**COMMONWEALTH OF PENNSYLVANIA**
**INSURANCE DEPARTMENT**
**Office of Chief Counsel**
Capitol Associates Building
901 North 7th Street
Harrisburg, PA 17102

Governor's Office
of General Counsel

Phone (717) 787-6009
Fax (717) 772-4543

November 15, 2006

Daniel Schuckers
Prothonotary
Commonwealth Court
628 South Office Building
Harrisburg, PA 17120-0001

**RE: M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania v. Villanova Insurance Company,**
**No. 182 M.D. 2002**

Dear Mr. Schuckers:

Enclosed for filing please find the original and two hard copies of the Liquidator's Supplement to her Submission of Liquidator's Petition for Approval of Administrative Expenses Paid for the Period January 1, 2006 Through June 30, 2006.

As directed by the Court's Order we are also enclosing copies of the documents on a computer disk.

Thank you for your courtesies in filing the documents.

Very truly yours,

Amy L. Weber
Special Funds Counsel

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ALW:mm
Enclosure

IN THE COMMONWEALTH OF PENNSYLVANIA

| | | |
|---|---|---|
| M. DIANE KOKEN<br>Insurance Commissioner of the<br>Commonwealth of Pennsylvania<br><br>Plaintiff,<br><br>v.<br><br>Villanova Insurance Company<br><br>Defendant. | : | No 182 M.D. 2002 |

LIQUIDATOR'S SUPPLEMENT TO HER SUBMISSION OF LIQUIDATOR'S PETITION FOR APPROVAL OF ADMINISTRATIVE EXPENSES PAID FOR THE PERIOD JANUARY 1, 2006 THROUGH JUNE 30, 2006

The Honorable M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania ("Commissioner"), in her official capacity as Statutory Liquidator ("Liquidator") for Legion Insurance Company ("Legion"), by and through her counsel, respectfully submits this supplement to her Petition for Approval of Administrative Expenses paid for the period January 1, 2006 through June 30, 2006. Wherefore, based on her Submission and the Supplement thereto, the Liquidator respectfully requests that this Court enter an Order approving the administrative expenses paid for the period January 1, 2006 through June 30, 2006.

Respectfully submitted,

Amy L. Weber, Special Funds Counsel
I.D. No. 45447
Office of Liquidations,
Rehabilitations and Special Funds
901 North 7th Street
Harrisburg, Pennsylvania 17102
(717) 787-6009

Attorney for M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity As Statutory Liquidator for Villanova Insurance Company (In Liquidation)

DATED: 11/15/06

## CERTIFICATION

I, Amy L. Weber, Special Funds Counsel, of the Office of General Counsel, assigned to the Office of Liquidations, Rehabilitations and Special Funds, of the Pennsylvania Insurance Department, am duly authorized to make this Certification for and on behalf of M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania, in her official capacity as Statutory Liquidator ("Liquidator") of Legion Insurance Company. I am responsible for reviewing the invoices and documents received from outside counsel supporting the legal fees and expenses for the period January 1, 2006 to June 30, 2006 and I certify that these legal fees and expenses are reasonable and necessary. I also have reviewed the combined Expense Analysis for Legion Insurance Company (In Liquidation) and Villanova Insurance Company (In Liquidation) and certify that the legal fees and expenses stated therein have been reflected accurately. I understand that this Certification is made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

Amy L. Weber
Special Funds Counsel

Dated: 11/15/06

# EXHIBIT
# A

Legion Insurance Company (In Liquidation)
Villanova Insurance Company (in Liquidation)
Legal Expenses and Fees and Professional Services Paid
January 2006 - June 2006

