

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 REPORT AND APPLICATION TO APPROVE REPORT OF CLAIMS,  
MAKE FINAL DISTRIBUTION,  
AND DESTROY RECORDS**

**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<sup>1</sup> (Special Deputy Receiver and AILIC, respectively), and files this *Final Report and Application to Approve Report of Claims, Make Final Distribution, and Destroy Records (Application)* and in support respectfully shows the Court as follows:

**I. INTRODUCTION**

1.1 The Special Deputy Receiver has completed all claims processing and asset collection activities in this proceeding. The Special Deputy Receiver submits its final report and requests this Court authorize it to make a final distribution of the receivership estate’s assets and dispose of or transfer any remaining records of AILIC. Following the completion of the final distribution, the transfer and destruction of records, and the filing of final tax returns and

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<sup>1</sup> Austin Indemnity Lloyds Insurance Company 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 Austin Indemnity Lloyds Insurance Company. It does not appear that AIMC transacted business on behalf of Austin Indemnity Lloyds Insurance Company 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.

issuance of any other required tax documents, the Special Deputy Receiver will submit an application to dissolve the charter of AILIC, discharge the Receiver and the Special Deputy Receiver, and terminate this proceeding.

## **II. AUTHORITY**

2.1 The Special Deputy Receiver is authorized to file this *Application* pursuant to Chapter 443 of the Texas Insurance Code (the Code).<sup>2</sup> Under § 443.154(a) of the Code, the Special Deputy Receiver has all of the Receiver's powers, except as limited by the Receiver.

2.2 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 (22), (24), (26), (31), 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 by submission (hearing) to support the *Application* pursuant to Tex. R. Civ. P. 171.

## **III. BACKGROUND**

### **Company History**

3.1 Austin Indemnity Lloyds Insurance Company (Austin Indemnity) was organized on June 30, 2004, as a property and casualty insurance company under Chapter 941 of the Code. Austin Indemnity was licensed to transact business only within Texas and wrote homeowners and personal automobile coverage. Austin Indemnity was part of an insurance holding company system which included the following entities: Barnes Family Ventures, Ltd., Heartland Group, Inc., Legacy Managing General Agency, LLC, Heartland General Agency, LLC, and Austin

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<sup>2</sup> All statutory references herein are to the Texas Insurance Code, unless otherwise indicated.

Indemnity Management Company, LLC. Austin Indemnity Management Company, LLC was the attorney-in-fact for Austin Indemnity and its underwriters.

### **Initiation of Receivership Proceeding**

3.2 The delinquency proceeding was initiated on December 3, 2008. Pursuant to Chapter 443 AILIC was placed in liquidation by this Court's *Agreed Order Appointing Liquidator and Permanent Injunction (Liquidation Order)* entered on December 29, 2008 (receivership estate).

### **Appointment of Receivers**

3.3 In accordance with § 443.151 and the *Liquidation Order*, the Texas Commissioner of Insurance (Commissioner) was appointed as Receiver of AILIC (Receiver). Mike Geeslin, Commissioner at the initiation of receivership, was appointed Receiver on December 29, 2008. Eleanor Kitzman succeeded Mike Geeslin as Receiver on August 15, 2011. Julia Rathgeber succeeded Eleanor Kitzman as Receiver on May 27, 2013. David Mattax succeeded Julia Rathgeber as Receiver on January 12, 2015. On October 16, 2017, Kent Sullivan became Commissioner and is the current Receiver of AILIC. As a matter of law, all prior Commissioners have been discharged as Receiver.

### **Appointment of Special Deputy Receiver**

3.4 On December 29, 2008, the Receiver designated Angenend & Augustine, P.C., as Special Deputy Receiver of AILIC.

### **Referral to Master**

3.5 On February 2, 2009, this Court signed its *Order of Reference to Master* appointing Tom Collins as receivership master in this proceeding.

## **Impairment**

3.6 On December 29, 2008, the Commissioner entered an order designating AILIC as an impaired insurer. In accordance with Chapter 462, the Texas Property and Casualty Insurance Guaranty Association (TPCIGA) became obligated to pay “covered claims” of AILIC. TPCIGA is the only guaranty association involved in the receivership estate.

## **IV. FINANCIAL STATEMENTS**

4.1 Exhibit B is the Statement of Net Assets and Statement of Net Liabilities and is incorporated by reference as if fully set out. Exhibit B reflects the receivership estate’s financial condition as of January 31, 2018. The consolidated Sources and Uses of Cash, which lists all funds received and disbursed from the date of receivership to January 31, 2018, is attached as Exhibit C and incorporated by reference as if fully set out. These exhibits represent the final financial reports for the receivership estate in accordance with § 443.016.

## **V. ASSETS**

### **Disposition of Assets**

5.1 A Disposition of Assets Schedule is attached as Exhibit D and incorporated by reference as if fully set out. Exhibit D shows all asset transactions since December 29, 2008, and reflects total assets of AILIC as of January 31, 2018.

### **Unliquidated Assets**

5.2 AILIC has no known unliquidated assets. At closing, all unknown assets will be assigned to the Commissioner as described below in this *Application*.

## **VI. CLAIMS**

### **Notice**

6.1 On September 1, 2009, this Court entered its *Order Approving Notice and Setting Claims Filing Deadlines (CFD Order)* with the date of June 29, 2010 as the claims filing

deadline. In accordance with this *CFD Order*, the Special Deputy Receiver provided notice of the claims filing deadline to all persons who may have had claims as shown by AILIC's books and records. In addition, in accordance with the *CFD Order*, the Special Deputy Receiver published notice of the claims filing deadline in a newspaper of general circulation, *The Austin Chronicle*.

### **Filing of Claims**

6.2 The Special Deputy Receiver received a total of 150 proofs of claim (POCs) in the receivership estate. There were no POCs deemed timely filed pursuant to § 443.251(b)(1).

The summary of POCs filed is as follows:

- a) 1 POC filed by TPCIGA for claims handling expenses and for claim payments;
- b) 7 POCs filed by policy claimants;
- c) 45 POCs filed by general unsecured creditors (8 of these were disallowed);
- d) 6 POCs filed late after the claims filing deadline;
- e) 48 POCs treated as fully resolved due to being fully covered by TPCIGA;
- f) 5 POCs withdrawn; and
- g) 38 POCs disallowed and not classified;

There were no Class 3 federal government claims, Class 4 employee claims, or Class 6 or 7 state or local government claims received by the Special Deputy Receiver. The Court previously approved one application to submit proofs of claim after the claims filing deadline, which is discussed more fully below.

