

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

In Re: Villanova Insurance Company :
(In Liquidation) : No. 1 VIL 2002

**APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS
ON VILLANOVA INSURANCE COMPANY CLAIMS UNDISPUTED AND RESOLVED
FROM JULY 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 Villanova Insurance Company (“Villanova”), in compliance with and 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 Villanova Insurance Company Claims Undisputed and Resolved from July 1, 2015 to December 31, 2015 (the “Report” as more fully described below). In support of the Application, the Liquidator avers the following:

BACKGROUND

1. The Applicant Insurance Commissioner of the Commonwealth of Pennsylvania was appointed Liquidator of Villanova 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 Villanova 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 Villanova as identified by the books and records of Villanova. Additionally, since the fourth quarter of 2004, the POC forms and instructions have been available on the Legion Documents website at 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”).¹ 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).

¹Pursuant 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 DECEMBER 31, 2015**

5. The Liquidator’s Report and Recommendations on Villanova Insurance Company Claims Undisputed and Resolved from July 1, 2015 to December 31, 2015² 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.³

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 December 31, 2015. The total number of Undisputed Claims is 12 with an allowed amount of \$55,805.89. The list of Undisputed Claims filed against the assets of the Villanova estate is attached hereto as Exhibit A.

²The Liquidator has filed seventeen previous Reports and Recommendations on Villanova Insurance Company Claims Undisputed and Resolved with the latest one being approved by Court order dated March 6, 2015.

³If 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 December 31, 2015. The total number of Resolved Claims is 0, with an allowed amount of \$0.00. 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 12 claims with a total allowed amount of \$55,805.89⁴ in

⁴For 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.

accordance with and pursuant to Pa. R.A.P. 3784(a) and 40 P.S. § 221.45 for this Court's approval.

11. 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.

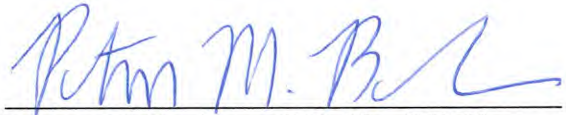
12. Given the discretion afforded the Liquidator pursuant to 40 P.S. § 221.45(a) to "comport, compromise, or in any other manner negotiate the amount for which claims will be recommended to the court", the Liquidator believes that the classification and amounts she has determined for the reported claims 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 Villanova estate, policyholders, claimants and other creditors.

13. 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 Villanova in the event that a distribution is made to 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 7th 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 Villanova Insurance
Company (In Liquidation)

Dated: _____

2 / 4 / 16

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

**In Re: Villanova Insurance Company
(In Liquidation)**

:
:
:
:
:
:
:
:
:
:

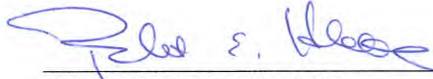
Docket No. 1 VIL 2002

**VERIFICATION OF ROBERT HABERLE IN SUPPORT OF THE
APPLICATION FOR APPROVAL OF REPORT AND RECOMMENDATIONS
ON VILLANOVA INSURANCE COMPANY CLAIMS
UNDISPUTED AND RESOLVED AS OF DECEMBER 31, 2015**

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

1. I am Chief Liquidation Officer of Villanova Insurance Company (In Liquidation) (“the Estate”), and am responsible for overseeing its daily business operations.
2. I have reviewed the Report and Recommendations on Villanova Insurance Company Claims Undisputed and Resolved as of December 31, 2015 (“the Report”).
3. Based on my knowledge, the claims information included in the Report fairly presents in all material respects the status of Villanova Insurance Company Claims Undisputed and Resolved as of December 31, 2015.
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 6 th day of JAN., 2016.



NOTARY PUBLIC

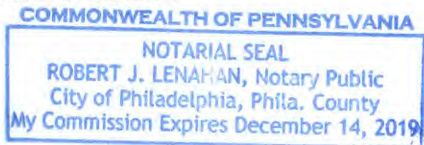


EXHIBIT A

Villanova Company (in Liquidation) Undisputed Claims Report for 7/1/2015 to 1/1/2016
As of 1/7/2016 at 2:43 PM

Total Number of Undisputed Claims	Total Amount Claimed	Total Amount Allowed	Total Change/Difference
12	\$83,601,525.00	\$55,805.89	\$83,545,719.11

Reference Number: 6b1f4eee-d213-4555-bb68-1da345c65eef

Villanova Company (in Liquidation) Undisputed Claims Report for 7/1/2015 to 1/1/2016
 As of 1/7/2016 at 2:43 PM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Acosta, Ricardo	Ricardo Acosta c/o David H Gendelman Esquire 49 West 37th Street 9th Floor New York, NY 10018	1389119	6/30/2015	M 1-00APO-00008	B	1389119-1	\$31,000,000.00	\$0.00	No value has been allowed for your claim because it is being handled directly by the New York Liquidation Bureau (NYLB). Any sums to which you may be entitled will be considered by the NYLB. This determination concerns the matter entitled Ricardo Acosta and Gustavo Acosta vs. Josco Realty Co., LLC, 1452 Beach Avenue Real Estate Inc., Huffly Sports and TOYS R US, Bronx County, Supreme Court of New York, Index # 015363/1999.

