

STATE OF TEXAS  
*Plaintiff,*

V.

EMPLOYERS CASUALTY  
COMPANY AND EMPLOYERS  
OF TEXAS LLOYDS  
*Defendants.*

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IN THE DISTRICT COURT  
  
TRAVIS COUNTY, TEXAS  
  
353rd JUDICIAL DISTRICT

Filed in The District Court  
of Travis County, Texas

AUG 20 2012 BP

At  
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 Employers Casualty Company (the "SDR" and "ECC", 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 *Second 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 was 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.

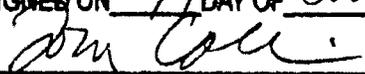
It is therefore ORDERED, ADJUDGED and DECREED as follows

1. The Application is granted in all respects.
2. Exhibits 1 through 5 to the Application are accepted and 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 amendment to the claim report to allow proof of claim No. 1451 filed by Commonwealth Insurance Company as an approved Class 5 claim for \$1,648.69 is approved and the SDR is authorized to make payment in full on the claim.
7. The SDR shall not make any distribution on the ENIC approved claim.
8. The SDR shall distribute the assets of the receivership in accordance with TEX. INS. CODE § 443.302 as described in Exhibit 8 to the Application.
9. The SDR's proposed treatment of withheld 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.
10. The assignment to the Commissioner of all unknown and unliquidated assets of ECC is approved, and the SDR is authorized to execute an assignment in a form substantially similar to Exhibit 9.
11. The SDR is authorized to dispose of ECC's records in the manner described in the Application.

12. The SDR is authorized to transfer to the Commissioner all remaining records of ECC 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 her discretion.
13. The SDR's proposed notice, Exhibit 11, is approved and the Court finds that such notice is proper.
14. The SDR is authorized to execute and file any other tax forms as may be necessary.
15. The SDR is authorized to file a final expense report with the final accounting.
16. The SDR is authorized to take any action necessary to implement this Order.
17. This Order does not modify any of the terms or provisions of this Court's *Permanent Injunction and Order Appointing Permanent Receiver* against ECC.
18. 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 17<sup>th</sup> day of AUGUST, 2012.

  
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 JUDGE PRESIDING  
 TIM SULAR

PROPER NOTICE GIVEN  
 ACKNOWLEDGMENT OF NOTICE AND WAIVER  
 OF OBJECTION PRESENTED  
 SUBMITTED  
 RECOMMENDED  
 SIGNED ON 14<sup>th</sup> DAY OF Aug. 2012  
  
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 TOM COLLINS, RECEIVERSHIP SPECIAL MASTER