

NO. D-1-GV-08-002766

<p><b>THE STATE OF TEXAS</b></p> <p><b>v.</b></p> <p><b>AUSTIN INDEMNITY LLOYDS INSURANCE COMPANY and AUSTIN INDEMNITY MANAGEMENT COMPANY, LLC</b></p>	<p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p>	<p><b>IN THE DISTRICT COURT OF</b></p> <p><b>TRAVIS COUNTY, TEXAS</b></p> <p><b>353<sup>rd</sup> JUDICIAL DISTRICT</b></p>
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**FINAL ACCOUNTING AND APPLICATION TO TERMINATE RECEIVERSHIP,  
DISSOLVE CHARTER, AND  
DISCHARGE RECEIVER AND SPECIAL DEPUTY RECEIVER**

**TO THE HONORABLE JUDGE OF THIS COURT:**

Comes now Angenend & Augustine, P.C., Special Deputy Receiver of Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC (Special Deputy Receiver and AILIC, respectively), and files this *Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver (Application)* and in support respectfully shows the Court as follows:

**I. RELIEF REQUESTED**

1.1 On April 2, 2018, this Court entered its *Order Approving Final Report and Application to Approve Report of Claims, Make Final Distribution, and Destroy Records (Final Distribution Order)*. The Special Deputy Receiver has completed the distribution of assets in accordance with the *Final Distribution Order* and submits its final accounting. The Special Deputy Receiver requests that the Court terminate this proceeding, dissolve the charter of AILIC, discharge the Texas Commissioner of Insurance (Commissioner) as Receiver, and discharge Angenend & Augustine, P.C. as Special Deputy Receiver of AILIC.

## II. AUTHORITY

2.1 Pursuant to Chapter 443 of the Texas Insurance Code,<sup>1</sup> AILIC was placed in receivership by this Court's *Agreed Order Appointing Liquidator and Permanent Injunction (Liquidation Order)* entered on December 29, 2008. The *Liquidation Order* appointed the Commissioner as Receiver of AILIC (Receiver), and the Receiver designated Angenend & Augustine, P.C. as Special Deputy Receiver of AILIC.

2.2 Under § 443.154(a), the Special Deputy Receiver has all of the Receiver's powers, except as limited by the Receiver. The Special Deputy Receiver is authorized to file this *Application* pursuant to the § 443.352. In accordance with § 443.008(a), the Court has authority to enter any orders or judgments as necessary or proper to carry out the provisions of Chapter 443.

2.3 Jurisdiction for all matters in or related to this proceeding is properly in the 353<sup>rd</sup> Judicial District Court of Travis County, Texas, as the court in which this proceeding is pending, pursuant to § 443.005(c).

2.4 The subject matter of this *Application* and the hearing of any objection to the *Application* have been referred to the receivership master appointed in this proceeding (receivership master) in accordance with Paragraphs III (10), (29), and (34) of the *Order of Reference to Master* entered on February 2, 2009 (*Order of Reference*). The receivership master has authority to request and accept evidence in a hearing to support the *Application* pursuant to Tex. R. Civ. P. 171. The Special Deputy Receiver requests this Court confirm the receivership master's authority to admit evidence to support the *Application* in a hearing by submission.

## III. FINAL FINANCIAL STATEMENTS

Exhibits B, C, and D, detailed in this paragraph and incorporated by reference as if fully set out, reflect the financial condition of the AILIC estate (receivership estate) as of June 15, 2018.

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<sup>1</sup> All statutory references herein are to the Texas Insurance Code, unless otherwise indicated.  
*Final Accounting and Application to Close Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver*  
Page 2 of 10

Exhibit B includes the *Statement of Net Assets and Statement of Net Liabilities*. Exhibit C is the *Sources and Uses of Cash Statement* that lists all funds received and disbursed from the date of receivership through June 15, 2018. Exhibit D is the Final Statement of Expenses. The Special Deputy Receiver requests that Exhibits B, C, and D be approved as the final financial statements for the receivership estate.

#### **IV. EXPENSES**

4.1 The Final Distribution Order approved a reserve of \$ 46,850.92 to pay estimated closing expenses from March 1, 2018, through the termination of the receivership estate. The estate incurred \$50,140.81 in expenses (i.e. \$3,290.00 in closing expenses over the estimate in the Final Distribution Order). The SDR paid excess expenses from interest earned on the estate account at the TTSTC. No cash remained in the receivership estate's account after all expenses were paid.