### **Claims Processing**

6.3 All claims representing covered claims by a guaranty association were referred to TPCIGA pursuant to § 443.253(m). Forty-eight POCs were determined to be fully resolved by TPCIGA, and 5 POCs were withdrawn by the claimants. The remaining POCs against the receivership estate were adjudicated pursuant to § 443.253 with respect to their allowed amount, disallowance, and/or classification. The Special Deputy Receiver provided written notice to all

claimants of their determination. The period of time allowed by § 443.253(c) to appeal the Special Deputy Receiver's action on these claims has expired, and the Special Deputy Receiver's determinations on these claims are final and not subject to review. The POCs were adjudicated as follows:

- a) TPCIGA's Class 1 claim was allowed in the amount of \$3,363,565.<sup>3</sup> (This total amount is reflected on lines 5 and 6 on the Statement of Net Liabilities on Exhibit B.)
- b) TPCIGA's Class 2 claim was allowed in the amount of \$7,537,080.<sup>4</sup> (This total amount is reflected on lines 7 and 10 on the Statement of Net Liabilities on Exhibit B.)
- c) The approved Class 2 claims filed by policy claimants that were not payable by TPCIGA were approved in the amount of \$81,468. (This total amount is reflected on lines 8 and 9 on the Statement of Net Liabilities on Exhibit B.)
- d) Twenty-eight POCs of general, unsecured creditors were approved as Class 5 claims in the amount of \$263,052. Eight POCs of general, unsecured creditors were classified only as Class 5 claims with the reported amount of \$116,895 claimed on these POCs. (This total amount of general unsecured creditor claims is reflected on line 14 on the Statement of Net Liabilities on Exhibit B.)
- e) One POC was allowed as a Class 5 reinsurance related unsecured claim and approved in the amount of \$1,061,257. (This total amount is reflected on line 15 on the Statement of Net Liabilities on Exhibit B.)
- f) One of the six late filed POCs was approved in the amount of \$505,452. Three late filed POCs were filed by policy claimants with the reported amount of \$53,800 claimed on these POCs. (This total amount for Class 8 claims is reflected on line 18 on the Statement of Net Liabilities on Exhibit B.)

In accordance with § 443.258(k), the Special Deputy Receiver processed some claims in Classes 5 and 8 with respect to their priority only and did not further process such claims, as no assets are available for a distribution to such classes.

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<sup>3</sup> The allowed amount for TPCIGA's Class 1 claims is \$3,363,564.41 and is rounded to the dollar for purposes of reporting on the Statement of Net Liabilities, as shown on lines 5 and 6.

<sup>4</sup> The allowed amount for TPCIGA's Class 2 claims is \$7,537,080.20 and is rounded to the dollar for purposes of reporting on the Statement of Net Liabilities, as shown on lines 7 and 10.

## **Claims Report**

6.4 Pursuant to § 443.258, the Special Deputy Receiver submitted a report of its determination of claims, which was approved by this Court on August 11, 2015.

6.5 Since this report of claims, the Special Deputy Receiver has determined the remaining POC received from TPCIGA. The Special Deputy Receiver allowed TPCIGA's POC in the amounts of \$3,363,564 for Class 1 claims and \$7,537,080 for Class 2 claims. No written objection to the Special Deputy Receiver's determination of TPCIGA's POC was submitted under § 443.253(c). The Special Deputy Receiver submits its final report of claims, with the allowed amounts shown on the Statement of Net Liabilities on Exhibit B.<sup>5</sup> The Special Deputy Receiver requests the Court approve its actions on TPCIGA's POC pursuant to § 443.258.

## **Distributions**

6.6 During the course of the receivership, a total of \$3,513,993 in early access payments was distributed to Class 1 and Class 2 claims. Pursuant to § 443.303, this Court entered five orders authorizing early access distributions to TPCIGA as follows:

- a) On May 17, 2010, the order authorized the first early access distribution in the amount of \$2,046,831.
- b) On May 25, 2011, the order authorized the second early access distribution in the amount of \$751,134.
- c) On May 24, 2012, the order authorized the third early access distribution in the amount of \$928,463.
- d) On June 5, 2014, the order authorized the fourth early access distribution in the amount of \$381,817.
- e) On May 31, 2016, the order authorized a return of previous early access distributions in the amount of (\$594,252) due to insufficient assets to pay the administrative expenses of the receivership estate.

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<sup>5</sup> As mentioned in the previous footnotes, the allowed amount for TPCIGA's Class 1 claims is \$3,363,564.41 and Class 2 claims is \$7,537,080.20. These allowed amounts are rounded to the dollar for purposes of reporting on the Statement of Net Liabilities, as shown on lines 5 and 6 for Class 1 claims, and lines 7 and 10 for Class 2 claims.

6.7 The net amount of early access distribution is \$3,513,993 as shown on line 19 of the Statement of Net Assets on Exhibit B.

## **VII. EXPENSES**

### **Paid Expenses**

7.1 The Special Deputy Receiver has been filing a Statement of Expenses quarterly from March 16, 2009 until December 15, 2017 pursuant to § 443.015(g). On April 30, 2009, June 30, 2010, April 11, 2013, and August 5, 2016, this Court approved the terms of compensation for the Special Deputy Receiver and subcontractors, or any expense in excess of \$25,000 pursuant to § 443.015(c). The compensation and expenses have been paid in accordance with these orders and § 443.015 through January 31, 2018.

### **Unpaid Expenses**

7.2 Prior to receivership, AILIC was subject to an administrative order under TEX. INS. CODE Chapter 404. The order authorized the Commissioner to collect fees sufficient to cover the cost of rehabilitating AILIC and to determine the terms of collection or repayment of the fees. The Commissioner's staff incurred charges totaling \$21,200.60 supervising AILIC's compliance with the order. The Receiver has approved these fees as a Class 1 expense of administration, and requests approval to pay such amounts. This Class 1 administrative expense is accounted for on Exhibit E, the Estimated Closing Budget, discussed below.

### **Closing Expenses**

7.3 The Special Deputy Receiver proposes to reserve \$46,850 for the payment of estimated expenses involved in closing the receivership estate, including some obligations that continue past closing. Attached as Exhibit E and incorporated by reference as if fully set out is the Estimated Closing Budget, which is a summary of the estimated closing expenses. The

Special Deputy Receiver requests approval of the reserve for closing expenses as reflected on Exhibit E.

### **Final Statement of Expenses**

7.4 Pursuant to § 443.015, the Special Deputy Receiver will submit a detailed final statement of actual expenses incurred when the Special Deputy Receiver files the application to terminate the receivership estate. If the actual expenses differ from the amount reserved, the excess funds or the shortfall, as applicable, will be handled as described below in this *Application*. The Special Deputy Receiver will file a final accounting including the final distribution schedule and a final statement of expenses that reflects the actual expenses incurred.

## **VIII. DISTRIBUTION OF ASSETS**

### **Assets Available for Distribution**

8.1 As of January 31, 2018, there was a total of \$1,223,215 in cash in the receivership estate's accounts. After reserving for the remaining administrative expenses through closing as described above, \$1,176,364 will be available in cash assets for distribution.

### **Accounting for Early Access Advances**

8.2 Pursuant to § 443.303(b), the previous early access distributions to TPCIGA have been accounted for as advances against final distributions to be made under § 443.302. As discussed above, TPCIGA has received a net of \$3,513,993 in previous early access payments. Pursuant to the previous early access orders detailed above, the Special Deputy Receiver shall credit these previous early access payments against a final distribution of 100% to TPCIGA's allowed Class 1 claims totaling \$3,363,565. After accounting for this Class 1 amount, the remaining balance of \$150,428 in previous early access payments shall be credited against a final distribution to TPCIGA's allowed Class 2 claims. In accordance with § 443.303, the Special

Deputy Receiver will credit previous early access payments against a final distribution to TPCIGA's allowed Class 1 and Class 2 claims. In the Court's *Order Approving Fourth Report Regarding Early Access and Request for Return of Early Access Distributions*, the Special Deputy Receiver was required to report at least annually on distributable assets. As detailed above, the Special Deputy Receiver is requesting authority for a final distribution to TPCIGA.