Villanova Company (in Liquidation) Undisputed Claims Report for 7/1/2015 to 1/1/2016
 As of 1/7/2016 at 2:43 PM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Duck River Electric Membership Corporation	Michael Watson Duck River Electric Membership Corporation PO Box 89 Shelbyville, TN 37160	439107	1/8/2004	107577	B	439107-9	\$0.00	\$4,408.76	The amount of your net worth expense reimbursements to the Tennessee Insurance Guaranty Association (TIGA) for the Tommy Mealer claim after 10/31/2012, including the commuted amount to resolve future obligations to TIGA, has been accepted. Your loss reimbursements to TIGA after 10/31/2012 will be addressed separately in Notice of Determination #439107-8. This is in addition to the amounts previously allowed on Notices of Determination #439107-5, #439107-6 and #439107-7.

Villanova Company (in Liquidation) Undisputed Claims Report for 7/1/2015 to 1/1/2016
As of 1/7/2016 at 2:43 PM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Duck River Electric Membership Corporation	Michael Watson Duck River Electric Membership Corporation PO Box 89 Shelbyville, TN 37160	439107	1/8/2004	107577	B	439107-8	\$0.00	\$49,872.13	The amount of your net worth loss reimbursements to the Tennessee Insurance Guaranty Association (TIGA) for the Tommy Mealer claim after 10/31/2012, including the Commuted amount to resolve future obligations to TIGA, has been accepted. Your expense reimbursements to TIGA after 10/31/2012 will be addressed separately in Notice of Determination #439107-9. This is in addition to the amounts previously allowed on Notices of Determination #439107-5, #439107-6 and #439107-7.
Lambert, Jennifer and Virginia	Jennifer and Virginia Lambert c/o Michael Stewart Frankel, Esquire The Michael Stewart Frankel Firm 275 Madison Avenue New York, NY 10016	1389121	6/23/2015	M 1-00APO-00023	B	1389121-1	\$52,000,000.00	\$0.00	No value has been allowed for your claim because it is being handled directly by the New York Liquidation Bureau (NYLB). Any sums to which you may be entitled will be considered by the NYLB. This determination concerns the matter entitled Jennifer Lambert and Guardian Virginia Lambert vs. Lida Bermeo, Greta Bermeo, Luis Bermeo, F&R Corp, et al., Kings County, Supreme Court of NY, Index # 049174/2002.

Villanova Company (in Liquidation) Undisputed Claims Report for 7/1/2015 to 1/1/2016
 As of 1/7/2016 at 2:43 PM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Law Office of Steven C Bury	Keanuu Ramirez Law Office of Steven C Bury 30 Glenn Street Suite 103 White Plains, NY 10603-3252	1389133	7/27/2015	M 1-00APO-00008	B	1389133-1	\$0.00	\$0.00	No value has been allowed for your claim because Keanuu Ramirez has agreed to settle all claims directly with the New York Liquidation Bureau associated with the Infant Compromise Order, Index # 24052-98. We have no record of any additional amounts owed to your client. No value has been allowed for your claim because The Legion/Villanova estates have no liability as to any pending and/or future claims.

Villanova Company (in Liquidation) Undisputed Claims Report for 7/1/2015 to 1/1/2016
 As of 1/7/2016 at 2:43 PM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
PETERSEN & DEAN INC	PETERSEN & DEAN INC c/o David Harris 88 Kearny Street, Suite 1818 San Francisco, CA 94108	1011755	6/29/2005	111	B	1011755-1	\$0.00	\$0.00	No value has been allowed for your claim because this Notice of Determination relates to the contingent Proof of Claim (POC) submitted in 2005 for policy number CP4-0298522. Our records reflect that the known claims under this policy have been addressed by state guaranty association(s) or by other available insurance or directly by Petersen Dean if the claim value was within the applicable policy deductible. Additionally, we have no record of any amounts owed to you under the Legion policy.