#### **V. DISTRIBUTION**

5.1 As authorized in the *Final Distribution Order*, the Special Deputy Receiver credited previous early access distributions to the Texas Property and Casualty Insurance Guaranty Association (TPCIGA) against its final distribution. In accordance with the *Final Distribution Order*, SDR made early access distributions and a final distribution totaling \$ \$4,690,357.47. This figure represents a 100% distribution on TPCIGA's approved Class 1 claim and a 17.4153% *pro rata* distribution to approved Class 2 claims. No assets were available for distribution to classes of lower priority, therefore, there was no distribution to the Class 5 or Class 8 claimants. Exhibit E is the *Final Distribution Schedule* and is incorporated by reference as if fully set out.

## **VI. UNCLAIMED FUNDS AND RESIDUAL FUNDS**

6.1 There were no unclaimed funds from the distributions made in accordance with the *Final Distribution Order*.

6.2 The *Final Distribution Order* authorized the Special Deputy Receiver to transfer to the Commissioner any funds remaining in the receivership account after the final distribution (Residual Funds). As discussed above regarding the closing expenses, there were no Residual Funds in the receivership estate's account to transfer.

## **VII. FEDERAL INCOME TAX RETURNS**

7.1 The 2016 federal tax return was filed June 2, 2017. The 2017 federal tax return was filed on May 23, 2018. The Special Deputy Receiver filed the final federal tax return for 2018 on July 9, 2018. No taxes are owed or will be owed to the Internal Revenue Service.

## **VIII. ASSIGNMENT**

8.1 The *Final Distribution Order* authorized the Special Deputy Receiver to assign any unknown assets of the AILIC receivership estate to the Commissioner. Attached as Exhibit F is a copy of the executed Assignment to the Commissioner. In accordance with Exhibit F, the Special Deputy Receiver requests that any unknown assets be transferred to the Commissioner.

## **IX. UNSEALING OF EXHIBITS**

9.1 Pursuant to § 443.007(c), the Special Deputy Receiver filed two applications to approve compensation under contingency fee agreements. As the agreements were confidential documents related to litigation, they were submitted as exhibits to the applications for *in camera* inspection by the Court, and admitted into evidence under seal. The orders approving these applications provide that these exhibits will remain under seal until further order of this Court. As this litigation has been concluded, these exhibits do not need to be sealed.

9.2 The Special Deputy Receiver requests that the following exhibits be unsealed:

1) The *Contingency Fee Agreement* submitted as Exhibit B with the *Third Application for Approval of Fees and Expenses* filed in this case on March 25, 2013; and

2) The *Contingency Fee Agreement* submitted as Exhibit B with the *Fourth Application for Approval of Fees and Expenses* filed in this case on July 18, 2016.

## **X. RECORDS**

10.1 The *Final Distribution Order* authorized the Special Deputy Receiver to destroy certain records of AILIC that were no longer required for the administration of the receivership estate, and the Special Deputy Receiver has completed this records destruction.

10.2 The remaining records of AILIC have been inventoried by the Special Deputy Receiver and transferred to the Commissioner as required. In accordance with the *Final Distribution Order*, the Commissioner is authorized to retain or dispose of these records at his discretion.

## **XI. CHARTER**

11.1 The Special Deputy Receiver requests the Court dissolve the charter of AILIC pursuant to § 443.153(e).

## **XII. TERMINATION AND DISCHARGE**

12.1 As all property of the AILIC receivership estate has been distributed, the Special Deputy Receiver requests the Court enter an order pursuant to § 443.352 terminating this proceeding. The Special Deputy Receiver further requests that this Court enter an order discharging both Commissioner Kent Sullivan as Receiver and Angenend & Augustine, P.C. as Special Deputy Receiver from their duties in the receivership estate upon termination of this proceeding.

12.2 Pursuant to § 443.352 and the *Liquidation Order*, Mike Geeslin, Eleanor Kitzman, Julia Rathgeber, and David Mattax were discharged as Receiver upon the conclusion of their respective terms as Commissioner.

12.3 Section 443.014 provides immunity to current and former Receivers, Special Deputy Receivers, and their assistants and contractors. As immunity continues to apply to such persons after they have been discharged, the termination of this proceeding will not affect the immunity available to the Receiver and the Special Deputy Receiver, their assistants and contractors, or their predecessors.

