

**SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

DISTRICT OF COLUMBIA,
a Municipal Corporation,

Petitioner,

v.

OCEAN RISK RETENTION GROUP,
INC.

Respondent.

Civil Action No.: 13-6110 2

Judge: Bartnoff

Calendar No.: 15

Next Event: TBA

**PRAECIPE
NOTICE OF FILING OF LIQUIDATOR'S FIFTH STATUS REPORT**


The District of Columbia, at the request and on behalf of Stephen C. Taylor, Acting Commissioner of the District of Columbia Department of Insurance, Securities and Banking, as Liquidator of Ocean Risk Retention Group, Inc., and the Special Deputy to the Liquidator, Robert H. Myers, Jr., by and through the Office of the Attorney General for the District of Columbia, files the attached Liquidator's Fifth Status Report.

Respectfully Submitted,

KARL A. RACINE
Attorney General for District of Columbia

ELIZABETH SARAH GERE
Acting Deputy Attorney General
Public Interest Division

/s/ Eric S. Glover 
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Chief, Civil Enforcement Section

/s/ E. Louise R. Phillips 
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CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of October, 2015, a copy of the foregoing was filed

and served by email upon:

Stephen C. Taylor, Liquidator for
Ocean Risk Retention Group, Inc.
c/o Stephanie Schmelz
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/s/ E. Louise R. Phillips
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Assistant Attorney General

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LIQUIDATOR'S FIFTH STATUS REPORT

Stephen C. Taylor, Acting Commissioner of the Department of Insurance, Securities and Banking (the Department),¹ as Liquidator of Ocean Risk Retention Group, Inc. (Ocean), by and through Robert H. Myers, Jr., as Special Deputy to the Liquidator (Special Deputy), respectfully submits this status report. This report provides an update on the status of Ocean's liquidation, supplementing the First Status Report filed on September 20, 2013, the Second Status Report filed on April 3, 2014, the Third Status Report filed on October 23, 2014, and the Fourth Status Report filed on April 1, 2015.

¹ On June 19, 2015, Stephen C. Taylor became the Department's Acting Commissioner and, therefore, Ocean's Liquidator since the Emergency Consent Order of Liquidation for Ocean named as Liquidator "the Commissioner and his successors in office."

I. BACKGROUND AND PROCEDURAL HISTORY

Ocean is a captive insurer organized and licensed under the laws of the District of Columbia. Ocean operated in New Jersey and Pennsylvania as a commercial liability risk retention group, offering liability insurance to taxi owner-operators and taxi fleet owners.

On September 6, 2013, this Court entered an Emergency Consent Order of Liquidation for Ocean (the Liquidation Order), appointing the Commissioner as Ocean's Liquidator pursuant to D.C. Official Code § 31-1316 (2012 Repl.). On September 24, 2013, the Court approved the appointment of Mr. Myers as Special Deputy to the Liquidator and granted the Liquidator's requested stay of, among other things, "any litigation against Ocean [and . . .] any litigation against Policyholders of Ocean in cases in which Ocean may have a duty to defend or indemnify its Policyholders." On December 9, 2013, this Court issued the requested Supplementary Order Clarifying September 24, 2013 Order Staying and Enjoining All Litigation, explaining that the prior order does not stay, enjoin, or otherwise interfere with actions where Ocean as a plaintiff and/or claimant seeks to recover assets including, but not limited to, subrogation actions. On December 9, 2014, this Court issued an Order Extending Stay and Injunction Until December 9, 2015. (The September 24, 2013 Order, the December 9, 2013 Order and the December 9, 2014 Order are referred to, collectively, as the Stay Orders.)

With the court's approval, GB Group, LLC (GB Group) is handling claims administration during Ocean's liquidation. The court also approved the use of Rovner, Zimmerman & Nash, PC (Rovner) – and later approved the substitution of the Maneri Law Firm for Rovner – to pursue subrogation claims on Ocean's behalf.