| Classification | VENDOR NAME | Services provided | January | February | March | April | May | June | 2006 Total |
|---|---|---|---|---|---|---|---|---|---|
| Legal Fees and Expenses | ANDREW WALSH | Reinsurance Consultant | | | 4,883 | 12,136 | | | 17,019 |
| | ARBITRATION & MEDIATION | Reinsurance Arbitrator | | 17,193 | | | | | 17,193 |
| | BAGEHOT & COMPANY | General Litigation | 1,500 | | | | | | 1,500 |
| | BRAVERMAN, DANIELS & KASKEY, LTD. | Reinsurance Litigation | | | 1,827 | 123 | 291 | | 2,241 |
| | BROWN,BROWN & KLASS | Reinsurance Collection Litigation | 82 | | 1,885 | 3,469 | 45 | 136 | 5,417 |
| | CONYERS,DILL & PEARMAN | Bermuda Defense Counsel | | 2,420 | | | | | 2,420 |
| | DASHIELL LAW OFFICES, LLC | Premium Collection Litigation | 399 | | 3,748 | 2,908 | 16,980 | | 24,035 |
| | DEUTSCH, KERRIGAN, & STILES, L.L.P. | General Collection Litigation | 16,051 | | 6,678 | 175 | 17,019 | | 39,923 |
| | DIANE NERGAARD | Reinsurance Arbitrator | | | 5,722 | | | | 5,722 |
| | DOBY PROFESSIONAL REPORTING, INC. | Court Reporting Services | | 1,507 | | | | | 1,507 |
| | ESQUIRE DEPOSITION SERVICE | Court Reporting Services | | | 11,108 | | | 7,489 | 18,597 |
| | FIFTH THIRD BANK | Records Retention Fees | 1,807 | | | | | | 1,807 |
| | GLENN R. PARTRIDGE | Reinsurance Witness | 650 | 6,060 | | 4,869 | | 2,598 | 14,177 |
| | HUNTER + GEIST, INC. | Premium Collection Litigation | | | | | 1,237 | | 1,237 |
| | JACKSON LEWIS, LLP | Employment Advice | 2,887 | | 936 | | | | 3,822 |
| | JAMES DECRESCENZO REPORTING,LLC | Court Reporting Services | 3,489 | | | | | | 3,489 |
| | JAMS,INC. | Mediation Services | | | 2,750 | | | | 2,750 |
| | JEFFREY D. MILLER, FSA | Expert Witness | 300 | 300 | 600 | | | | 1,200 |
| | KAPLAN,LEAMAN & WOLF COURT REPORTS | Court Reporting Services | 2,398 | | | | | | 2,398 |
| | LEGALINK | Video Deposition Services | | | | | | 8,679 | 8,679 |
| | LEXISNEXIS | Legal Research Fees | | | 9,507 | 3,241 | | 295 | 13,043 |
| | LIGHTFOOT,FRANKLIN & WHITE, LLC | Premium Collection Litigation | | | 523 | 621 | 2,141 | | 3,285 |
| | MARTIN D. HABER | Reinsurance Arbitrator | 530 | 44,717 | | | | | 45,347 |
| | MILLER ALFANO & RASPANTI PC | General Litigation and Liquidation Advice | 67,063 | 1,049 | 72,279 | 7,776 | 52,149 | 28,954 | 229,270 |
| | MORGENSTEIN & JUBELIRER LLP | Premium Collection Litigation | 5,998 | | 1,366 | | 17,842 | | 25,204 |
| | ON-SITE SOURCING, INC. | Scanning and Copying Services | 280 | 6,004 | | 875 | 1,725 | 30,499 | 41,383 |
| | PEPPER HAMILTON LLP | Reinsurance Arbitrations and Advice | 42,086 | | 740,259 | 79,611 | 99,349 | 130,108 | 1,091,814 |
| | PETER CRICKMERE | Reinsurance Witness | | 10,711 | | | | | 10,711 |
| | ROYAL COURT REPORTING | Court Reporting Services | 490 | | 1,067 | | | 449 | 2,026 |
| | SCHWARTZ SEMERDJIAN HAILE BALLARD & CAULEY LLP | Premium Collection Litigation | 8,042 | | 6,352 | 2,818 | 6,747 | | 23,961 |
| | STITES & HARBISION | Premium Collection Litigation | 1,701 | | 441 | 1,250 | 975 | 944 | 5,310 |
| | STRADLEY RONON STEVENS & YOUNG | Premium Collection Litigation | 7,524 | 5,466 | 51,338 | 36,146 | 351,119 | 93 | 451,686 |
| | SUMMIT DOCUMENT SVCS,BIRMINGHAM | Document Services | 23,301 | | | | | | 23,301 |
| | SYLVIA KAMINSKY | Reinsurance Arbitrator | 1,105 | | | | | | 1,105 |
| | TATE, LAZARINI & BEALL | Premium Collection Litigation | | (210) | 2,206 | | | | 1,996 |
| | THE GASS COMPANY, INC. | Reinsurance Arbitrator | | | 30,882 | | | | 30,882 |
| | THE HUSTEAD LAW FIRM | Premium Collection Litigation | 5,794 | | | 2,306 | 8,178 | 2,479 | 16,758 |
| | TIMMIS & INMAN PLLC | Premium Collection Litigation | 3,002 | | 251 | | 1,900 | | 5,154 |
| | W. MAX HOLLMANN | Expert Witness | 15,576 | 4,489 | | | | | 20,064 |
| | WOLF BLOCK SCHORR & SOLIS-COHEN, LLP | Premium Collection Litigation, Asset Sale Advice, Labor Advice, Preference Litigation | 159,055 | | 111,906 | 35,310 | 90,214 | 3,869 | 400,355 |
| | | General Legal Support Costs | 2,990 | 62 | 1,101 | 604 | 327 | 411 | 5,495 |
| | Aggregate Amount for Total Vendor Payments Under $1,000 | | 374,198 | 101,767 | 1,069,437 | 194,439 | 666,239 | 217,002 | 2,623,082 |
| Legal Fees and Expenses Total | | | | | | | | | |