### **XIII. OFFER OF PROOF**

13.1 Attached to this *Application* and incorporated by reference as if fully set out is Exhibit A, the *Affidavit of Paul D. Angenend*, and is the certification submitted under § 443.017(b), authenticating Exhibits B-F, and verifying the facts contained in this *Application*. The Special Deputy Receiver requests that Exhibits A-F be accepted into evidence in support of this *Application*, and that the facts contained in the *Application* and its exhibits be admitted as *prima facie* proof of the matters asserted pursuant to § 443.017(c).

### **XIV. NOTICE & HEARING**

14.1 The *Application* is filed pursuant to § 443.007 and the *Order of Reference*. The *Order of Reference* modifies the requirement for length of notice of a hearing contained in § 443.007(e) to fourteen calendar days. *Order of Reference*, p.7, paragraph IV, 4(a). This *Application* is set for hearing on a date that complies with the fourteen calendar day notice requirement set forth in the *Order of Reference*. The Special Deputy Receiver requests the Court find that notice given of the hearing on this *Application* complied with the length of notice requirement in the *Order of Reference*.

14.2 The Special Deputy Receiver has provided notice of the hearing for this *Application* to all persons who have requested notice in the receivership estate in accordance with § 443.007(a) and the notice requirements in the *Order of Reference*. As shown on the certificate of service, the Special Deputy Receiver also noticed all known “parties in interest” as that term is defined by § 443.004(a)(17). Moreover, notice has also been provided to persons the Special Deputy Receiver has determined need to be noticed pursuant to § 443.007(d). Notice of the hearing on the *Application* to any party in interest does not confer standing in the Court to raise, appear, or be heard on any issue. The Special Deputy Receiver requests the Court find that the notice given of the hearing on this *Application* complies with the breadth of the notice requirements in §§ 443.004(a)(17) and 443.007, and the *Order of Reference* and was sufficient.

14.3 The *Application* is required to be filed electronically. Applications that are filed electronically are required to be served “through the electronic filing manager [...] or by such other manner as the court in its discretion may direct.” Tex. R. Civ. P. 21a(a). The Special Deputy Receiver has provided notice of the hearing on this *Application* by e-mail to the parties described above, as authorized by § 443.007(d), and requests that the Court direct that notice by email was appropriate. Notice of all legal filings has been provided by e-mail to the certificate of service throughout the term of the receivership estate.

### **PRAYER**

**WHEREFORE, PREMISES CONSIDERED**, Angenend & Augustine, P.C., as Special Deputy Receiver of Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC, respectfully prays that this Court enter an Order:

1. Approving this *Application*;

2. Finding that the subject matter of the *Application*, the hearing, and the hearing of objections to the *Application*, if any, have been referred to the receivership master in the *Order of Reference* under Paragraphs III (10), (29), and (34);
3. Confirming the receivership master's authority to request and accept evidence in a hearing by submission in support of the *Application*;
4. Approving Exhibits B, C, and D as the final financial statements for the receivership estate;
5. Approving the transfer of any unknown assets of the AILIC receivership estate to the Commissioner as indicated on Exhibit F;
6. Unsealing the following exhibits previously submitted into evidence under seal for *in camera* inspection in this proceeding:
  - a) Exhibit B, the *Contingency Fee Agreement*, submitted with the *Third Application for Approval of Fees and Expenses* filed on March 25, 2013; and
  - b) Exhibit B, the *Contingency Fee Agreement*, submitted with the *Fourth Application for Approval of Fees and Expenses* filed on July 18, 2016.
7. Dissolving the charter of AILIC pursuant to § 443.153(e);
8. Terminating this proceeding;
9. Discharging the Commissioner as Receiver and discharging Angenend & Augustine, P.C., as the Special Deputy Receiver of AILIC;
10. Accepting Exhibits A through F into evidence;
11. Accepting the facts contained in the *Application* and its exhibits into evidence as *prima facie* proof of the matters asserted pursuant to § 443.017(c);

12. Finding that based on the pleadings and evidence submitted, the Special Deputy Receiver's discretionary decisions detailed in the *Application* and verified in Exhibit A are reasonable and not an abuse of discretion;
13. Deeming that the Order approving the *Application* constitutes a final judgment resolving all matters relating to the this proceeding;
14. Finding that the notice of the hearing was made to the certificate of service and was in accordance with the notice requirements in §§ 443.004(a)(17) and 443.007, and the *Order of Reference*;
15. Finding that sending notice of the hearing by email was appropriate;
16. Authorizing the Special Deputy Receiver to execute any documents as necessary to effectuate the purpose of this *Application*; and