II. CLAIM STATUS AND OTHER LEGAL PROCEEDINGS

GB Group currently is handling 579 pending claims under policies issued by Ocean. Pursuant to the Court's Stay Orders, all litigation against Ocean's Policyholders has been stayed through December 9, 2015, as have all cases in which Ocean may have a duty to defend or indemnify its Policyholders.

The Stay Orders do not impede Ocean's ability to pursue subrogation claims, however, and the Liquidator, through outside counsel, has continued to pursue such claims on Ocean's behalf. As previously reported, prior to its withdrawal, Rovner recovered over \$26,935 (after deducting its court-approved contingent fee) for the liquidation estate. To date, the Maneri Law Firm has recovered \$8,219.89 for Ocean. Currently, 51 subrogation cases remain pending.

The Liquidator has continued to monitor the lawsuit pending as *Penn. Ins. Ass'n, Inc. v. Campisano*, Civil Action No. 2:14-cv-00759-CDJ (E.D. Pa.), in which Ocean directors (among others) are named as defendants. Ocean itself is not named as a defendant. There have been no demands against Ocean's assets in connection with this litigation, although Ocean's insurer, the Philadelphia Indemnity Company, contributed towards settlement of claims against the two Ocean directors (Mary Claire Goff and Philip A. Kane), who will be dismissed from the litigation. The Liquidator will continue to monitor this litigation for any developments that may affect Ocean directly.

III. PROOF OF CLAIM PROCESS AND VALUATION ISSUES

The prior status reports detailed the Special Deputy's efforts to notify Policyholders and known creditors of Ocean's liquidation and of the deadline on January 31, 2014, for filing proofs of claims. As noted above, the Special Deputy currently has 579 policyholder claims in process. Additionally, the Special Deputy, with GB Group's assistance, has reviewed 220 proofs of

claims from creditors of Ocean in regard to services provided but not paid for, return of premium to Policyholders, and subrogation. The Special Deputy and GB Group have completed the initial valuation of Policyholders' proofs of claims.

Although each claim was valued at what was designed to be a reasonable settlement value, claimants (and, in particular, claimants' counsel) have inundated the Special Deputy with letters, emails and phone calls requesting further review of the claims with the intent of obtaining a higher valuation. The Special Deputy is responding to each inquiry with the assistance of GB Group and, where appropriate, adjusting claim valuations. As of October 1, 2015, the Special Deputy valued the outstanding claims as follows:

Overall Review:²

Total Number of Claims: 820
Total Valuation: \$8,077,701.36

Policyholder Claims:

Number of Claims: 579
Total Valued: \$5,134,963.01

Creditor Claims (Including Subrogation)

Number of Claims: 220
Total Valued: \$2,942,748.35

The review of claim valuations is continuing. The Special Deputy's ultimate goal is to prepare a schedule of policyholder claims with a determined value, which can then be recommended for approval by the Court. *See* D.C. Official Code § 31-1341 (2012 Repl.). There will be a number of the claims where the claimant will want to continue to contest the valuation. As required by D.C. Official Code § 31-1337(b), these matters will be referred to the Court.

² The total number of claims does not equal the total of the Policyholder claims and Creditor claims because some claims include more than one claimant.

IV. STAY ORDER ENFORCEMENT

Prior status reports detailed the voluminous inquiries received in 2014 from claimants and their counsel in Pennsylvania and New Jersey (where Ocean operated), particularly with respect to the Stay Orders. The letter to Pennsylvania counsel of record, plus the New Jersey Superior Court Chancery Division's Civil Action Order Staying and Enjoining All Litigation Pursuant to Rule 4:52, described in the Fourth Status Report, have been effective. The flood of questions and complaints about the stay has slowed to a trickle, although the Special Deputy nevertheless has had to address periodic attempts to lift the stay in specific matters. There have been no attempts to challenge the stay since the Fourth Status Report.

