

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

IN THE MATTER OF THE LIQUIDATION
OF PINE TOP INSURANCE COMPANY

)
)

NO. 86 CH 5898

ORDER

This cause coming to be heard upon the application of James W. Schacht, Acting Director of Insurance of the State of Illinois, in his capacity as Liquidator (the "Liquidator") of Pine Top Insurance Company ("Pine Top"), pursuant to Section 210(1) of the Illinois Insurance Code (the "Code"), 215 ILCS 5/210(1), for the entry of an order authorizing him to declare a fifty percent (50%) first dividend on all claims allowed for distribution at priority level 205(1)(c) of the Code, 215 ILCS 5/205(1)(c), ("Priority Level (c)"), this Court having jurisdiction over the parties and the subject matter, all parties having notice, and the Court being fully advised in the premises;

THE COURT HEREBY FINDS THAT:

1. On January 16, 1987, an Order of Liquidation with a finding of insolvency was entered against Pine Top. Thereafter, the Court entered an order, as amended, establishing a claim procedure which provided that all persons who may have claims against the assets of Pine Top present those claims to the Liquidator by way of a documented proof of claim on or before January

17, 1989, and setting January 17, 1992 as the final date by which the contingent claims of insureds could be liquidated.

2. To date, 306 claims have been allowed, in whole or in part, by this Court, for purposes of participating in any distribution of Pine Top's assets that may be made at Priority Level (c), in the aggregate amount of \$19,143,538.68.

3. The Liquidator has represented that there is additional exposure to the estate at Priority Level (c) of no more than \$26,834,632.19.

4. On March 15, 1995, the Liquidator filed with this Court, pursuant to Section 202(D)(1) of the Code, 215 ILCS 5/202(D)(1), his Periodic Report of Receipts and Disbursements for the period of October 1, 1994 through December 31, 1994. The ending cash and invested assets for the period reported was \$40,150,622.61.

5. Section 210(1) of the Code, 215 ILCS 5/210(1) provides as follows:

(1) Any time after the last day fixed for the filing of proofs of claims in the liquidation of a company, the court may, upon the application of the Director authorize him to declare out of the funds remaining in his hands, one or more dividends upon all claims allowed in accordance with the priorities established in Section 205.

6. The Liquidator has represented that, after reserving for expenses of administration and other higher priority claims, sufficient assets exist in the estate for payment of a fifty percent (50%) first dividend on all claims presently allowed by this Court for distribution at Priority Level (c), or to be allowed at that priority level.

IT IS HEREBY ORDERED THAT:

A. Within forty five (45) days of the entry of this Court's Order authorizing payment of the dividend, the Liquidator shall pay a fifty percent (50%) first dividend to each claimant and/or any other person or entity entitled to payment on the claims identified in Exhibit A to the Liquidator's application;

B. Within forty five (45) days of any claim identified in Exhibit B, C or D to the Liquidator's application becoming fixed and all orders related thereto becoming final and non-appealable, the Liquidator shall pay a fifty percent (50%) first dividend to each claimant and/or any other person or entity entitled to payment on the claim;

C. Upon tender of payment of a dividend to a claimant, the Liquidator shall set aside from general assets an amount equal to the dividend. Such amount shall not constitute general assets of the estate for the purpose of distributing dividends to other claimants or for making payment on administrative costs of the estate;

D. Pursuant to Section 210(4) of the Code, 215 ILCS 5/210(4), dividends remaining unclaimed or unpaid six (6) months after this Court enters a final order of distribution will be deposited by the Liquidator in a savings and loan association, State or national bank, trust company or savings bank, in trust for the person entitled thereto, but no such person shall be entitled to any interest upon such deposit. Funds remaining and unclaimed in the hands of the Director in Trust after two (2) years shall be presumed subject to the provisions of the Uniform Disposition of Unclaimed Property Act, 765 ILCS 1025/1 *et seq.*; and

E. The payment of a dividend on an allowed claim will constitute a release by the payee of fifty percent (50%) of Pine Top's obligations on the allowed claim.

ENTERED:

JUDGE FRWIN M. BERMAN

APR - 5 1995

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