17. Granting such other and further relief as this Court deems appropriate.

Respectfully submitted,

**AMY JEANNE WELTON**

**Attorney at Law**

P.O. Box 1644

Dripping Springs, TX 78620-1644

830-868-7136

Facsimile No. 888-570-5906

Email: weltonlaw@gmail.com

*/s/ Amy Jeanne Welton*

Amy Jeanne Welton

State Bar No. 21004800

**ATTORNEY FOR ANGENEND &  
AUGUSTINE, P.C., as SPECIAL DEPUTY  
RECEIVER OF AUSTIN INDEMNITY  
LLOYDS INSURANCE COMPANY AND  
AUSTIN INDEMNITY MANAGEMENT  
COMPANY, LLC**

**EXHIBIT A**  
**CERTIFICATION AFFIDAVIT OF PAUL D. ANGENEND**

STATE OF TEXAS  
COUNTY OF TRAVIS

Before me the undersigned authority personally appeared Paul D. Angenend who being first duly sworn states the following:

**BACKGROUND**

1. “My name is Paul D. Angenend. I am over 21 years of age and reside in Austin, Travis County, Texas. I am of sound mind, have never been convicted of a crime, and am fully competent and duly qualified to make this *Affidavit*. I am the President of Angenend & Augustine, P.C., the Special Deputy Receiver of Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC. As a result of my duties as President of the Special Deputy Receiver, I have knowledge of the facts stated in this *Affidavit*, and they are all true and correct. Abbreviations used in the *Application* are applicable in this *Affidavit* as well.

2. “I have read the *Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver* in the case styled *State of Texas v. Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC*; Cause No. D-1-GV-08-002766 in the 353rd Judicial District Court of Travis County, Texas. I verify that all the facts contained in the *Application* are true and correct based on my personal knowledge, my review of receivership estate records, and my consultation with my staff and subcontractors (my staff).

3. “I have also read all the exhibits attached to the *Application*. I certify that the exhibits are true and correct copies of these documents, which are part of the books, records, documents, and papers of the receivership estate pursuant to Tex. Ins. Code Ann. § 443.017(b). I request that the Court admit the facts contained in the *Application*, this *Affidavit*, and all the exhibits into evidence as *prima facie* proof of the matters asserted pursuant to Tex. Ins. Code Ann. § 443.017(c).

4. “The final federal tax return for 2016 was filed on June 2, 2017 and the final federal tax return for 2017 was filed on May 23, 2018. The Special Deputy Receiver filed the final federal tax return for 2018 on July 9, 2018. No federal income taxes are owed by the receivership estate.

5. “On January 29, 2018, I signed a federal release agreement with the United States. Subject to the exclusions detailed in the agreement, the release agreement released the Receiver, including all predecessors to the Receiver, the Special Deputy Receiver including Paul D. Angenend, as President of the Special Deputy Receiver, and the Austin Indemnity receivership estate from any and all liability under 31 U.S.C. § 3713(b) in connection with the Austin Indemnity liquidation.

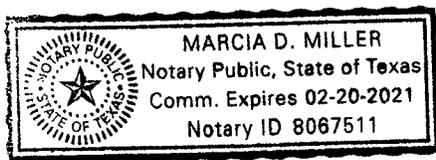
6. "All assets justifying the expense of collection and distribution have been collected and distributed, and there are no remaining known assets. Accordingly, based upon my consultation with my staff and subcontractors, I recommend this proceeding should be terminated.

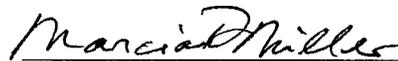
"The Affiant has nothing further to say."

  
\_\_\_\_\_  
Paul D. Angenend, President  
Angenend & Augustine, P.C., Special Deputy Receiver  
of Austin Indemnity Lloyds Insurance Company and  
Austin Indemnity Management Company, LLC

STATE OF TEXAS  
COUNTY OF TRAVIS

SWORN AND SUBSCRIBED before me on the 31 day of August 2018.