V. ACCOUNTING, ASSETS, AND ADMINISTRATIVE EXPENSES

Pursuant to the Liquidation Order and D.C. Official Code § 31-1319 (2012 Repl.), the title of all of Ocean's accounts has been transferred to the Commissioner as Liquidator. As detailed in prior status reports, the Liquidator has been marshalling and consolidating Ocean's liquid assets into a single premium money market account at the Bank of Georgetown. As further detailed in Exhibit 1, income received by the Liquidator included both proceeds from subrogation claims and interest on existing funds, as well as a tax refund from New Jersey.

As of September 24, 2015, the Ocean account balance at the Bank of Georgetown is \$2,793,075.34. Exhibit 1 is a cumulative accounting of Ocean's current assets.

As shown on the attached accounting, to date the Liquidator has made court-approved distributions for Class 1 administrative expenses to Morris Manning totaling \$265,266.01 for services from the commencement of the Liquidation in October 2013 through August 31, 2014. The Liquidator has just completed his review of additional Morris Manning fees through August 31, 2015, and found \$236,460.88 in fees that were reasonable and necessary for the services

provided in connection with Ocean's liquidation. The Liquidator is preparing a separate motion for an order approving distribution of Ocean's general assets to reimburse these fees. GB Group has been paid \$179,183.57 for its services from October 2013 through September 2015, in accord with the court-approved fee schedule. In addition, Megna has been paid its court-approved \$1,000 flat fee, plus nominal expenses. The Special Deputy paid Saslow Lufkin & Buggy \$7,332.31 for their court-approved accounting services.

VI. FUTURE ACTIONS

The Special Deputy and others acting on the Liquidator's behalf will continue to pursue all relevant financial information. When all assets have been received and accounted for, and the valuation issues have been resolved either by the Special Deputy or the Court, the Liquidator will be in a position to petition the Court for approval of a schedule of distribution to policyholder claimants.

Respectfully Submitted,

/s/Robert H. Myers, Jr.

ROBERT H. MYERS, JR.

Special Deputy to the Liquidator

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Special Deputy to the Liquidator for Ocean Risk
Retention Group, Inc.

cc: Stephanie Schmelz, Esq.
Dana Sheppard, Esq.
E. Louise R. Phillips, AAG

Ocean RRG Accounting**Bank of Georgetown Premium Money Market Account Ending in 6255**

Date Posted	Credit	Debit	Balance	Purpose
10/15/13				Account opened
10/17/13	\$408,227.64		\$408,227.64	Check from closed Wells Fargo account ending 9518
10/17/13/	\$2,024.00		\$410,251.64	Check 5883 – Settlement distribution - ORRG v. New Jersey One Taxi & Limo, LLC, Docket # MER-L-000120-12
10/24/13		\$52.83	\$410,198.81	Check order
10/25/13	\$321,277.46		\$731,476.27	Check 732828 – from closed Provident/Cetera Investments acct ending 3371
10/31/13	\$103.60		\$731,579.87	Credit Interest
11/08/13	\$4,810.15		\$736,390.02	Check 5891 – Roman of NJ Net Distribution (matter 5-1203-0713)
11/12/13		\$30,000.00	\$706,390.02	Check 1026 - GB Group Initial Service Fee
11/30/13	\$264.94		\$706,654.96	Interest Credit
12/11/13	\$5,451.00		\$712,105.96	IRS Refund
12/20/13		\$2,000.00	\$710,105.96	Check 1051 – Provident Bank – LOC ending 2049
12/20/13		\$3,000.00	\$707,105.96	Check 1052 – Provident Bank – LOC ending 0328
12/31/13	\$11,870.00		\$718,975.96	Check 5895 - \$5184.00 J&H Cab Co Distribution and Check 5893 - \$6686.00 – Fraga, LLC t/a Metro Taxi Distribution
12/31/13	\$270.91		\$719,246.87	Interest Credit
1/8/14		\$21,782.79	\$697,464.08	Check 1053 – Morris, Manning & Martin, LLP
1/8/14		\$20,177.95	\$677,286.13	Check 1054 – Morris, Manning & Martin, LLP
1/15/14	\$117,859.05		\$795,145.18	Check from PNC Bank Sky Claims LLC account
1/28/14		\$16,750.00	\$778,395.18	Check 1055 – GB Group, LLC
1/31/14	\$286.37		\$778,681.55	Interest Credit
2/18/14		\$12,375.00	\$766,306.55	Check 1057 – GB Group, LLC
2/18/14		\$7,125.00	\$759,181.55	Check 1058 – GB Group, LLC
2/28/14	\$266.18		\$759,447.73	Interest Credit