### **Eligible Claimants**

8.3 As discussed above, a 100% distribution will be credited to TPCIGA's Class 1 claims. Pursuant to § 443.301, all claims within a class must be paid substantially the same percentage of the amount of the claim. There are sufficient assets to make approximately a 17% pro rata distribution on approved Class 2 claims. This proposed pro rata distribution accounts for the cash assets available for distribution and the balance of \$150,428 in previous early access payments to be credited against a final distribution to TPCIGA's allowed Class 2 claims, Attached as Exhibit F and incorporated by reference as if fully set out is the Distribution Schedule which lists the approved claimants to whom a distribution will be made. Exhibit F identifies each claimant's name as shown on the POC (except individuals are referred to as "Individual Claimant"), the amount approved by the Special Deputy Receiver, and the projected distribution. The projected distribution is approximate based on current financial data, and the actual distribution may vary from this projection. The Special Deputy Receiver requests the Court approve the projected distribution and authorize it to distribute the assets of the receivership estate as described in this *Application* and Exhibit F.

### **Distribution Process**

8.4 Attached as Exhibit G and incorporated by reference as if fully set out is the Distribution Notice that will be mailed to the approved Class 2 claimants, advising them of the

proposed distribution. The Distribution Notice will be mailed to the address provided by the claimant on the POC, or any subsequent address provided by the claimant.<sup>6</sup> After the Court approves this *Application*, the Special Deputy Receiver will make distributions by mailing certified checks to all the approved Class 2 claimants, except TPICIGA, by first class mail to the address provided by the claimant. The projected distribution to TPCIGA will be made by wire transfer. In the event that a Distribution Notice is returned by the United States Post Office with an address correction, the SDR will send the distribution check to the corrected address. If any Distribution Notice is returned as unclaimed or undeliverable, the distribution will be handled as described below.

8.5 Attached as Exhibit H and incorporated by reference as if fully set out is the Notice of Closing that will be mailed to all the allowed or classified claimants below Class 2, advising them that they will not receive a distribution. This notice will be mailed to the address provided by the claimant on the POC, or any subsequent address provided by the claimant.

#### **Distribution on *de minimis* Claims**

8.6 Section 443.253(h) provides for the disallowance of claims for *de minimis* amounts, as determined by this Court. The Special Deputy Receiver proposes to establish a distribution threshold of \$25, which is reasonable and necessary for cost-effective administration. The Special Deputy Receiver requests this Court find that any distribution below the proposed threshold be considered *de minimis*, and authorize the Special Deputy Receiver to withhold the amount of any such distribution.<sup>7</sup> Any such amounts that are withheld will be treated as general assets of the receivership estate.

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<sup>6</sup> The *CFD Order* required all claimants to provide a current mailing address on the POC and provide any changes of address to the Special Deputy Receiver.

<sup>7</sup> Exhibit F, the Distribution Schedule, reflects that no projected distributions addressed in this final report are below the proposed *de minimis* threshold of \$25.

## **Residual Funds**

8.7 It is possible that there may be additional funds in the receivership account after the final distribution (Residual Funds). Such funds may result from interest on the receivership account, excess reserves for closing expenses, or the collection of assets after the distribution has commenced. Such funds will be handled as described below.

## **Supplemental Distribution**

8.8 If it is economically feasible to distribute Residual Funds to Class 2 claimants, the Special Deputy Receiver will make a supplemental pro rata distribution from any such Residual Funds, after reserving for distribution expenses. Any supplemental distribution will be subject to the *de minimis* distribution threshold approved by the Court.

## **Transfer of Remaining Funds**

8.9 Section 443.352 provides that this Court may issue an order to transfer funds remaining after the final distribution that cannot be economically distributed. In the event that there are any Residual Funds, and it is not economically feasible to distribute such funds, the Special Deputy Receiver requests that such funds be transferred to the Commissioner for deposit in an account established under § 443.304(c). Such funds will be available to pay any expenses exceeding the expense reserve, or expenses incurred for activities after the closing of the receivership estate, such as responding to inquiries and handling unclaimed funds. The Special Deputy Receiver requests this Court authorize it to transfer any such Residual Funds remaining after all distributions are made.

## **IX. UNCLAIMED FUNDS**

### **Unclaimed Distributions**

9.1 The Special Deputy Receiver will issue distribution payments either with certified checks or by wire transfer as described above. The Special Deputy Receiver will deliver any

funds which are unclaimed to the Commissioner as required by § 443.304(a) to be placed in a segregated unclaimed funds account.

9.2 The Special Deputy Receiver does not anticipate that any of the addresses of the Class 2 claimants are no longer current. However, in the event that a Distribution Notice is mailed to an address and returned as undeliverable, the Special Deputy Receiver requests that this Court order that any distribution due to a claimant whose notice is returned as undeliverable should be treated as unclaimed without the need for the receivership estate to incur the expense of mailing an undeliverable check. The Special Deputy Receiver proposes that all distributions to such claimants be withheld from the mailing of the final distribution and be delivered to the Commissioner upon closing of the receivership account as described in this *Application*.

## **X. ASSIGNMENTS**

### **Assignment of Non-Cash Assets**

10.1 Section 443.154 authorizes the Special Deputy Receiver to transfer, abandon, or otherwise dispose of or deal with any property of the insurer upon terms and conditions that are fair and reasonable. Further, § 443.352 permits the Court to enter any orders in connection with an application to terminate a receivership proceeding, including orders transferring any remaining assets that are uneconomical to distribute. There are no known unliquidated assets in the receivership estate; however, it is possible that unknown assets of AILIC exist. The Special Deputy Receiver asks the Court for permission to transfer to the Commissioner any and all non-cash assets of AILIC, including but not limited to, assets and rights not known at the time of the termination of this proceeding. Attached as Exhibit I and incorporated by reference as if fully set out is the proposed Assignment of Unknown Assets to the Commissioner.

## **Liquidation and Disposition of Assigned Assets**

10.2 In the event that any assigned assets are collected and liquidated, and such amount is sufficient to justify a distribution, this proceeding may be reopened under § 443.353. If such amount cannot be distributed economically, the Special Deputy Receiver requests that any such funds be deposited in accordance with § 443.304(c). Any potential distribution under a reopening will be subject to the *de minimis* distribution threshold approved by the Court.

### **Assets to be Donated**

10.3 There are three blade servers which were used to house AILIC databases. These servers have minimal value; therefore, the Special Deputy Receiver proposes to remove confidential information and donate this computer equipment pursuant to § 443.154(y).

## **XI. RECORDS**

### **Disposal of Records**

11.1 Pursuant to the *Liquidation Order*, this Court vested title to all of AILIC's property in the Receiver. During the pendency of the proceedings, certain records were transferred to TPCIGA in accordance with Chapters 443 and 462.

11.2 The Special Deputy Receiver has identified records that are not needed after the termination of this proceeding. Attached as Exhibit J and incorporated by reference as if fully set out is a list of the records to be destroyed. The Special Deputy Receiver requests authority to dispose of such records in accordance with § 443.354(a).

### **Records Transferred to Commissioner**

11.3 Records that may be required after the termination of this proceeding will be delivered to the Commissioner pursuant to § 443.354(b) and maintained in compliance with the Receiver's records retention policy for receivership records. The Special Deputy Receiver estimates that the cost of retaining such records will be \$114, and this amount is included in the

estimated closing costs on Exhibit E. The Special Deputy Receiver will send the Commissioner a list of the records to be transferred upon closing. The Special Deputy Receiver requests the Court authorize it to deliver such records, authorize the Special Deputy Receiver to pay the Commissioner \$114 for retaining such records, and authorize the Commissioner to retain or dispose of these records at his discretion.

## **XII. TAX RETURNS**

12.1 The Special Deputy Receiver has filed income tax returns with the Internal Revenue Service for the years 2008 through 2016. The Special Deputy Receiver will file the final tax returns for AILIC after the distribution of assets and before the Special Deputy Receiver is discharged. No taxes are owed to the Internal Revenue Service.