  
\_\_\_\_\_  
Notary Public, State of Texas  
My Commission Expires: 2-20-2021

R-542

**EXHIBIT B**  
**Austin Indemnity Lloyds Insurance Co and Austin Indemnity Management Co,**  
**LLC**  
**Statement of Net Assets**

**For the Period Ending**  
**06/15/18**

<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	0
	APF Funds (Loan proceeds)	0
<b>Investments</b>		
2	Short-Term Investments	
3	Bonds	
4	Stocks - Preferred & Common	
5	Investments in Subsidiaries, Controlled or Affiliated Entities	
6	Mortgage Loans	
7	Real Estate	
8	Policy Loans	
9	Other Invested Assets	
	<i>Detail Item if any</i>	
	<i>Detail Item if any</i>	
<b>Restricted Assets</b>		
10	Statutory Deposits	
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
<b>Reinsurance Receivable</b>		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	
15	Reinsurance Recoverables on UEP & Contingent Commissions	
<b>Other Receivables</b>		
16	Salvage & Subrogation Recoveries	
17	Premiums Due from Agents & Policyholders	
18	Receivable from Parents, Subsidiaries & Affiliates	
19	Receivable from Guaranty Associations - Early Access Payments	0
20	Other Receivables	
<b>Other Assets</b>		
21	FF&E	
22	Other Assets	
	<b>Total Assets</b>	<b>0</b>

**NOTES**

Austin Indemnity Lloyds Insurance Company (AILIC) was organized on June 30, 2004 as a Lloyds plan insurer to provide property and casualty insurance in the state of Texas. Austin Indemnity Management Company, LLC (AIMC) was organized on October 24, 2002 as the attorney in fact for AILIC. It does not appear that AIMC transacted business on behalf of AILIC as its attorney-in-fact. From review of company records, AIMC does not have any known bank accounts, known assets or known liabilities. As a result, the financial statements are presented on a combined basis with no amounts included for any AIMC assets, liabilities, income or expense.

**EXHIBIT B**  
**Austin Indemnity Lloyds Insurance Co and Austin Indemnity**  
**Management Co, LLC**  
**Statement of Net Liabilities**

For Period Ending  
06/15/18

1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
<b>Administrative Claims - Class 1</b>		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	0
	Liquidation Oversight	0
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	0
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	0
	LAE Reserves	
<b>Policy Claims - Class 2</b>		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	0
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	0
	Other Loss Claims Reserves	
9	LAE - Other	0
10	Unearned & Advance Premium Claims - GA	0
11	Unearned & Advance Premium Claims - Other	
<b>Other Liabilities</b>		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	0
15	Class 5 Reinsurance Related Unsecured Claims	0
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	0
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	
22	Other Liabilities	
	<b>Total Liabilities</b>	0
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	0
	<b>Total Liabilities &amp; Equity</b>	0

Austin Indemnity Lloyds Insurance Company (AILIC) was organized on June 30, 2004 as a Lloyds plan insurer to provide property and casualty insurance in the state of Texas. Austin Indemnity Management Company, LLC (AIMC) was organized on October 24, 2002 as the attorney in fact for AILIC. It does not appear that AIMC transacted business on behalf of AILIC as its attorney-in-fact. From review of company records, AIMC does not have any known bank accounts, known assets or known liabilities. As a result, the financial statements are presented on a combined basis with no amounts included for any AIMC assets, liabilities, income or expense.

R-542	Exhibit C	
	Austin Indemnity Lloyds Insurance Co and Austin Indemnity Management Co, LLC	
	Sources & Uses of Cash	
	Inception to Closing of Receivership	
Line		Inception to Closing
<b>Income</b>		
1	Premium Receipts	5,956
2	Settlements	1,090,000
5	Reinsurance Recoveries	4,685,328
6	Salvage & Subrogation Recoveries	15,644
8	Collection of Affiliate Receivables	242,000
7	Agents' Balances Received	66,223
10	Other Receipts	0
9	Sale of Real & Personal Property	0
	Investment Sales/Receipts	926,146
	Other Asset Receipts	147,490
11	<b>Total Operational Receipts</b>	<b>7,178,787</b>
12	Interest & Dividend Receipts	23,117
13	Net Cash Provided by Investment Activities	155,099
14	<b>Total Cash Receipts from Investment Activities</b>	<b>178,216</b>
15	<b>Total Cash Receipts</b>	<b>7,357,003</b>
<b>Operational Expenses</b>		
16	Deputy Receiver & Consulting Fees & Expenses	1,527,172
17	Employee Salaries, P/R Taxes & Employee Benefits	27,132
18	Rent, Office & Other Facility Expenses	37,939
19	Legal Fees & Expenses	1,159,685
20	Accounting & Auditing Fees & Expenses	174,680
21	SGA - Administration Expenses other than LAE	53,748
22	Ancillary Administration Expenses-TDI LO	202,928
23	Other Disbursements	143,430
24	<b>Total Operational Disbursements</b>	<b>3,326,714</b>
<b>Investment Expenses</b>		
25	Investment Expenses	0
26	Purchase of Invested Assets	0
27	<b>Total Disbursements for Investment Activities</b>	<b>0</b>
<b>Claims Paid</b>		
28.1	Losses/Benefit Payments - SGA	1,176,364
28.2	Losses/Benefit Payments - Non SGA	0
28.3	Losses/Benefit & LAE Payments - Special Deposits	0
29.1	LAE Payments - SGA	0
29.2	LAE Payments - non SGA	0
30	Early Access Payments	3,513,993
31	Refunds & Other Distributions	0
32	<b>Total Cash Distributions</b>	<b>4,690,357</b>
33	<b>Total Cash Disbursements &amp; Distributions</b>	<b>8,017,071</b>
34	<b>Net Increase(Decrease) in Cash</b>	<b>(660,068)</b>
35	Cash at Beginning of Period	660,068
36	Cash at End of Period	(0)