Date Posted	Credit	Debit	Balance	Purpose
3/4/14		\$15,000.00	\$744,447.73	Check 1059 – DC Treasurer – Premium Tax
3/10/14		\$17.00	\$744,430.73	Check 1060 – PNC Bank – Document Copies
3/12/14		\$8,000.00	\$736,430.73	Check 1061 – GB Group, LLC
3/18/14		\$12,375.00	\$724,055.73	Check 1062 – GB Group, LLC
3/27/14	\$3,434.00		\$727,489.73	Check 5906 - Kamal Jit, Inc. Distribution
3/27/14	\$2,000,000.00		\$2,727,489.73	Collection on outstanding letters of credit - Wire Transfer - From Fulton Bank of New Jersey
3/31/14	\$404.52		\$2,727,894.25	Interest Credit
4/16/14	\$3,150.00		\$2,731,044.25	Check 5935 – Hoda A. Shaker Distribution
4/16/14	\$1,647.00		\$2,732,691.25	Distribution check
4/30/14	\$1,009.85		\$2,733,701.10	Interest Credit
5/2/14		\$12,375.00	\$2,721,326.10	Check 1064 – GB Group, LLC
5/5/14		\$4,720.30	\$2,716,605.80	Check 1065 – GB Group, LLC
5/8/14	\$350.00		\$2,716,955.80	Check 5938 – Hoda A. Shaker Distribution
5/19/14		\$3,500.00	\$2,713,455.80	Check 1066 – GB Group, LLC
5/19/14		\$2,375.00	\$2,711,080.80	Check 1067 – GB Group, LLC
5/31/14	\$1,037.83		\$2,712,118.63	Interest Credit
6/11/14		\$10,481.75	\$2,701,636.88	Check 1068 – GB Group, LLC
6/30/14	\$1,000.54		\$2,702,637.42	Interest Credit
7/21/14		\$4,089.31	\$2,698,548.11	Check 1069 – GB Group, LLC
7/31/14	\$1,032.39		\$2,699,580.50	Interest Credit
8/27/14	\$1,444.46		\$2,701,024.96	Check 85119 - \$700.00 Hoda A. Shaker Distribution and Check 5570 - \$744.46 – Ocean v. Budget Leasing Corp Distribution
8/27/14		\$1,430.03	\$2,699,594.93	Check 1071 – Megna Law Firm
8/30/14	\$1,031.78		\$2,700,626.71	Interest Credit
9/2/14		\$8,075.90	\$2,692,550.81	Check 1070 – GB Group, LLC
9/4/14		\$811.72	\$2,691,739.09	Check 1072 – Washington Times – Publication of NJ Order
9/4/14		\$4,612.61	\$2,687,126.48	Check 1073 – Legal Intelligencer (Philadelphia) – Publication of NJ Order
9/4/14		\$103.55	\$2,687,022.93	Check 1074 – New Jersey Law Journal – Publication of NJ