## **XIII. CERTIFICATION OF CLOSING ACTIVITIES**

13.1 Before or when the Special Deputy Receiver files an application to terminate the receivership estate and be discharged, the Special Deputy Receiver will file a certification that the Special Deputy Receiver has (i) filed a final accounting, (ii) filed final federal income tax returns, and (iii) obtained a federal release.

## **XIV. CHARTER AND LICENSES**

14.1 The Special Deputy Receiver has determined that a sale of the charter and license of Austin Indemnity is not feasible. The Special Deputy Receiver requests that this Court dissolve the charter pursuant to § 443.153(e)(1) on the termination of this proceeding.

## **XV. OFFER OF PROOF**

15.1 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 records referenced and verifying the facts contained in this

*Application*. The Special Deputy Receiver requests that Exhibits A-J be admitted as prima facie 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.

## **XVI. NOTICE AND HEARING**

### **Notice of Application**

16.1 This *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 14 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*.

16.2 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) including counsel for the approved Class 2 claimants.

16.3 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). Notice of all legal filings has been provided by e-mail to the certificate of service throughout the term of the receivership estate.

## **Distribution Notice**

16.4 The Distribution Notice attached as Exhibit G will be mailed to the claimants receiving a distribution at least 14 days before the submission date of the *Application*. The Notice of Closing attached as Exhibit H will be mailed to the claimants not receiving a distribution at least 14 days before the submission date of the *Application*.

16.5 The Special Deputy Receiver requests the Court find that (i) the notice of the hearing on this *Application* was served on parties in interest as defined in § 443.004(a)(17) and was proper and (ii) the notice of hearing, distribution notice, and notice of closing were all proper and made in accordance with the notice requirements in § 443.007 and the *Order of Reference* and were sufficient.

## **XVII. FINALITY OF ORDERS**

17.1 The Special Deputy Receiver requests that this Court's Order approving the *Application* constitutes a final judgment resolving all matters related to the *Application*.

## **XVIII. PRAYER**

**WHEREFORE, PREMISES CONSIDERED**, Paul D. Angenend, as the president of Angenend & Augustine, P.C., 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. Accepting the facts contained in the *Application* and its exhibits into evidence as *prima facie* proof of the matters asserted;
3. Approving the Special Deputy Receiver's actions on TPCIGA's POC;

4. Approving the payment of the Class 1 administrative expense to the Commissioner in the amount of \$21,200.60 as discussed in the *Application*;
5. Approving the estimated closing expenses as reflected on Exhibit E;
6. Authorizing the Special Deputy Receiver to credit previous early access payments against a final distribution to TPCIGA's allowed Class 1 and Class 2 claims;
7. Authorizing the Special Deputy Receiver to distribute the assets of the receivership estate as described in the *Application* and Exhibit F;
8. Deeming that any claim which would produce a distribution below the proposed threshold of \$25 is *de minimis*, and authorizing the Special Deputy Receiver not to distribute any *de minimis* distributions;
9. Authorizing the Special Deputy Receiver to transfer to the Commissioner any Residual Funds remaining after all distributions are made;
10. Authorizing the Special Deputy Receiver to deliver all unclaimed funds to the Commissioner, and that any distribution to a claimant for whom the Distribution Notice was returned as undeliverable shall be deemed as unclaimed for purposes of § 443.304;
11. Authorizing the assignment of non-cash assets to the Commissioner, including but not limited to, assets and rights not known at the time of the termination of this proceeding;
12. Authorizing the Special Deputy Receiver to dispose of records listed on Exhibit J;
13. Authorizing the Special Deputy Receiver to deliver any remaining records to the Commissioner, authorizing the Special Deputy Receiver to pay the Commissioner

\$114 for retaining such records, and authorizing the Commissioner to retain or dispose of such records at his discretion;

14. Accepting Exhibits A through J into evidence;
15. Deeming that the Order approving the *Application* constitutes a final judgment;
16. Finding that (i) the notice of the hearing on this *Application* was served on parties in interest as defined in § 443.004(a)(17) and was proper and (ii) the notice of hearing, distribution notice, and notice of closing were all proper and made in accordance with the notice requirements in § 443.007 and the *Order of Reference*.
17. Authorizing the Special Deputy Receiver to execute any documents as necessary to effectuate the purpose of this *Application*; and
18. Granting such other and further relief as this Court deems appropriate.

Respectfully submitted,

**AMY JEANNE WELTON**

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*/s/ Amy Jeanne Welton*

Amy Jeanne Welton

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**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., a professional corporation that was designated to serve as Special Deputy Receiver of Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC when it was placed in liquidation on December 29, 2008. 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 Report and Application to Approve Report of Claims, Make Final Distribution, and Destroy Records* 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, which I obtained from consultation with my staff and subcontractors (my staff).

3. “I have also read all the exhibits attached and incorporated into the *Application* by reference. 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). The books, records, documents, and papers of the receivership estate were: received from the custody of the insurer or found amongst its effects; or created by or filed with the Receiver’s office in connection with the receivership of this delinquent insurer, and are held by the Special Deputy Receiver in its official capacity. 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. “I certify that all the known claims against the AILIC receivership estate were either determined to be fully resolved by TPCIGA or have been processed by my staff. All known assets justifying the expense of collection have been collected for distribution, so it is in the best interest of this receivership estate and its creditors to proceed with closing the AILIC receivership estate.

5. “I am unaware of any other assets to be marshaled or liquidated in this receivership estate.

6. “Based upon my consultation with my staff and subcontractors, I recommend the final distribution, destruction or transfer of records, reserve for closing expenses and proceeding with closing the receivership estate are in the best interests of the receivership estate and its creditors.

7. “I have made the recommendations in this *Affidavit* based on my personal knowledge gained in consultations with my staff.

8. "I request that the Court find that the Special Deputy Receiver has acted reasonably in making the discretionary decisions detailed in the *Application* and this *Affidavit* and that the actions described in the *Application* and *Affidavit* are not an abuse of discretion.

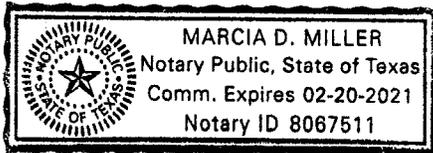
"The Affiant has nothing further to say."

  
\_\_\_\_\_  
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 1<sup>st</sup> day of March 2018.



  
\_\_\_\_\_  
Notary Public, State of Texas  
Printed Name: Marcia D. Miller  
My Commission Expires: 2-20-2021



**Austin Indemnity Lloyds Insurance Co and Austin Indemnity Management Co,  
R-542 LLC  
Statement of Net Assets**

**For the Period Ending  
01/31/18**

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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.

<sup>19</sup> Represents early access payments to Texas Property and Casualty Insurance Guaranty Association.

R-542

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

**For Period Ending**  
**01/31/18**

Line		01/31/18
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	5,818
	Liquidation Oversight	22,098
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	1,543,291
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	1,820,274
	LAE Reserves	
<b>Policy Claims - Class 2</b>		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	6,937,082
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	69,099
	Other Loss Claims Reserves	
9	LAE - Other	12,369
10	Unearned & Advance Premium Claims - GA	599,998
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	379,948
15	Class 5 Reinsurance Related Unsecured Claims	1,061,257
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	559,252
19	Class 9 Claims	
20	Class 10 Interest	
21	Class 11 Claims	
22	Other Liabilities	
	<b>Total Liabilities</b>	13,010,486
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	(8,273,278)
	<b>Total Liabilities &amp; Equity</b>	4,737,208

R-542

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

**For Period Ending  
01/31/18**

**NOTES**

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

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.