**R542 Austin Indemnity Lloyds Insurance Co and  
Austin Indemnity Management Co, LLC  
Exhibit D  
Final Statement of Expenses**

	<u>Final Expenses</u>
<b>SDR Fees</b>	12,845.06
<b>Miscellaneous Expenses</b>	
Records Storage and Disposal	1,679.00
Copies, Faxes, Postage/Courier	27.73
Bank Charges, Wiring Fees & Treasury Account	119.13
Total Miscellaneous Expenses	<u>1,825.86</u>
<b>Subcontractors Fees &amp; Expenses</b>	
Legal	6,296.55
Accounting Subcontractor	5,801.73
Total Subcontractor Fees & Expenses	<u>12,098.28</u>
<b>Other Fees &amp; Expenses</b>	
Records Storage by Commissioner	114.00
Liquidation Oversight Allocated Expenses	2,057.01
Class 1 Administrative Expense	21,200.60
Total Other Fees & Expenses	<u>23,371.61</u>
<b>Total Final Expenses</b>	<u><u>50,140.81</u></u>

**AUSTIN INDEMNITY LLOYDS INSURANCE COMPANY AND AUSTIN INDEMNITY MANAGEMENT CO, LLC**  
**EXHIBIT E**  
**Final Distribution Schedule**

POC NO.	CLAIMANT	Plaintiff in Care of Attorney(s)	COURT APPROVAL DATE	AMOUNT ALLOWED	Gross Distribution Percentage	Gross Distribution	Previous Distribution	Final Distribution
<b>Class 1 Claim</b>								
542096	TPCIGA		To be approved with final report	\$3,363,564.41	100.0000%	\$3,363,564.41	\$3,363,564.41	\$0.00
			<b>Total Class 1 Claims</b>	<b>\$3,363,564.41</b>		<b>\$3,363,564.41</b>	<b>\$3,363,564.41</b>	<b>\$0.00</b>
<b>Class 2 Claims</b>								
542096	TPCIGA	Linda Meltzer	To be approved with final report	\$7,537,080.20	17.4153%	\$1,312,605.13	\$150,428.59	\$1,162,176.54
542002	Greyhound Lines, Inc. Cintas Corporation n.k.a	Tricia A. Martinez, Senior VP of Legal Affairs	8/11/2015	\$14,179.59	17.4153%	\$2,469.42	0.00	\$2,469.38
542104	Cambridge Integrated Services	Thomas E. Frooman, General Counsel	8/11/2015	\$11,837.13	17.4153%	\$2,061.47	0.00	\$2,061.47
542122	Individual Claimant	Abel A. Orendain	8/11/2015	\$25,000.00	17.4153%	\$4,353.83	0.00	\$4,353.83
542122	Individual Claimant on behalf of Abel A. Orendain	Abel A. Orendain	8/11/2015	\$15,000.00	17.4153%	\$2,612.30		\$2,612.30
542004	Individual Claimant	Nikki Carmody, Carmody Law LLC	8/11/2015	\$3,082.00	17.4153%	\$536.74	0.00	\$536.74
542042	Huval Veazey Felder Aertker & Renegar, LLC		8/11/2015	\$820.56	17.4153%	\$142.90	0.00	\$142.90
542089	Individual Claimant on behalf of Charles W. Hury	Charles W. Hury	8/11/2015	\$3,772.92	17.4153%	\$657.07	0.00	\$657.07
542106	Roerig Oliveira & Fisher, LLP		8/11/2015	\$7,776.00	17.4153%	\$1,354.21	0.00	\$1,354.21
			<b>Total Class 2 Claims</b>	<b>\$7,618,548.40</b>		<b>\$1,326,793.06</b>	<b>\$150,428.59</b>	<b>\$1,176,364.44</b>
			<b>Total Class 1 and Class 2 Claims</b>	<b>\$10,982,112.81</b>		<b>\$4,690,357.47</b>	<b>\$3,513,993.00</b>	<b>\$1,176,364.44</b>

