

CAUSE NO. D-1-GV-97-13405

STATE OF TEXAS

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IN THE DISTRICT COURT

Filed in The District Court
of Travis County, Texas

v.

TRAVIS COUNTY, TEXAS

AMERICAN EAGLE
INSURANCE COMPANY

201ST JUDICIAL DISTRICT

TJ OCT 31 2011
At 2:27 P.M.
Amalia Rodriguez-Mendoza, Clerk

ORDER APPROVING SPECIAL DEPUTY RECEIVER'S FINAL REPORT AND APPLICATION TO MAKE FINAL DISTRIBUTION

On this day the Court heard the *Final Report and Application to Make Final Distribution* (the "Application") filed by Jack M. Webb, Special Deputy Receiver of American Eagle Insurance Company (the "SDR" and "AEIC", respectively). The SDR appeared by and through its counsel. Having considered the Application, and the recommendation of the Special Master appointed in this proceeding ("the Master"), the Court finds as follows:

1. The *Amended Order of Reference to Master* ("Order of Reference") entered by this Court on November 3, 2005 provides that the Application is referred to the Master;
2. The Application was submitted to the Master in accordance with the Order of Reference;
3. Notice of the Application were provided in accordance with TEX. INS. CODE §443.007 (d) and the Order of Reference;
4. No objections were filed to the Application, and the Texas Property & Casualty Insurance Guaranty Association ("TPCIGA") filed its Acknowledgment and Waiver to the Application;
5. The Master has issued a recommendation that the Application should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure;
6. The Court has jurisdiction over the Application and the parties in interest; and
7. The Application should be GRANTED in all respects.

It is therefore ORDERED, ADJUDGED and DECREED as follows

1. The Application is granted in all respects.
2. The exhibits to the Application are approved.
3. The SDR shall file a final report of expenses with its final accounting. No further interim reports of expenses are required pursuant to TEX. INS. CODE § 443.015 (g).
4. The SDR's Release Agreement with the United States, Exhibit 6, is approved.
5. The reserve for the estimated expenses to administer this proceeding through its termination, as set forth in Exhibit 7 to the Application, is approved.
6. The SDR shall distribute the non-reserved cash assets of the receivership in accordance with TEX. INS. CODE § 443.302 as described in the Application and as set forth in Exhibits 8-A and 8-B.
7. The SDR's proposed treatment of de minimus claims is approved.
8. The SDR's proposed treatment of distributions to claimants who cannot be located or identified or who refuse to accept earlier distributions or failed to cash earlier distribution checks is approved.
9. The assignment to the Commissioner of Insurance of unknown assets of AEIC is approved, and the SDR is authorized to execute an assignment in a form substantially similar to Exhibit 9. Pursuant to TEX. INS. CODE § 443.352, if any amounts are realized from the assignment that cannot be economically distributed, such funds will be treated in the same manner as funds that have been abandoned under TEX. INS. CODE § 443.304 (b).
10. The SDR is authorized to transfer to the insurance guaranty associations ("IGAs") title to AEIC's records in their possession. The IGAs are authorized to retain or dispose of such records at their discretion.
11. The SDR is authorized to dispose of the records listed in Exhibits 10-A and 10-B to the Application in the manner described therein.

12. The SDR is authorized to transfer to the Riverstone Group title to AEIC's records described in Exhibit 11. The Riverstone Group is authorized to retain or dispose of such records at its discretion.

13. The SDR is authorized to transfer to the Commissioner all remaining records of AEIC in its possession that may be required after the termination of this proceeding pursuant to TEX. INS. CODE § 443.354 (b), and the reserve for the estimated expenses to maintain such records is approved. The Commissioner is authorized to maintain or dispose of such records at his discretion.

14. The SDR's proposed notice, Exhibit 12, is approved and the Court finds that such notice is proper.

15. The SDR is authorized to execute and file a final tax return(s) for AEIC, and any other tax forms as may be necessary.

16. The SDR is authorized to file a final expense report with the final accounting.

17. The SDR is authorized to take any action necessary to implement this Order.

18. This Order does not modify any of the terms or provisions of this Court's *Permanent Injunction and Order Appointing Permanent Receiver* against AEIC.

19. This Order constitutes a final judgment fully resolving all issues relating to the Application, provided that this Court shall retain jurisdiction to issue further orders pursuant to TEX. INS. CODE Chapter 443.

SIGNED this 31st day of October, 2011.

PROPER NOTICE GIVEN
ACKNOWLEDGMENT OF NOTICE AND WAIVER
OF OBJECTION PRESENTED
SUBMITTED
RECOMMENDED ST
SIGNED ON 31 DAY OF Oct 2011
Tom Collins
TOM COLLINS, RECEIVERSHIP SPECIAL MASTER

[Signature]
JUDGE PRESIDING