**Ref. No.**

5 Represents amounts paid, reserved, and claimed in TPCIGA's timely filed POC, which was approved by the SDR's letter dated September 21, 2016, which became final on November 7, 2016, subject to receivership Court approval.

6 Represents amounts paid, reserved, and claimed in TPCIGA's timely filed POC, which was approved by the SDR's letter dated September 21, 2016, which became final on November 7, 2016, subject to receivership Court approval.

7 Represents amounts paid, reserved, and claimed in TPCIGA's timely filed POC, which was approved by the SDR's letter dated September 21, 2016, which became final on November 7, 2016, subject to receivership Court approval.

8 Represents amounts approved by the SDR and claimed under policies of insurance of timely filed proofs of claim (POCs), which have been allowed by the SDR. These POCs received court approval under the "Order Approving Special Deputy Receiver's First Report of Claims" signed August 11, 2015.

9 Represents amounts approved by the SDR and claimed under policies of insurance of timely filed POCs, which have been allowed by the SDR. These POCs received court approval under the "Order Approving Special Deputy Receiver's First Report of Claims" signed August 11, 2015.

10 Represents amounts paid, reserved, and claimed in TPCIGA's timely filed POC, which was approved by the SDR's letter dated September 21, 2016, and which became final on November 7, 2016, subject to receivership Court approval.

R-542

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

**For Period Ending  
01/31/18**

Included in this amount is \$53,396, which represents an approved claim amount based on the "Order Approving Application for Approval of Frost Bank Claim" signed October 4, 2010. Also included in this amount is \$263,052, which represents amounts approved by  
14 the SDR for timely filed POCs allowed by the SDR. These POCs received court approval under the "Order Approving Special Deputy Receiver's First Report of Claims" signed August 11, 2015. The balance of this amount represents amounts claimed under timely filed POCs, which have been classified by the SDR but not fully adjudicated as of October 31, 2015.

15 Represents amount approved by the SDR for a timely filed POC allowed by the SDR and filed by Old American County Mutual Insurance Company for amounts claimed under an assumed reinsurance treaty. This POC received court approval under the "Order Approving Special Deputy Receiver's First Report of Claims" signed August 11, 2015.

Included in this amount is \$53,832 that represents amounts claimed under policies of insurance in POCs filed late. These POCs have been approved by the SDR as late filed claims but will not be determined on the merits with amounts until the SDR makes a  
18 determination that it may reach a distribution to this level of claim. The classification of these POCs received court approval as late filed claims under the "Order Approving Special Deputy Receiver's First Report of Claims" signed August 11, 2015. The balance of this amount, \$505,420, is for one POC filed late, which was fully allowed by the SDR on December 20, 2011, and became final on February 4, 2012. The \$505,420 is an allowed POC that was fully approved by the receivership court on February 27, 2012.

R-542	Exhibit C	
	Austin Indemnity Lloyds Insurance Co and Austin Indemnity Management Co, LLC	
	Sources & Uses of Cash	
	Inception to 1/31/2018	
Line		Since Inception
<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
<b>11</b>	<b>Total Operational Receipts</b>	<b>7,178,787</b>
12	Interest & Dividend Receipts	19,827
13	Net Cash Provided by Investment Activities	155,099
<b>14</b>	<b>Total Cash Receipts from Investment Activities</b>	<b>174,926</b>
<b>15</b>	<b>Total Cash Receipts</b>	<b>7,353,713</b>
<b>Operational Expenses</b>		
16	Deputy Receiver & Consulting Fees & Expenses	1,514,327
17	Employee Salaries, P/R Taxes & Employee Benefits	27,132
18	Rent, Office & Other Facility Expenses	37,939
19	Legal Fees & Expenses	1,153,388
20	Accounting & Auditing Fees & Expenses	168,879
21	SGA - Administration Expenses other than LAE	51,808
22	Ancillary Administration Expenses-TDI LO	179,670
23	Other Disbursements	143,430
<b>24</b>	<b>Total Operational Disbursements</b>	<b>3,276,573</b>
<b>Investment Expenses</b>		
25	Investment Expenses	0
26	Purchase of Invested Assets	0
<b>27</b>	<b>Total Disbursements for Investment Activities</b>	<b>0</b>
<b>Claims Paid</b>		
28.1	Losses/Benefit Payments - SGA	0
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
<b>32</b>	<b>Total Cash Distributions</b>	<b>3,513,993</b>
<b>33</b>	<b>Total Cash Disbursements &amp; Distributions</b>	<b>6,790,566</b>
		0
<b>34</b>	<b>Net Increase(Decrease) in Cash</b>	<b>563,147</b>
35	<i>Cash at Beginning of Period</i>	660,068
36	<i>Cash at End of Period</i>	1,223,215





**EXHIBIT E**  
**R542 Austin Indemnity Lloyds Insurance Co and**  
**Austin Indemnity Management Co, LLC**  
**Estimated Closing Budget**

	<b>Estimated Expenses</b>
<b>Estimated SDR Fees</b>	10,968.14
<b>Estimated Miscellaneous Expenses</b>	
Records Storage and Disposal	2,027.00
Web Hosting	100.00
Supplies-boxes/labels/folders/forms	200.00
Copies, Faxes, Postage/Courier	138.00
Bank Charges, Wiring Fees & Treasury Account	152.58
Total Miscellaneous Expenses	2,617.58
<b>Estimated Subcontractors Fees &amp; Expenses</b>	
Legal	2,926.50
Accounting Subcontractor	5,400.30
IT Subcontractor	640.00
Claims Subcontractor	440.00
Total Subcontractor Fees & Expenses	9,406.80
<b>Estimated Other Fees &amp; Expenses</b>	
* Records Storage by Commissioner	114.00
Liquidation Oversight Allocated Expenses	2,543.80
Class 1 Administrative Expense	21,200.60
Total Other Fees & Expenses	23,858.40
<b>Total Estimated Expenses</b>	<b>46,850.92</b>

**AUSTIN INDEMNITY LLOYDS INSURANCE COMPANY AND AUSTIN INDEMNITY MANAGEMENT CO, LLC**

**EXHIBIT F**

**Distribution Schedule**

POC NO.	CLAIMANT	Plaintiff in Care of Attorney(s)	COURT APPROVAL DATE	AMOUNT ALLOWED	Gross Distribution Percentage	Gross Distribution	Previous Distribution	Projected Distribution
<b>Class 1 Claim</b>								
542096	TPCIGA		To be approved with final report	\$3,363,564.41	100%	\$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.	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	Cintas Corporation n.k.a Cambridge Integrated Services Group, Inc.	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

**AUSTIN INDEMNITY LLOYDS INSURANCE COMPANY AND AUSTIN INDEMNITY MANAGEMENT CO, LLC**

**EXHIBIT F**

**Distribution Schedule**

<b>POC NO.</b>	<b>CLAIMANT</b>	<b>Plaintiff in Care of Attorney(s)</b>	<b>COURT APPROVAL DATE</b>	<b>AMOUNT ALLOWED</b>	<b>Gross Distribution Percentage</b>	<b>Gross Distribution</b>	<b>Previous Distribution</b>	<b>Projected Distribution</b>
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>\$1,176,364.43</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>\$1,176,364.43</b>

## Exhibit G

### NOTICE REGARDING AUSTIN INDEMNITY LLOYDS INSURANCE COMPANY AND AUSTIN INDEMNITY MANAGEMENT COMPANY, LLC

**As you were previously notified, Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC was placed in receivership. You filed a proof of claim (POC) in the receivership that was approved as a Class Two claim. This notice is being sent to inform you about a proposed final distribution on approved Class Two claims. You are *not* required to take any further action in order to receive any final distribution, unless you need to send a current address to the Special Deputy Receiver (SDR). If this notice was sent to the incorrect address, please notify the SDR of your correct address at the number below.**

*A Final Report and Application to Approve Report of Claims, Make Final Distribution, and Destroy Records* (Application) was filed in *The State of Texas v. Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC*, Cause D-1-GV-08-002766 in the 353<sup>rd</sup> Judicial District, Travis County, Texas (Receivership Court). In the Application, the Special Deputy Receiver asked the Receivership Court for approval of a proposed final pro rata distribution of approximately 17% to approved Class 2 claimants after the payment of administrative expenses. This proposed distribution is approximate based on current financial data, and the actual distribution may vary from this projection. The final amount of the distribution regarding your POC will not be confirmed until the Receivership Court enters the order approving the Application.