**Exhibit F**

**ASSIGNMENT OF UNKNOWN ASSETS TO THE COMMISSIONER**

**STATE OF TEXAS**

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**KNOW ALL MEN BY THESE PRESENTS**

**COUNTY OF TRAVIS**

**I. BACKGROUND**

1. Angenend & Augustine, P.C. is the Special Deputy Receiver to the Commissioner of Insurance in his capacity as Receiver of Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC (Special Deputy Receiver, Receiver, and AILIC, respectively). AILIC was placed into receivership on December 29, 2008, in *State of Texas v. Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC*, Cause No. D-1-GV-08-002766, in the 353<sup>rd</sup> Judicial District Court of Travis County, Texas. The Special Deputy Receiver has filed a *Final Report and Application to Make Final Distribution, Approve Report of Claims, and Destroy Records (Application)* with the District Court.

2. The Special Deputy Receiver is authorized to assign all known and unknown non-cash assets to the Commissioner of Insurance (Commissioner) at the closing of the AILIC receivership estate, pursuant to Tex. Ins. Code Ann. § 443.352.

3. The Special Deputy Receiver's *Application* requests a final distribution of all known assets as well as disposal of any remaining insurer records that are no longer required to be maintained or transferred. The Special Deputy Receiver is assigning any unknown assets to the Commissioner as detailed below.

## **II. ASSIGNMENT**

4. The Special Deputy Receiver, on behalf of the Commissioner as Receiver of AILIC, assigns all right, title, and interest to any and all unknown assets to the Commissioner or his successors (Assignment). The Assignment includes, but is not limited to, property, causes of action, judgments, claims of AILIC or its predecessors and former subsidiaries, potential claims, suits, demands, charges or grievances of any kind or character, regardless of the nature or extent, whether arising in tort, contract, by statute or otherwise, and include claims of breach of fiduciary duty, constructive fraud and fraud. The unknown assets assigned include those that may exist now or that may arise in the future.

5. This Assignment is intended to grant full authority to convey, transfer, assign, and sell all assets of the AILIC receivership estate. This Assignment is intended to grant the authority to demand and receive payments, to pursue causes of action, and to execute on judgments entered on behalf of the AILIC receivership estate. This Assignment grants authority to compromise and settle any assets of the AILIC receivership estate, and to grant discharges or releases as required. It is the intent of the parties to this Assignment to convey to the Commissioner all legal and equitable rights held by the AILIC receivership estate, whether or not specifically identified herein.

## **III. DISTRIBUTION OF ASSETS**

6. If any assets are recovered and it is economically feasible to distribute these assets, the Commissioner shall distribute these assets to the Class 2 creditors, as detailed in the *Application*, up to the remaining amount that is owed to the Class 2

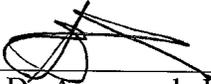
creditors. The Commissioner shall deduct the administrative costs of distribution prior to making the distribution of assets.

7. This Assignment constitutes the entire agreement of the parties, and the parties expressly agree that its terms supersede any other agreements or understandings with respect to the subject matter of this Assignment. This Assignment shall not waive, release, or otherwise affect any liabilities or obligations of any party to AILIC.

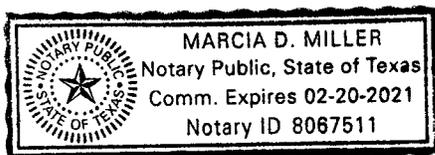
8. The laws of the State of Texas govern this Assignment, and sole venue and jurisdiction for action relating to this Assignment shall be in Travis County, Texas.

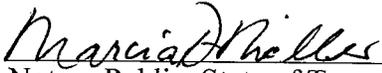
9. The Commissioner shall have the authority to execute any and all documents necessary to effectuate this Assignment. The Special Deputy Receiver has requested the 353rd Judicial District Court to approve this Assignment in its *Application*.

Witness my hand this 31 day of August 2018.

  
Paul D. Angenend, President of Angenend & Augustine, P.C., as Special Deputy Receiver of Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC

SWORN AND SUBSCRIBED BEFORE ME by Paul D. Angenend, President of Angenend & Augustine, P.C., as Special Deputy Receiver of Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC, on this 31 day of August 2018.



