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved from January 1, 2016 to June 30, 2016<sup>2</sup>, 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.<sup>3</sup>

6. A small number of the undisputed NODs listed in Exhibit A may actually be amended NODs issued to correct the class or allowed amount of a claim previously recommended by the Liquidator and approved by this Court. For example, if new information later comes to the attention of the claims evaluator which would alter the allowed amount or priority, an amended NOD is issued. The claimant then has an opportunity to object to the amended NOD. 40 P.S. § 221.45(b) of the Act authorizes the Liquidator to recommend and this Court to consider modifications of and to claims previously approved by the Court.

7. The first part of the Report, which addresses claims that were “determined without objection”, reflects NODs issued by the Liquidator for which the objection period expired on or before June 30, 2016. The total number of Undisputed Claims is 10 with an allowed amount of \$471,736.00. The list of Undisputed Claims filed against the assets of the Legion estate is attached hereto as Exhibit A.

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<sup>2</sup>The Liquidator has filed nineteen previous Reports and Recommendations on Legion Insurance Company Claims Undisputed and Resolved with the latest one being approved by Court order dated March 18, 2016.

<sup>3</sup>If the claimant did not indicate a specific claim amount on the Proof of Claim, the claimed amount is noted as \$0.

8. The second part of the Report, which addresses claims that were “determined after settlement of an objection” or through the Court/Referee process, is a list of the disputed claims to which objections were filed and resolved on or before June 30, 2016. The total number of Resolved Claims is 1, with an allowed amount of \$133,333.33. The list of Resolved Claims is attached hereto as Exhibit B.

9. In accordance with the New Rules, the Liquidator has included NOD objections that have been resolved through the Court/Referee process, if any, as well as those resolved through settlement by the Liquidator and the claimants. See Pa.R.A.P. 3784(a). Exhibit B now includes an additional column entitled “Final Resolution”. The Final Resolution column will be populated with a numeric code to identify the method of resolution. As applicable, the codes utilized are described as:

- 1 – Withdrawn (original NOD maintained)
- 2 – Settlement (amended NOD issued)
- 3 – Referee’s Recommended Decision with no exceptions filed - sustained by final Court Order
- 4 – Referee’s Recommended Decision with no exceptions filed - altered by final Court Order
- 5 – Referee’s Recommended Decision with exceptions filed - sustained by final Court Order
- 6 – Referee’s Recommended Decision with exceptions filed - altered by final Court Order
- 7 – Supreme Court Order
- 8 – Court Dismissed. No Referee Assigned.

10. As set forth in Exhibits A and B, the Liquidator respectfully submits her recommendations for a total of 11 claims with a total allowed amount of \$605,069.33<sup>4</sup> in accordance with and pursuant to Pa. R.A.P. 3784(a) and 40 P.S. § 221.45 for this Court’s approval.

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<sup>4</sup>For purposes of this Report, the Class A claims are costs incurred and paid as administrative expenses; therefore, the NOD reflects a value of \$0. In addition, the majority of Class B claims are claims that are the responsibilities of guaranty associations. Therefore, the NOD reflects a value of \$0.



11. A NOD has been issued in the resolved category referencing an allowed amount subject to a policy aggregate limit. In these cases, the NOD states that the allowed amount of the claim is subject to 40 P.S. §221.40(d) which requires that if "...the aggregate allowed amount of the claims to which the same limit of liability in the policy is applicable exceeds that limit, then each claim as allowed shall be reduced a proportionate amount so that the total equals the policy limit." The NOD recommended in this report is submitted subject to 40 P.S. § 221.40(d).

12. 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.

13. 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 and the New Rules. The Liquidator further believes that the approval of the claims listed in the attached Report is in the best interests of the Legion estate, policyholders, claimants and other creditors.

14. 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. In accordance with Rule 3784(a), upon approval of the claims listed in the Report the claimants or their lawful assignees will become eligible to receive a *pro rata* distribution of assets from the estate of Legion in the event that a distribution is made to the claimant's class of creditors.