You do not need to call or write this office in order to receive a final distribution, except keeping the Special Deputy Receiver advised of your current address. However, if you have any questions, you may contact the Special Deputy Receiver at 512-794-8989. If you wish to review the Application, a copy is available at the SDR's website at [www.aalawsdr.com](http://www.aalawsdr.com) or at the Travis County District Clerk's Office, 1000 Guadalupe, Austin, Texas or by requesting one by email to [weltonlaw@gmail.com](mailto:weltonlaw@gmail.com).

Upon entry of the order approving the *Application*, your distribution check will be mailed to the address you provided on your POC or any updated address you have provided. Please ensure that you have provided the Special Deputy Receiver with a current mailing address. Please be advised that your distribution check **should be cashed as soon as possible** from the date it is issued.

In accordance with the *Order of Reference to Master* entered in the above referenced cause (*Order of Reference*), the Application will be submitted for approval before the Special Master, Tom Collins (Master) on Monday, March 19, 2018 (Submission Date). If you wish to file an objection to the *Application*, including, but not limited to, any objection to the approved expenses, or any claims, you must follow these rules:

1. The Master may consider the Application by written submission or oral hearing.
2. If no objection is filed in compliance with the *Order of Reference*, the Master may consider the Application without a hearing, and the Court may enter the order recommended by the Master upon its submission to the Court. A party waives any right to object to the recommendation of the Master if the party does not file an objection in compliance with the *Order of Reference*.
3. Any objection must be filed with the Travis County District Clerk at least three (3) calendar days before the Submission Date in the above referenced case.
4. A copy of any objection must be sent by email to the following:
  - (a) The Master's Docket Clerk at [SpecialMasterClerk@tdi.texas.gov](mailto:SpecialMasterClerk@tdi.texas.gov).
  - (b) All parties listed on the Certificate of Service attached to the Application.
  - (c) The Applicant's counsel: Amy Jeanne Welton at [weltonlaw@gmail.com](mailto:weltonlaw@gmail.com)

5. Any objection must specifically set out the reasons for the objection, with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally by the Master.
6. An objecting party must expeditiously coordinate with the Applicant's counsel and with the Master's docket clerk at (512) 676-6915 to request a hearing, unless the Master determines that a hearing is not necessary. If a hearing is granted, the objecting party must send a Notice of Oral Hearing to the Applicant's counsel and all parties listed on the Certificate of Service.
7. Any Acknowledgment of Notice and Waiver by a party in interest should be filed at least three (3) calendar days before the submission or hearing date.

**You are required to follow these procedures only if you have an objection to the Application. You are not required to follow these procedures to obtain a distribution.**

**Exhibit H**  
**NOTICE REGARDING AUSTIN INDEMNITY LLOYDS INSURANCE COMPANY AND**  
**AUSTIN INDEMNITY MANAGEMENT COMPANY, LLC**

**As you were previously notified, Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC was placed in receivership. You filed a proof of claim in the receivership and were previously notified of an allowance or classification of your claim as a Class 5 or Class 8 claim. This notice is being sent to inform you about a final distribution on approved Class 2 claims. There will not be a distribution to Class 5 or 8 claimants.**

A *Final Report and Application to Approve Report of Claims, Make Final Distribution, and Destroy Records* (Application) was filed in *The State of Texas v. Austin Indemnity Lloyds Insurance Company and Austin Indemnity Management Company, LLC*, Cause D-1-GV-08-002766 in the 353<sup>rd</sup> Judicial District, Travis County, Texas (Receivership Court). In the Application, the Special Deputy Receiver asked the Receivership Court for approval of a proposed final pro rata distribution of approximately 17% to approved Class 2 claimants after the payment of administrative expenses. There will not be funds available for any distribution to Class 5 or 8 claimants. If you wish to review the Application, a copy is available at the SDR's website at [www.aalawsdr.com](http://www.aalawsdr.com) or at the Travis County District Clerk's Office, 1000 Guadalupe, Austin, Texas or by requesting one by email to [weltonlaw@gmail.com](mailto:weltonlaw@gmail.com). The Special Deputy Receiver will file a closing application to terminate this proceeding after the Receivership Court approves the Application.

In accordance with the *Order of Reference to Master* entered in the above referenced cause (*Order of Reference*), the Application will be submitted for approval before the Special Master, Tom Collins (Master) on Monday, March 19, 2018 (Submission Date). If you wish to file an objection to the *Application*, including, but not limited to, any objection to the approved expenses, or any claims, you must follow these rules:

1. The Master may consider the Application by written submission or oral hearing.
2. If no objection is filed in compliance with the *Order of Reference*, the Master may consider the Application without a hearing, and the Court may enter the order recommended by the Master upon its submission to the Court. A party waives any right to object to the recommendation of the Master if the party does not file an objection in compliance with the *Order of Reference*.
3. Any objection must be filed with the Travis County District Clerk at least three (3) calendar days before the Submission Date in the above referenced case.
4. A copy of any objection must be sent by email to the following:
  - (a) The Master's Docket Clerk at [SpecialMasterClerk@tdi.texas.gov](mailto:SpecialMasterClerk@tdi.texas.gov).
  - (b) All parties listed on the Certificate of Service attached to the Application.
  - (c) The Applicant's counsel: Amy Jeanne Welton at [weltonlaw@gmail.com](mailto:weltonlaw@gmail.com)
5. Any objection must specifically set out the reasons for the objection, with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally by the Master.
6. An objecting party must expeditiously coordinate with the Applicant's counsel and with the Master's docket clerk at (512) 676-6915 to request a hearing, unless the Master determines that a hearing is not necessary. If a hearing is granted, the objecting party must send a Notice of Oral Hearing to the Applicant's counsel and all parties listed on the Certificate of Service.
7. Any Acknowledgment of Notice and Waiver by a party in interest should be filed at least three (3) calendar days before the submission or hearing date.

