

IN THE CIRCUIT COURT OF THE  
SECOND JUDICIAL CIRCUIT IN  
AND FOR LEON COUNTY, FLORIDA

IN RE: The Receivership of  
VANGUARD FIRE AND CASUALTY  
COMPANY, a Florida corporation

CASE NO.: 2007-CA-186

2012 JUL 11 P 3:22

FILED

**RECEIVER'S MOTION FOR APPROVAL OF FIRST INTERIM  
CLAIMS REPORT AND RECOMMENDATION ON CLAIMS**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as Receiver of VANGUARD FIRE AND CASUALTY COMPANY (the "Receiver"), hereby files its First Interim Claims Report and Recommendation on Claims ("Report") and moves this court for an Order approving its Report. In support of its Motion, the Receiver says:

1. This Court entered an Order Appointing the Florida Department of Financial Services as Receiver of Vanguard Fire and Casualty Company ("Vanguard") for the purposes of Rehabilitation, Injunction and Notice of Automatic Stay effective January 19, 2007. On March 26, 2007, Vanguard was placed into liquidation.

2. This Court has jurisdiction over the Receivership and is authorized to enter all necessary and/or proper orders to carry out the purpose of the Florida Insurers Rehabilitation and Liquidation Act, Section 631.021(1), Florida Statutes.

3. The Consent Order established a claims filing deadline of 11:59 p.m. on June 30, 2008. There were fifty thousand one hundred eighty three (50,183) total claims timely filed in this estate. *See Section 631.271 – Priority of Claims, Florida Statutes.* The total amount of the claims is \$136,049,122.97. The total amount recommended by the Receiver is \$68,498,224.52.

4. Due to the limitation of assets, only Class 1 through 3 claims have been evaluated

and reported to the Court. Classes 4 through 10 have been evaluated for class only, not claim amount.

5. The Report is broken down into two parts:

Part A – For Non Guaranty Association Claimants

Part B – For Guaranty Association Claimants

6. Part A of the Report lists the claims of Non Guaranty Association Claimants. The total amount claimed in Part A of the Report is \$72,936,425.86. The total amount recommended by the Receiver in Part A of the Report is \$5,388,427.41. *A copy of the summary totals from Part A of the Report is attached as Exhibit "A."*

7. Part B of the Report lists the claims of Guaranty Association Claimants. The total amount claimed in Part B of the Report is \$63,112,697.11. The total amount recommended by the Receiver in Part B of the Report is \$63,109,797.11. *A copy of the summary totals from Part B of the Report is attached as Exhibit "B."*

4. Under Section 631.182 (1), Florida Statutes, the claimants are entitled to notice of the Receiver's recommendations on their claim and the deadline for filing an objection. *A sample copy of the notice to claimants is attached as Exhibit "C."*

5. The Receiver will establish the deadline for claimants to file an objection with the Court. The deadline will not be less than forty-five (45) days from the date of this Court's Order granting approval of the Report. The Receiver has a procedure for dealing with late filed objections. For any objections filed after the deadline, the Receiver will send a letter to the claimant advising that their objection was not filed in compliance with Florida Statutes and this Court's Order and therefore will not be handled as a timely filed objection. A copy of this letter will be filed with the Court.

**WHEREFORE**, the Receiver respectfully requests this Court enter an Order:

A) Approving the Receiver's First Interim Claims Report and Recommendations on Claims;

B) Authorizing and directing the Receiver to notify claimants of the Receiver's recommendations by U.S Mail to claimant's last known address as shown in the Receiver's files; and

C) Directing all claimants to file any objection to the Receiver's Report with the Clerk of this Court on or before 11:59 p.m. on the date of the objection filing deadline as established by the Receiver. The objection should be filed at:

Clerk of the Leon County Circuit Court  
Leon County Courthouse  
301 South Monroe Street  
Tallahassee, Florida 32301

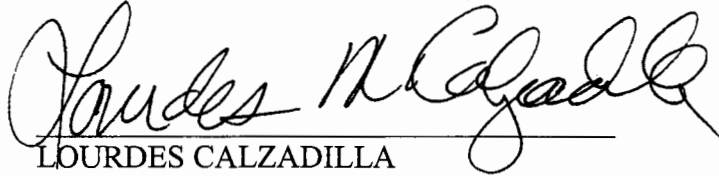
Further, this Court shall require that a copy of the objection be furnished to the Receiver at:

The State of Florida Department of Financial Services  
as Receiver of Vanguard Fire and Casualty Company  
Division of Rehabilitation and Liquidation  
2020 Capital Circle S.E., Suite 310  
Tallahassee, FL 32301

D) Requiring any persons filing objections to submit documentation to support their claim and declaring that the Court will not consider any information or documentation submitted after the objection is filed.