Villanova Company (in Liquidation) Undisputed Claims Report for 7/1/2015 to 1/1/2016
As of 17/2016 at 2:43 PM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
PETERSEN & DEAN INC	PETERSEN & DEAN INC c/o David A Harris 88 Kearny St., Suite 1818 San Francisco, CA 94108	1382573	6/29/2005	111	B	1382573-1	\$0.00	\$0.00	No value has been allowed for your claim because this Notice of Determination relates to the contingent Proof of Claim (POC) submitted in 2005 for policy number CP3-029852. Our records reflect that the known claims under this policy have been addressed by state guaranty association(s) or insurance or directly by Petersen Dean if the claim value was within the deductible. Additionally, we have no record of any amounts owed to you under the Legion policy.
Town & Country Roofing	Town & Country Roofing c/o Van De Poel, Levy & Allen, LLP 1600 S Main Plaza, Suite 325 Walnut Creek, CA 94596	1389085	4/9/2013	00000804098	B	1389085-1	\$0.00	\$0.00	No value has been allowed for your claim because the underlying claim captioned Hector & Melissa Alvarado, et al. v. Greystone Homes, Inc., case no. MSC0802580, Contra Costa County Superior Court of California, was resolved & dismissed in 2014. Our records indicate that Town & Country had other available insurance for this matter and no proofs for unpaid amounts were presented to Legion.

Villanova Company (in Liquidation) Undisputed Claims Report for 7/1/2015 to 1/1/2016
As of 1/7/2016 at 2:43 PM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Town & Country Roofing	Town & Country Roofing c/o Van De Poel, Levy & Allen, LLP 1600 S Main Plaza, Suite 325 Walnut Creek, CA 94596	1389087	4/9/2013	00000804099	B	1389087-1	\$0.00	\$0.00	No value has been allowed for your claim because the underlying claim captioned Hector & Melissa Alvarado, et al. v. Greystone Homes, Inc., case no. MSC0802580, Contra Costa County Superior Court of California, was resolved & dismissed in 2014. Our records indicate that Town & Country had other available insurance for this matter and no proofs for unpaid amounts were presented to Legion.
Town & Country Roofing	Town & Country Roofing c/o Van De Poel, Levy & Allen, LLP 1600 S Main Plaza, Suite 325 Walnut Creek, CA 94596	1389089	4/9/2013	00000804100	B	1389089-1	\$0.00	\$0.00	No value has been allowed for your claim because the underlying claim captioned Hector & Melissa Alvarado, et al. v. Greystone Homes, Inc., case no. MSC0802580, Contra Costa County Superior Court of California, was resolved & dismissed in 2014. Our records indicate that Town & Country had other available insurance for this matter and no proofs for unpaid amounts were presented to Legion.

Villanova Company (in Liquidation) Undisputed Claims Report for 7/1/2015 to 1/1/2016
As of 1/7/2016 at 2:43 PM

Claimant Name	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
Weintraub, Ronald	Ronald Weintraub c/o Steven C. Bury, Esquire Law Offices of Steven C. Bury 30 Glenn Street, Suite 103 White Plains, NY 10603	1389207	7/28/2015	M 1-00APO-00026	B	1389207-1	\$600,000.00	\$0.00	No value has been allowed for your claim because it is being handled directly by the New York Liquidation Bureau (NYLB). Any sums to which you may be entitled will be considered by the NYLB. This determination concerns the matter entitled Ronald Weintraub, et al. vs. Ramis Realty Corp., et al. New York County Supreme Court of NY, Index # 101378/2002.
Wyoming Department Insurance	Wyoming Department Insurance 106 E. 6th Avenue Cheyenne, WY 82002	1389115	5/18/2015		G	1389115-1	\$1,525.00	\$1,525.00	This Notice of Determination pertains to your claim for unpaid assessments for 2002. Your claim has been accepted for the above noted value. Your claim has received a priority of (g) because it was filed after the filing deadline of 6/30/05. Had it been filed timely, the priority of your claim would have been (f). We do not anticipate that there will be sufficient funds available to make payments to any class with priority below (b).

EXHIBIT B

Villanova Company (in Liquidation) Resolved Claims Report for 7/1/2015 to 1/1/2016
 As of 1/7/2016 at 2:43 PM

Total Number of Resolved Claims	Total Amount Claimed	Total Amount Allowed	Total Change/Difference
0	\$0.00	\$0.00	\$0.00

Reference Number: 6b1f4eee-d213-4555-bb68-1da345c65eef

- 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.

Villanova Company (in Liquidation) Resolved Claims Report for 7/1/2015 to 1/1/2016
 As of 1/7/2016 at 2:43 PM

Claimant	Address	POC Number	Date POC Filed	Claim Number	Class	NOD Number	Amount Claimed	Amount Allowed	Claim Particulars
----------	---------	------------	----------------	--------------	-------	------------	----------------	----------------	-------------------

Reference Number: 6b1f4eee-d213-4555-bb68-1da345c65eef

Page #11

- 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: Villanova Insurance Company :
(In Liquidation) : No. 1 VIL 2002

RE: Liquidator's Report and Recommendations on Villanova Insurance Company Claims
Undisputed and Resolved from July 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 Villanova Insurance
Company Claims Undisputed and Resolved from July 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 Villanova Insurance Company Claims Undisputed and Resolved as of July
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 under the Order of February 27, 2012, and any subsequent Orders.

MARY HANNAH LEAVITT, President Judge