**You are required to follow these procedures only if you have an objection to the Application.**

**Exhibit I**

**ASSIGNMENT OF UNKNOWN ASSETS TO THE COMMISSIONER**

**STATE OF TEXAS**

§  
§  
§  
§  
§

**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 \_\_\_\_\_ day of \_\_\_\_\_, 2018.

**Original to be Signed by Paul D. Angenend**  
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 \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**Exhibit J**  
**AILIC R-542 INVENTORY TO BE DESTROYED AT CLOSING**

<b>Prefix</b>	<b>Box #</b>	<b>Contents</b>	
JVI	100001	Policy Notices	
JVI	100002	Policy Notices	
JVI	100003	HO Policy Correspondence	
JVI	100004	HO Policy Correspondence	
JVI	100005	Policy Notices	
JVI	100006	Policy Forms, Correspondence, Misc Financial, Check Copies	
JVI	100007	Misc Financial	
JVI	100008	Agent Correspondence, Misc Financial, Check Copies	
JVI	100009	HO Premium Deposits and Checks	
JVI	100010	HO Premium Deposits and Checks	
JVI	100011	HO Premium Deposits and Checks	
JVI	100012	HO Premium Deposits and Checks	
JVI	100013	HO Premium Deposits and Checks	
JVI	100014	HO Premium Deposits and Checks	
JVI	100015	HO Premium Deposits and Checks	
JVI	100016	Agent Files	
JVI	100017	Agent Files	
JVI	100018	Agent Files	
JVI	100019	HO Premium Payments	
JVI	100020	HO Premium Payments	
JVI	100021	HO Premium Payments	
JVI	100022	Auto Premium Deposits and Checks	
JVI	100023	Auto Premium Deposits and Checks	
JVI	100024	Auto Premium Deposits and Checks	
JVI	100025	Auto Premium Deposits and Checks	
JVI	100026	Agent Financial Reports	
JVI	100027	HO Financial, Reinsurance	
JVI	100028	HO and Auto Financial, Voided Checks	
JVI	100029	Reinsurance	
JVI	100030	Claims Auto	
JVI	100032	Claims Auto	
JVI	100033	Claims Auto	
JVI	100034	Claims Auto	
JVI	100035	Claims	
JVI	100036	Claims	
JVI	100037	Claims	
JVI	100038	Claims	
JVI	100039	Claims	
JVI	100040	Claims	
JVI	100041	Claims	
JVI	100042	Claims	
JVI	100043	Claims	
JVI	100044	Claims	
JVI	100045	Claims	
JVI	100046	Claims	
JVI	100047	Claims	
JVI	100048	Claims	

**Exhibit J  
AILIC R-542 INVENTORY TO BE DESTROYED AT CLOSING**

<b>Prefix</b>	<b>Box #</b>	<b>Contents</b>	
JVI	100049	Claims	
JVI	100050	Claims	
JVI	100051	Claims	
JVI	100052	Claims	
JVI	100053	Claims	
JVI	100054	Claims	
JVI	100055	Claims	
JVI	100056	Claims	
JVI	100057	Claims	
JVI	100058	Claims	
JVI	100059	Claims	
JVI	100060	Claims	
JVI	100061	HO Premium Deposits	
JVI	100062	HO Premium Deposits	
JVI	100063	HO Premium Deposits	
JVI	100064	HO Premium Deposits	
JVI	100065	HO Premium Deposits and Checks	
JVI	100066	HO Premium Deposits and Checks	
JVI	100067	HO Premium Deposits and Checks	
JVI	100068	HO Premium Deposits and Checks	
JVI	100069	HO Premium Deposits and Checks	
JVI	100070	Claims Auto	
JVI	100071	Claims Auto	
JVI	100072	Claims Auto	
JVI	100073	Claims Auto	
JVI	100074	Claims Auto	
JVI	100075	Claims Auto	
JVI	100076	Claims Auto	
JVI	100077	Claims Auto	
JVI	100078	Claims Auto	
JVI	100079	Claims Auto	
JVI	100080	Claims Auto	
JVI	100081	Claims Auto	
JVI	100082	Claims Auto	
JVI	100083	Claims Auto	
JVI	100084	Claims Auto	
JVI	100085	Claims Auto	
JVI	100086	Claims Auto	
JVI	100087	Auto Premium Payments	
JVI	100088	Claims Auto	
JVI	100089	Auto Premium Payments	
JVI	100090	Misc Financial, TDI Exam Report	
JVI	100091	Premium Deposits	
JVI	100092	HO Premium Payments	
JVI	100093	HO Premium Deposits and Checks	
JVI	100094	Agent Financial Reports, Annual Statements, Reinsurance	
JVI	100095	Annual Statement, Misc Financial	
JVI	100096	Misc Financial	

**Exhibit J**  
**AILIC R-542 INVENTORY TO BE DESTROYED AT CLOSING**

<b>Prefix</b>	<b>Box #</b>	<b>Contents</b>	
JVI	100097	HO Premium Payments	
JVI	100098	Misc Financial	
JVI	100099	Misc Financial	
JVI	100100	HO Financial	
JVI	100101	HO Financial	
JVI	100102	HO Policies	
JVI	100103	HO Policy Correspondence, Premium Checks	
JVI	100104	HO Policies	
JVI	100105	HO Policies	
JVI	100106	Claims Auto	
JVI	100107	HO Premium Deposits and Checks	
JVI	100108	HO Premium Deposits and Checks	
JVI	100109	HO Premium Deposits and Checks	
JVI	100110	HO Premium Deposits and Checks	
JVI	100111	HO Premium Deposits and Checks	
JVI	100112	Auto Premium Deposits and Checks	
JVI	100113	Auto Premium Deposits and Checks	
JVI	100114	Auto Premium Deposits and Checks	
JVI	100115	HO Premium Deposits and Checks	
JVI	100116	HO Premium Deposits and Checks	
JVI	100117	Misc Financial	
JVI	100118	Auto Premium Deposits and Checks	
JVI	100119	Financial Reports	
JVI	100120	Quarterly/Annual Statements, TDI Correspondence	
JVI	100121	Misc Financial	
JVI	100122	Misc Financial	
JVI	100123	Misc Financial	
JVI	100124	Reinsurance	
JVI	100125	Promotional and Personnel Documents	
JVI	100126	Underwriting	
JVI	100127	Company Manuals	
JVI	100128	Company Manuals	
JVI	100129	Company Manuals	
JVI	100130	HO Premium Deposits and Checks	
JVI	100131	HO Premium Deposits and Checks	
JVI	100132	Auto Policies	
JVI	100133	Auto Policies	
JVI	100134	Auto Policies	
JVI	100135	Company forms, Misc Financial	
JVI	100136	Auto Policies	
JVI	100137	Auto Policies	
JVI	100138	Auto Policies	
JVI	100139	Auto Policies	
JVI	100140	Auto Policies	
JVI	100141	Auto Policies	
JVI	100142	Agent and Policy Reports	
JVI	100143	Underwriting, Personnel Files	

**Exhibit J**  
**AILIC R-542 INVENTORY TO BE DESTROYED AT CLOSING**

<b>Prefix</b>	<b>Box #</b>	<b>Contents</b>	
JVI	100144	Claims Auto	
JVI	100145	Claims Auto	
JVI	100146	Claims Auto	
JVI	100147	Misc Company Records	
JVI	100148	Claims Auto	
JVI	100149	Claims Auto	
JVI	100150	Claims Auto	
JVI	100151	Returned Mail	
JVI	100152	Claims Auto	
JVI	100153	Claims Auto	
JVI	100154	Claims Auto	
JVI	100155	Claims Auto	
JVI	100156	Claims Auto	
JVI	100157	Claims Auto	
JVI	100158	Claims Auto	
JVI	100159	Claims Auto	
JVI	100160	Claims Auto	
JVI	100161	Claims Auto	
JVI	100162	Claims Auto	
JVI	100163	Claims Auto	
JVI	100164	Claims Auto	
JVI	100165	Claims Auto	
JVI	100166	Claims Auto	
JVI	100167	Claims Auto	
JVI	100168	Claims HO	
JVI	100169	Claims HO	
JVI	100170	Claims HO	
JVI	100171	Claims HO	
JVI	100172	Claims HO	
JVI	100173	Claims HO	
JVI	100174	Claims HO	
JVI	100175	Claims HO	
JVI	100176	Claims HO	
JVI	100177	Claims HO	
JVI	100178	Claims HO	
JVI	100179	Claims HO	
JVI	100180	Claims HO	
JVI	100181	Claims HO	
JVI	100182	Claims HO	
JVI	100183	Claims HO	
JVI	100184	Claims HO	
JVI	100185	Claims HO	
JVI	100186	Misc Company Records	
JVI	100187	Complaint Register	
JVI	100188	Claims Auto	
JVI	100189	Returned Mail, Policy Correspondence	
JVI	100190	Auto Policies	