Date Posted	Credit	Debit	Balance	Purpose
				Order
9/9/14		\$78.41	\$2,686,944.52	Check 1075 – Megna Law Firm
9/17/14		\$3,500.00	\$2,683,444.52	Check 1076 – GB Group, LLC
9/30/14	\$993.53		\$2,684,438.05	Interest Credit
10/28/14		\$107.63	\$2,684,330.42	Check 1079 – New Jersey Law Journal – Publication of Stay Order
10/29/14		\$4,566.31	\$2,679,764.11	Check 1080 – GB Group, LLC
10/31/14	\$1,025.81		\$2,680,789.92	Interest Credit
11/03/14		\$223,305.27	\$2,457,484.65	Check 1081 - Morris, Manning & Martin, LLP
11/05/14		\$86.25	\$2,457,398.40	Check 1078 – Megna Law Firm
11/10/14		\$100.00	\$2,457,298.40	Check 1077 – Wells Fargo statement copies
11/29/14	\$914.40		\$2,458,212.80	Interest Credit
12/03/14	\$4,788.95		\$2,463,001.75	Close Bank of America accts ending 6538 and 9042 (\$3,811.90) and Bashwiner check (977.05)
12/04/14		\$3,500.00	\$2,459,501.75	Check 1082 – GB Group
12/16/14		\$3,500.00	\$2,456,001.75	Check 1083 – GB Group
12/17/14	\$338,918.68		\$2,794,920.43	Close Wells Fargo accts ending 6260 and 1185
12/31/14	\$1,002.02		\$2,795,922.45	Interest Credit
1/20/15		\$3,500.00	\$2,792,422.45	Check 1084 – GB Group
1/31/15	\$1,068.08		\$2,793,490.53	Interest Credit
2/28/15	\$964.34		\$2,794,454.87	Interest Credit
3/2/15		\$3,750.00	\$2,790,704.87	Check 1085 – GB Group
3/3/15		\$15,000.00	\$2,755,704.87	Check 1086 – DC Treasurer – Premium Tax
3/12/15		\$3,500.00	\$2,772,204.87	Check 1087 – GB Group
3/30/15	\$2,922.56		\$2,775,127.43	Deposit – Sime/Amboy Distribution
3/31/15	\$1,060.49		\$2,776,187.92	Interest Credit
4/7/15		\$7,332.31	\$2,768,855.61	Check 1088 – Saslow Lufkin & Buggy – Invoice 27331
4/9/15		\$3,625.00	\$2,765,230.61	Check 1089 – GB Group
4/30/15	\$1,023.67		\$2,766,254.28	Interest Credit
5/11/15		\$3,500.00	\$2,762,754.28	Check 1090 – GB Group
5/30/15	\$1,056.35		\$2,763,810.63	Interest Credit
6/11/15		\$3,500.00	\$2,760,310.63	Check 1091 – GB Group
6/30/15	\$1,021.38		\$2,761,332.01	Interest Credit

Date Posted	Credit	Debit	Balance	Purpose
7/9/15	\$83.22		\$2,761,415.23	Deposit –Jenail Leslie Distribution
7/9/15		\$3,500.00	\$2,757,915.23	Check 1092 – GB Group
7/29/15	\$2,110.15		\$2,760,025.38	Deposit – Teodoro Martinez dba Go US Cab and Transport – Distribution
7/31/15	\$1,054.48		\$2,761,079.86	Interest Credit
8/20/15		\$3,500.00	\$2,757,579.86	Check 1093 – GB Group
8/31/15	\$1,054.76		\$2,758,634.62	Interest Credit
9/9/15	\$36,293.78		\$2,794,928.40	Deposit –New Jersey Tax Refund
9/11/15		\$3,500.00	\$2,791,428.40	Check 1094 – GB Group
9/15/15	\$186.55		\$2,791,614.95	Deposit - Jenail Leslie Distribution
9/22/15	\$1,472.95		\$2,793,087.90	Deposit – C & K Distribution
9/23/15		\$59.56	\$2,793,027.34	Check order – Harland
Total				
9/24/15			\$2,793,027.34	