E) Approving the Receiver's procedure for addressing late filed objections.

**DATED** this 11<sup>th</sup> day of July, 2012.

A handwritten signature in black ink, appearing to read "Lourdes Calzadilla", written over a horizontal line.

LOURDES CALZADILLA

Senior Attorney

Florida Bar No.: 00139408

Florida Department of Financial Services

Division of Rehabilitation and Liquidation

2020 Capital Circle S.E.

Suite 310

Tallahassee, Florida 32301

Telephone: (850) 413-4414

Facsimile: (850) 413-3992

FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION  
 VANGUARD FIRE AND CASUALTY COMPANY  
 FIRST INTERIM CLAIMS REPORT  
 PART A - FOR NON GUARANTY ASSOCIATION CLAIMANTS

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS \$72,936,425.86  
 TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS \$5,388,427.41  
 TOTAL NUMBER 50,178

Secured Claims

COUNT OF SECURED CLAIMS : 0  
 AMOUNT CLAIMED FOR SECURED CLAIMS BY NON GUARANTY ASSOCIATION \$0.00  
 AMOUNT RECDMD FOR SECURED CLAIMS TO NON GUARANTY ASSOCIATION

Unsecured Claims

COUNT OF CLASS 1 CLAIMS : 0 COUNT OF CLASS 6 CLAIMS : 171  
 AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION \$0.00 AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION \$17,962,444.23  
 AMOUNT RECDMD FOR CLASS 1 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : AMOUNT RECDMD FOR CLASS 6 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :  
 COUNT OF CLASS 2 CLAIMS : 526 COUNT OF CLASS 7 CLAIMS : 1  
 AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS \$15,567,341.40 AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION \$8,380.80  
 AMOUNT RECDMD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : \$945,178.32 AMOUNT RECDMD FOR CLASS 7 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :  
 COUNT OF CLASS 3 CLAIMS : 49,403 COUNT OF CLASS 8 CLAIMS : 64  
 AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION \$36,952,157.28 AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION \$2,401,071.51  
 AMOUNT RECDMD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : \$4,443,249.09 AMOUNT RECDMD FOR CLASS 8 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :  
 COUNT OF CLASS 4 CLAIMS : 3 COUNT OF CLASS 9 CLAIMS : 0  
 AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY NON GUARANTY ASSOCIATION \$14,081.34 AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION \$0.00  
 AMOUNT RECDMD FOR CLASS 4 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : AMOUNT RECDMD FOR CLASS 9 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :  
 COUNT OF CLASS 5 CLAIMS : 10 COUNT OF CLASS 10 CLAIMS : 0  
 AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY NON GUARANTY ASSOCIATION \$30,949.30 AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS : \$0.00  
 AMOUNT RECDMD FOR CLASS 5 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : AMOUNT RECDMD FOR CLASS 10 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :

Note: If status is unevaluated, then dollar amounts have been suppressed

FLORIDA DEPARTMENT OF FINANCIAL SERVICES -DIVISION OF REHABILITATION AND LIQUIDATION  
 VANGUARD FIRE AND CASUALTY COMPANY  
 FIRST INTERIM CLAIMS REPORT  
 PART B - FOR GUARANTY ASSOCIATION

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS	\$63,112,697.11
TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS	\$63,109,797.11
<b>TOTAL NUMBER</b>	<b>5</b>

Exhibit B

Secured Claims

COUNT OF SECURED CLAIMS :	0
AMOUNT CLAIMED FOR SECURED CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR SECURED CLAIMS TO NON GUARANTY ASSOCIATION	

Unsecured Claims

COUNT OF CLASS 1 CLAIMS :	3	COUNT OF CLASS 6 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION	\$6,365,965.44	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 1 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	\$6,365,965.44	AMOUNT RECMD FOR CLASS 6 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	
COUNT OF CLASS 2 CLAIMS :	1	COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS	\$24,297,837.64	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$24,294,937.64	AMOUNT RECMD FOR CLASS 7 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 3 CLAIMS :	1	COUNT OF CLASS 8 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION	\$32,448,894.03	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	\$32,448,894.03	AMOUNT RECMD FOR CLASS 8 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 4 CLAIMS :	0	COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00
AMOUNT RECMD FOR CLASS 4 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:		AMOUNT RECMD FOR CLASS 9 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:	
COUNT OF CLASS 5 CLAIMS :	0	COUNT OF CLASS 10 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY NON GUARANTY ASSOCIATION	\$0.00	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS:	\$0.00
AMOUNT RECMD FOR CLASS 5 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS:		AMOUNT RECMD FOR CLASS 10 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :	