**Exhibit J**  
**AILIC R-542 INVENTORY TO BE DESTROYED AT CLOSING**

<b>Prefix</b>	<b>Box #</b>	<b>Contents</b>	
JVI	100191	Auto Policies	
JVI	100192	HO Policies	
JVI	100193	HO Policies	
JVI	100194	Misc Financial	
JVI	100195	Underwriting, Reinsurance, Misc Financial, Check Copies	
JVI	100196	HO Policy Notices, Voided Checks	
JVI	100197	Returned Mail	
JVI	100198	Returned Mail	
JVI	100199	Returned Mail	
JVI	100200	Misc Financial	
JVI	100201	Misc Financial	
JVI	100202	Misc Financial	
JVI	100202	Claims Auto	
JVI	100203	Misc Company Records	
JVI	100205	Annual/Quarterly Statements, Misc Financial	
JVI	100206	Claims Auto, Returned Mail, Checks	
JVI	100207	Claims HO	
JVI	100208	Claims Auto	
JVI	100209	Claims HO	
JVI	100210	Claims HO	
JVI	100211	Claims Litigation	
JVI	100212	Claims Auto	
JVI	100213	TPCIGA Closed Claim Files	
JVI	100214	TPCIGA Closed Claim Files	
JVI	100216	TPCIGA Closed Claim Files	
JVI	100217	TPCIGA Closed Claim Files	
JVI	100218	TPCIGA Closed Claim Files	
JVI	100220	TPCIGA Closed Claim Files	
JVI	100221	TPCIGA Closed Claim Files	
JVI	100222	Returned POC postcards	
JVI	100223	TPCIGA Closed Claim Files	
JVI	100224	Claims Auto, Misc Financial	
JVI	100225	Agreements/Contracts, Letters of Credit, Reinsurance, TDI Examination Reports, Filings, & Correspondence, Misc Financial	
JVI	100226	Misc Company Records, Vendor Files, TDI Examination Report	
JVI	100227	Policy Forms, Underwriting, TDI Examination Report & Correspondence	
JVI	100228	Misc Company Records, Company Payroll, Misc Financial	
JVI	100229	Reinsurance	
JVI	100230	Reinsurance	
JVI	100231	Post Receivership, Agreements, Reinsurance	
JVI	100232	Misc Financial, Misc Company Records, Agreements, O&D Audit	
JVI	100233	Pre-receivership Arbitration	
JVI	100235	Pre-receivership Arbitration	
JVI	100236	Pre-receivership Arbitration	
JVI	100237	Asset Recovery Litigation	
JVI	100238	Asset Recovery Litigation, TDI Examination Reports, Reinsurance	

**Exhibit J**  
**AILIC R-542 INVENTORY TO BE DESTROYED AT CLOSING**

<b>Prefix</b>	<b>Box #</b>	<b>Contents</b>	
JVI	100239	Asset Recovery Litigation	
JVI	100240	Asset Recovery Litigation	
JVI	100301	Misc Company Records, Misc Financial	
JVI	100302	Misc Company Records, Misc Financial	
JVI	100303	Misc Company Records	
JVI	100304	Misc Company Records	
JVI	100305	Annual Statements	
JVI	100306	Claims	
JVI	100307	Claims	
JVI	100308	Claims TPCIGA	
JVI	100309	Claims TPCIGA	
JVI	100310	Claims TPCIGA	
JVI	100311	Claims TPCIGA	
JVI	100312	Claims TPCIGA	
JVI	100313	Claims TPCIGA	
JVI	100314	Claims TPCIGA	
JVI	100316	Claims TPCIGA	
JVI	100318	Claims TPCIGA	
JVI	100331	TPCIGA Closed Claim Files	
JVI	100361	Post receivership Litigation	
JVI	100362	Post receivership: Subcontractor Agreements, Asset Recovery Litigation	
JVI	100363	Pre-receivership Arbitration	
JVI	100364	Asset Recovery Litigation, Reinsurance	
JVI	100365	Asset Recovery Litigation, TDI License Application, Reinsurance, Misc Financial	
JVI	100366	Asset Recovery Litigation, Actuarial Reports, Misc Company Records	
JVI	100367	Pre-receivership Arbitration, Asset Recovery Litigation, TDI Correspondence, Vendor Files, Misc Company Records	
		Attorney Work Product	

## CERTIFICATE OF SERVICE

I certify that pursuant to the Texas Rules of Civil Procedure, the *Order of Reference to Master*, and Tex. Ins. Code Ann § 443.007(d), on March 1, 2018, a true and correct copy of the *Final Report and Application to Approve Report of Claims, Make Final Distribution, and Destroy Records* 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**

<p><b>THE STATE OF TEXAS</b></p> <p>v.</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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**ORDER APPROVING  
FINAL REPORT AND APPLICATION TO APPROVE REPORT OF CLAIMS,  
MAKE FINAL DISTRIBUTION AND DESTROY RECORDS**

On this day the Court considered the *Final Report and Application to Approve Report of Claims, Make Final Distribution, and Destroy Records (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. §§ 443.253, 443.258, 443.301, 443.302, and 443.354 authorizing the Special Deputy Receiver to report claims, make a final distribution of the receivership estate’s assets, and dispose of or transfer any remaining records 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) the notice of hearing, distribution notice, and notice of closing were all proper and 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 A, B, C, D, E, F, G, H, I, and J are admitted into evidence;
3. The facts contained in the *Application* and Exhibits A-J are admitted into evidence as *prima facie* proof of the matters asserted;
4. The Special Deputy Receiver's actions on TPCIGA's POC are approved;
5. The payment of the Class 1 administrative expenses to the Texas Commissioner of Insurance (Commissioner) in the amount of \$21,200.60 is approved;
6. The estimated closing expenses on Exhibit E are approved;
7. The Special Deputy Receiver is authorized to credit previous early access payments against a final distribution to TPCIGA's allowed Class 1 and Class 2 claims;
8. The Special Deputy Receiver is authorized to distribute the assets of the receivership estate as described in the *Application* and Exhibit F;
9. Any claim producing a distribution below \$25 is *de minimis*, and the Special Deputy Receiver is authorized not to distribute any *de minimis* distributions;

10. The Special Deputy Receiver is authorized to transfer to the Commissioner any Residual Funds remaining after all distributions are made;
11. The Special Deputy Receiver is authorized to deliver any unclaimed funds to the Commissioner, and any distribution to a claimant whose notice is returned as undeliverable is deemed unclaimed for purposes of § 443.304;
12. The Special Deputy Receiver is authorized to assign non-cash assets to the Commissioner, including but not limited to, assets and rights not known at the time of the termination of this proceeding;
13. The Special Deputy Receiver is authorized to dispose of records listed in Exhibit J;
14. The Special Deputy Receiver is authorized to transfer records to the Commissioner, and pay the Commissioner \$114 for retaining such records, and the Commissioner is authorized to retain or dispose of such records at his discretion;
15. This Order constitutes a final judgment resolving all matters relating to the *Application*; and
16. 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.

---

TIM SULAK  
DISTRICT JUDGE PRESIDING