  
Notary Public, State of Texas

My Commission Expires: 2-20-2021

## CERTIFICATE OF SERVICE

I certify that pursuant to the Texas Rules of Civil Procedure, the *Order of Reference to Master*, and TEX. INS. CODE § 443.007(d), on August 31, 2018, a true and correct copy of the *Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver* was served on all interested parties by email.

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by serving his Special Master Clerk  
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/s/ Amy Jeanne Welton

**Amy Jeanne Welton**  
[weltonlaw@gmail.com](mailto:weltonlaw@gmail.com)

THE STATE OF TEXAS	§	IN THE DISTRICT COURT OF
	§	
v.	§	
	§	
AUSTIN INDEMNITY LLOYDS	§	TRAVIS COUNTY, TEXAS
INSURANCE COMPANY and AUSTIN	§	
INDEMNITY MANAGEMENT	§	
COMPANY, LLC	§	353 <sup>rd</sup> JUDICIAL DISTRICT

**ORDER APPROVING FINAL ACCOUNTING AND  
APPLICATION TO TERMINATE RECEIVERSHIP,  
DISSOLVE CHARTER, AND  
DISCHARGE RECEIVER AND SPECIAL DEPUTY RECEIVER**

On this day the Court considered the *Final Accounting and Application to Terminate Receivership, Dissolve Charter, and Discharge Receiver and Special Deputy Receiver (Application)* filed by Angenend & Augustine, P.C., as Special Deputy Receiver of Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC (AILIC and Special Deputy Receiver, respectively). The *Application* requests an order pursuant to Tex. Ins. Code Ann. §§ 443.153(e) and 443.352, dissolving AILIC’s charter, terminating the receivership estate proceeding, and discharging the Receiver and Special Deputy Receiver of AILIC. The Special Deputy Receiver appeared by and through its counsel. The Texas Property and Casualty Insurance Guaranty Association also appeared through its counsel of record. Although duly and timely notified of the *Application*, no one else appeared on behalf of any other party in interest.

In accordance with the *Order of Reference to Master* (Master) entered on February 2, 2009 (*Order of Reference*), the *Application* was properly submitted to the Master appointed in this cause. The Master has issued a report pursuant to Rule 171 of the Texas Rules of Civil Procedure, which is incorporated herein, finding and recommending as follows:

1. Notice of the hearing by submission on the *Application* was (i) served on parties in interest as defined in § 443.004(a)(17) and was proper, and (ii) was made in accordance with the notice requirements of Tex. Ins. Code Ann. § 443.007 and the *Order of Reference*.

Having considered the pleadings, the evidence submitted, and the recommendation of the Master, the Court accepts the Master's report, and grants the *Application*.

It is therefore **ORDERED, ADJUDGED and DECREED** that:

1. The *Application* is approved in all respects;
2. Exhibits B, C, and D are approved as the final financial statements for the receivership estate;
3. Exhibit F is approved as to transferring any unknown assets of the receivership estate to the Commissioner;
4. The following exhibits previously submitted under seal for *in camera* inspection are unsealed 30 days after entry of this Order:
  - a) Exhibit B, the *Contingency Fee Agreement*, submitted into evidence with the *Third Application for Approval of Fees and Expenses* filed in this case on March 25, 2013; and
  - b) Exhibit B, the *Contingency Fee Agreement*, submitted into evidence with the *Fourth Application for Approval of Fees and Expenses* filed in this case on July 18, 2016;
5. The charter of AILIC is dissolved;
6. The AILIC receivership estate proceeding is terminated;

7. Kent Sullivan as Receiver and Angenend & Augustine, P.C., as the Special Deputy Receiver of AILIC are discharged from their duties as such;
8. Exhibits A, B, C, D, E, and F are admitted into evidence;
9. The facts contained in the *Application* and Exhibits A-F are admitted into evidence as *prima facie* proof of the matters;
10. The Special Deputy Receiver's discretionary decisions detailed in the *Application* and verified in Exhibit A are reasonable and not an abuse of discretion;
11. This Order constitutes a final judgment resolving all matters relating to the *Application* and the delinquency proceeding;
12. The notice of the hearing was made to the certificate of service and was in accordance with the notice requirements in §§ 443.004(a)17) and 443.007, and the *Order of Reference*;
13. The notice of the hearing by email is appropriate; and
14. The Special Deputy Receiver is authorized to execute any documents as necessary to effectuate purposes of the *Application* and this Order.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

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TIM SULAK  
DISTRICT JUDGE PRESIDING