Legion Insurance Company (In Liquidation)
Villanova Insurance Company (In Liquidation)
Legal Expenses and Fees and Professional Services Paid
January 2006 - June 2006

| Classification | VENDOR NAME | Services provided | January | February | March | April | May | June | 2006 Total |
|---|---|---|---|---|---|---|---|---|---|
| Professional Services | ALLIANCE CONSULTING | Data Management Consultant | 60,000 | | 96,500 | | 50,600 | 57,025 | 264,125 |
| | AMPER,POLITZINER & MATTIS, P.C. | Audit Services | | | | 12,020 | 4,060 | 2,210 | 18,290 |
| | BONNIE KUMIEGA & ASSOC | Collections Agency Counsel | | | | | | 6,787 | 6,787 |
| | CLAIMS MANAGEMENT GROUP LIMITED | London Claims Accounting Services | | 4,158 | | | | | 4,158 |
| | CSC/FSG-MYND CORP. | Data Processing and Outsourcing | 73,487 | 62,432 | | 67,311 | 67,055 | | 270,285 |
| | GLASSBERG & POLLAK | Collections Agency Counsel | 152 | 609 | 120 | 2,897 | | 213 | 3,791 |
| | GOLDMAN & WARSHAW | Collections Agency Counsel | | 10,014 | | 1,120 | | | 11,134 |
| | GR CONSULTING,LLC | Claims Processing Support | 1,050 | 4,200 | 1,754 | 75 | | | 7,079 |
| | HZL2 LLP | Office Planning | | | | 4,052 | | | 4,052 |
| | HELIX UK LIMITED | London Reinsurance Collection Intermediary | 60,500 | 102,850 | 102,850 | 102,850 | 102,850 | | 471,100 |
| | HEWITT ASSOCIATES LLC | Human Resources & Technical Consulting | | | | | | 12,269 | 12,269 |
| | HINMAN, HOWARD & KATTELL | Collections Agency Counsel | | | | 1,800 | | | 1,800 |
| | IEMPOLYEE | Payroll Processing Implementation Services | | | | | | 1,250 | 1,250 |
| | JAY APPLEBAUM | Collections Agency Counsel | 2,850 | 702 | (227) | 2,294 | | 1,110 | 6,729 |
| | JEFFERSON WELLS INTERNATIONAL INC. | Audit Services & Contractor financial support | | 28,146 | 21,850 | 22,370 | 16,625 | | 88,789 |
| | JOHN DOHERTY | Collections Agency Counsel | | | 1,126 | | | | 1,126 |
| | KARL HOWE & ASSOCIATES | Collections Agency Counsel | | | 612 | | | 5,285 | 5,897 |
| | KAZLOW & KAZLOW | Collections Agency Counsel | | | | | | 5,435 | 5,435 |
| | LAMONT, HANLEY & ASSOC., INC | Collections Agency | | | | | 1,345 | | 1,345 |
| | MCKAY, SIMPSON & LAWLER | Collections Agency | | | | | | 2,006 | 2,006 |
| | MICHAEL TRUSKOL | Collections Agency Counsel | | | 110 | 3,999 | | | 4,109 |
| | PHILIP MASIN | Human Resources Consulting | | | 12,250 | | | | 12,250 |
| | PHILO SMITH | Broker for Sale of PRMS | 50,000 | | | | | 73,200 | 50,000 |
| | REINSURANCE SOLUTIONS INT'L | Reinsurance Technical Support | 49,620 | | 60,540 | | | | 183,360 |
| | RELIANCE INS CO (IN LIQUIDATION | Shared Resource for Monitoring Reinsurers Solvency | 32,476 | | | 33,978 | | | 66,454 |
| | RIGHT MANAGEMENT CONSULTANTS | Human Resources Consulting | | | 26,000 | | | 1,500 | 27,500 |
| | SCHLESINGER & SCHLESINGER | Collections Agency Counsel | | 958 | | | | 750 | 1,708 |
| | SMART & ASSOCIATES,LLP | Reinsurance Technical Support & Contract Reinsurance Services | | 342,505 | 215,493 | 27,774 | 137,958 | 316,701 | 1,042,431 |
| | TROUT & ASSOCIATES, LTD. | Collections Agency | | | 1,273 | | 2,758 | | 4,031 |
| | VERIS CONSULTING | Audit Services | 81,286 | 70,703 | 15,256 | 16,749 | 53,000 | 38,180 | 275,175 |
| | WILLIAMS & SHEDD | Collections Agency Counsel | 4,303 | 5,889 | (135) | (431) | | | 9,626 |
| | Aggregate Amount for Total Vendor Payments Under $1,000 | General Professional Fees | 624 | 1,707 | 921 | 677 | 936 | 1,671 | 6,536 |
| Professional Services Total | | | 416,348 | 634,872 | 555,894 | 299,135 | 436,966 | 527,592 | 2,870,627 |
| Total Legal Expenses and Fees and Professional Services Paid | | | 790,548 | 736,439 | 1,625,331 | 493,574 | 1,103,225 | 744,594 | 5,493,710 |
| Change in accrual and other non-cash transactions | | | 46,204 | 244,019 | (585,046) | (5,758) | (39,721) | 561 | (339,742) |
| Total Legal Expenses and Fees and Professional Services Incurred | | | 836,750 | 980,458 | 1,040,285 | 487,816 | 1,063,504 | 745,155 | 5,153,968 |

* All expenses above are gross before any allocation between Legion Insurance Company (In Liquidation) and Villanova Insurance Company (In Liquidation).

Credit amounts may represent adjustments to accruals, negative expenses and classification adjustments.