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,



Preston M. Buckman (I.D. No. 57570)  
Insurance Department Counsel  
Governor's Office of General Counsel  
Office of Liquidations, Rehabilitations  
and Special Funds  
901 North 7<sup>th</sup> Street  
Harrisburg, PA 17102  
(717) 787-6009

Counsel for Teresa D. Miller, Insurance  
Commissioner of the Commonwealth of  
Pennsylvania, in her official capacity as  
Statutory Liquidator of Legion Insurance  
Company (In Liquidation)

Dated: \_\_\_\_\_

7/27/16

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re Legion Insurance Company  
(In Liquidation)

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Docket No. 1 LEG 2002

VERIFICATION OF ROBERT HABERLE IN SUPPORT OF THE  
APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS  
ON LEGION INSURANCE COMPANY CLAIMS UNDISPUTED AND  
RESOLVED AS OF JUNE 30, 2016

I, **ROBERT HABERLE**, hereby depose and state as follows:

1. I am Chief Liquidation Officer of Legion Insurance Company (In Liquidation) (“the Estate”), and am responsible for overseeing its daily business operations.
2. I have reviewed the Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved as of June 30, 2016 (“the Report”).
3. Based on my knowledge, the claims information included in the Report fairly presents in all material respects the status of Legion Insurance Company Claims Undisputed and Resolved as of June 30, 2016.
4. My certification is made in reasonable reliance on the work of qualified staff and the Estate’s internal procedures for claims operations.
5. I verify that the matters stated therein are true and correct to the best of my

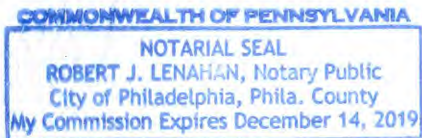


knowledge, information and belief, and make these statements subject to the penalties of  
18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

  
\_\_\_\_\_  
ROBERT HABERLE

Sworn to and subscribed before me  
this 20 th day of July, 2016.

  
\_\_\_\_\_  
NOTARY PUBLIC





# **EXHIBIT A**

Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2016 to 7/1/2016  
As of 7/13/2016 at 10:12 AM

Total Number of Undisputed Claims	Total Amount Claimed	Total Amount Allowed	Total Change/Difference
10	\$0.00	\$471,736.00	-\$471,736.00

Reference Number: 1ae93134-3a6d-4780-a83e-cb939c422bb0



# Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2016 to 7/1/2016 As of 7/13/2016 at 10:12 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
A Schulman, Inc.	Nicholas Croy A Schulman, Inc. 3637 Ridgewood Road Fairlawn, OH 44333	1369413	6/24/2005	34710-79171	B	1369413-3	\$0.00	\$0.00	No value has been allowed for your claim because the allowed amounts of previous (NODs) #1369413-1 and 1369413-2 fully cover what is owed to you for the Billy Lee claim.
<p>Pursuant to the Statement of Understanding with TPCIGA and Legion, you are obligated to make net worth reimbursements to TPCIGA only for payments issued through 5/31/2015 and have no further obligation for payments issued after that date. The final evaluation of the amount owed to you in excess of the large deductible for those reimbursements to TPCIGA on the Lee claim is less than the amounts previously allowed on NODs #1369413-1 and 1369413-2. The excess allowed amount has been applied as a credit on NOD #1369433-2 issued for the Arnold Gaytan claim.</p>									

# Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2016 to 7/1/2016 As of 7/13/2016 at 10:12 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Adams, Robert & Sandra	Robert & Sandra Adams 340 Water View Way Folsom, CA 95630	1389013	10/26/2011	000000807798 000000808876	B	1389013-4	\$0.00	\$78,289.06	The amount allowed represents the remaining available policy limits under endorsement 461392 (Certain Criminal or Civil Proceedings Defense Costs Coverage), policy # CP3-0083428.
Amsterdam Hospitality Group & Jenna's Place, LLC	Amsterdam Hospitality Group & Jenna's Place, LLC c/o Weg and Myers, P.C. Federal Plaza - 2nd Floor 52 Duane Street New York, NY 10007	1389131	7/24/2015	00E4007	B	1389131-2	\$0.00	\$0.00	The amount allowed represents the remaining available policy limits under endorsement 461392 (Certain Criminal or Civil Proceedings Defense Costs Coverage), policy # CP4-0083428.
									No value has been allowed for your claim because the claim is being handled directly by the New York Liquidation Bureau which has agreed to issue final settlement sums in accordance with the recently executed release, the Stipulation of Settlement, and the Stipulation of Discontinuance with Prejudice for case # 601188/2001, Caption: Jenna's Place LLC d/b/a The Moderne and Tri-Boro Apple Inc. v. Legion Insurance Company.



# Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2016 to 7/1/2016 As of 7/13/2016 at 10:12 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Dart Container Corporation	September Wynne Dart Container Corporation 500 Hogsback Road Mason, MI 48854	1379561	6/30/2005	000000808716	B	1379561-4	\$0.00	\$0.00	No value has been allowed for your claim because this Notice of Determination is to address any amounts that would have been owed to the insured for post-liquidation self-funded payments if the aggregate deductible had been exceeded for policy numbers WC1-0030423 and XS1-0000003, effective 4/1/1996 to 4/1/1997. However, all claims impacting the aggregate deductible have been resolved, commuted or exceeded the large deductible, and the combined total paid within the deductible is less than the aggregate deductible. Therefore, no value has been allowed.
Dart Container Corporation	September Wynne Dart Container Corporation 500 Hogsback Road Mason, MI 48854	1379547	6/30/2005	000000808715	B	1379547-4	\$0.00	\$100,338.02	Your Proof of Claim has been accepted for the amount of your net worth reimbursements to the state guaranty association(s) in excess of the aggregate deductible for claims against policy WC1-1417658, effective 4/1/2000 to 4/1/2001.

# Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2016 to 7/1/2016 As of 7/13/2016 at 10:12 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
On Assignment Inc.	Eric Radke On Assignment Inc. 26745 Malibu Hills Road Calabasas, CA 91301	1375201	6/27/2005	020850000223000	B	1375201-3	\$0.00	\$6,496.15	The amount of your net worth loss reimbursements to the Virginia Property & Casualty Insurance Guaranty Association (VPCIGA) after 12/31/2014 for the Jamie Fisher claim has been accepted. Pursuant to the Statement of Understanding with VPCIGA and Legion, you are obligated to make net worth reimbursements to VPCIGA only for payments issued through 10/31/2015 and have no further obligation for payments issued after that date. This allowed amount is in addition to the amount previously allowed for the Fisher claim on Notice of Determination # 1375201-1, which was for net worth reimbursements through 12/31/2014.



# Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2016 to 7/1/2016 As of 7/13/2016 at 10:12 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Palm Harbor Homes, Inc.	Palm Harbor Homes, Inc. Alvarez & Marsal Brian Cejka 2100 Ross Avenue, 21st Floor Dallas, TX 75201	1383145	7/25/2005	23408-43956	B	1383145-6	\$0.00	\$1,850.64	The amount of the net worth loss reimbursements to the North Carolina Insurance Guaranty Association (NCIGA) for the Bobby Hash WC claim, including payments issued by Palm Harbor Homes prior to entering bankruptcy proceedings as well as distributions by the Palm Harbor Homes Liquidating Trust to NCIGA, has been accepted. This Notice of Determination (NOD) represents reimbursements to NCIGA since 11/1/2015 and is in addition to the amounts previously allowed for the Hash claim on Notices of Determination # 1383145-1, 1383145-3 and #1383145-5, which were for net worth reimbursements through 10/31/2015.

# Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2016 to 7/1/2016 As of 7/13/2016 at 10:12 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Servpro of Virginia Beach Inc.	Servpro of Virginia Beach Inc. c/o Paul R Schmidt Poole Brooke Plumlee PC 4705 Columbus Street Virginia Beach, VA 23462-6749	1389139	7/28/2015	0000000808986	B	1389139-1	\$0.00	\$0.00	No value has been allowed for your claim because the last day of alleged injurious exposure for Gail Kuhrt, as per her deposition, was prior to the effective date of your workers compensation coverage with Legion Insurance Company. Therefore, the claim is not covered by your Legion policy.



# Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2016 to 7/1/2016 As of 7/13/2016 at 10:12 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
VonWin Capital Management, L.P.	Michael Winschuh VonWin Capital Management, L.P. 261 Fifth Avenue, 22nd Floor New York, NY 10016	1389041	1/9/2012	0000001052	B	1389041-3	\$0.00	\$251,762.13	The amount of your net worth loss reimbursements to the Virginia Property & Casualty Insurance Guaranty Association (VPCI GA) after 2/28/2013 for the Charles Bays claim has been accepted. Pursuant to the Statement of Understanding with VPCI GA and Legion, you are obligated to make net worth reimbursements to VPCI GA only for payments issued through 10/31/2015 and have no further obligation for payments issued after that date. This allowed amount is in addition to the amounts previously allowed for the Bays claim on Notices of Determination # 1389041-1 and # 1389041-2, which were for net worth reimbursements through 2/28/2013.

Legion Company (in Liquidation) Undisputed Claims Report for 1/1/2016 to 7/1/2016  
As of 7/13/2016 at 10:12 AM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Marine Builders Inc	Marine Builders Inc c/o Robert P Herre P.O. Box 384 Goshen, KY 40026	1389147	7/28/2015	000000805574	G	1389147-1	\$0.00	\$33,000.00	The amount stated on your Proof of Claim (POC) has been accepted. The creditor classification has been subordinated to "G" because the POC was not filed by the 6/30/2005 filing deadline and was not timely filed once the amount of the claim became absolute.

## **EXHIBIT B**



Legion Company (in Liquidation) Resolved Claims Report for 1/1/2016 to 7/1/2016  
As of 7/13/2016 at 10:12AM

Total Number of Resolved Claims	Total Amount Claimed	Total Amount Allowed	Total Change/Difference
1	\$1,000,000.00	\$133,333.33	\$866,666.67

- 1 = Withdrawn (original NOD maintained)  
2 = Settlement (amended NOD issued)  
3 = Referee's Recommended Decision with no exceptions filed - sustained by final Court Order  
4 = Referee's Recommended Decision with no exceptions filed - altered by final Court Order  
5 = Referee's Recommended Decision with exceptions filed - sustained by final Court Order  
6 = Referee's Recommended Decision with exceptions filed - altered by final Court Order  
7 = Supreme Court Order  
8 = Court Dismissed. No Referee Assigned.

# Legion Company (in Liquidation) Resolved Claims Report for 1/1/2016 to 7/1/2016

As of 7/13/2016 at 10:12 AM

Claimant	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars	Docket #	Final Resolution
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Adams, Charles  
 Groder and Associates  
 c/o Donna V. Groder, Esq  
 2223 Quail Run Drive  
 Suite B-1  
 Baton Rouge LA 70808

Settled per agreement

\$133,333.33

1331435-1

B

0489900027

3/24/2004

1331435

Groder and Associates

c/o Donna V. Groder, Esq

2223 Quail Run Drive

Suite B-1

Baton Rouge LA 70808

- 1 = Withdrawn (original NOD maintained)
- 2 = Settlement (amended NOD issued)
- 3 = Referee's Recommended Decision with no exceptions filed - sustained by final Court Order
- 4 = Referee's Recommended Decision with no exceptions filed - altered by final Court Order
- 5 = Referee's Recommended Decision with exceptions filed - sustained by final Court Order
- 6 = Referee's Recommended Decision with exceptions filed - altered by final Court Order
- 7 = Supreme Court Order.
- 8 = Court Dismissed. No Referee Assigned.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Legion Insurance Company :  
(In Liquidation) : No. 1 LEG 2002

RE: Liquidator's Report and Recommendations on Legion Insurance Company Claims  
Undisputed and Resolved from January 1, 2016 to June 30, 2016

## ORDER

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 2016, upon consideration of the Liquidator's Application for Approval of Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved from January 1, 2016 to June 30, 2016 ("Application"), it is hereby ORDERED and DECREED:

1. The Application is GRANTED and the claims listed in the Report and Recommendations on Legion Insurance Company Claims Undisputed and Resolved as of January 1, 2016 to June 30, 2016 ("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 under the Order of February 27, 2012, and any subsequent Orders.

MARY HANNAH LEAVITT, President Judge