Note: If status is unevaluated, then dollar amounts have been suppressed



FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER

«company»

July 11, 2012

NOTICE of DETERMINATION

RCN: «CD\_COMPANY» «ID\_NO»-«SUFFIX»
«FULLNAME»
«ADDRESSLINE2»
«ADDRESSLINE1»
«city» «state» «ZIPCODE»

IDENTIFICATION NUMBER: «cd\_company» «id\_no»-«suffix»
INSURED: «policyhold»
POLICY NUMBER: «policy\_no»
CLAIM NUMBER: «claim\_no»
AMOUNT CLAIMED: «amt\_claimd»
AMOUNT RECOMMENDED CLAIMANT: «AMT\_DUE\_CL»
CLASS: «class»

THIS IS NOT A BILL

THIS IS NOT A BILL

RE: «COMPANY»

Civil Action: «CASE\_NO»

OBJECTION FILING DEADLINE: ?filing deadline?

THIS IS NOT A BILL. The purpose of this Notice of Determination is to inform you of the Receiver's report of its final recommendations to the Circuit Court concerning the classification and amount on a claim filed by you or on your behalf against the Receivership Estate of «COMPANY».

The Receiver has evaluated Class 1 through Class 3 claims submitted in the estate of «COMPANY» and is recommending the amount on the line reading "Amount Recommended Claimant." The Receiver's "Class" or "Priority" of your claim will affect the amount you may receive. Please be advised that the assets in the Receivership estate of «COMPANY» are not sufficient to fund a distribution payment to all claimants.

If you agree with the amount recommended and the class/priority, no further action on your part is necessary.

If you object to the recommended amount or to the assigned class of your claim, YOU MUST FILE YOUR WRITTEN OBJECTION WITH BOTH THE RECEIVER (ADDRESS BELOW) AND THE CLERK OF COURT AT:

CLERK OF THE LEON COUNTY CIRCUIT COURT
LEON COUNTY COURTHOUSE
301 S. MONROE STREET
TALLAHASSEE, FLORIDA 32301

YOUR OBJECTION MUST BE FILED (RECEIVED) BY ?filing deadline?. IT IS SUGGESTED THAT YOU SEND YOUR OBJECTION BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED. LATE FILED OBJECTIONS WILL NOT BE CONSIDERED.

The objection procedure is:

- 1. At the top of your statement, include the following information: The Civil Action Number noted above, your identification number noted above, and your correct address and telephone number. State in detail all legal and factual reasons for your objection.
2. Attach a copy of this notice and any documentation to support your objection. By order of the Court, all documentation must be filed with your objection.
3. File the original with the Clerk of Court, file a copy with the Receiver, and keep a copy for yourself.
4. If your objection cannot be resolved, a hearing will be scheduled before the Circuit Court, Leon County, Florida.

FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER
«company»

2020 CAPITAL CIRCLE, S. E., SUITE 310
TALLAHASSEE, FLORIDA 32301

Website: www.MyFloridaCFO.com/Receiver

Telephone: 850-413-3081, Toll Free: 800-882-3054, Facsimile: 850-413-3992

Exhibit C

# FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER «company»

**NOTE:** Any distribution will be made on a pro-rata basis. If a distribution is made, you may not receive the full amount recommended for your claim. Depending on the assets available for distribution, you and other claimants in your classification may only receive a percentage of the amount recommended on your claim. (i.e. 25% equals 25 cents on the dollar.)

IF a distribution is made, the payee(s) name(s) on the claim check will be the same as the name(s) appearing on the front of this form. If the information on this form is incorrect, or becomes incorrect in the future, it is your responsibility to notify the Receiver and document any changes. Further instructions can be found on our website listed below.

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## FLORIDA STATUTE 631.271 Priority of Claims

631.271 Priority of claims.—

(1) The priority of distribution of claims from the insurer's estate shall be in accordance with the order in which each class of claims is set forth in this subsection. Every claim in each class shall be paid in full or adequate funds shall be retained for such payment before the members of the next class may receive any payment. No subclasses may be established within any class. The order of distribution of claims shall be:

(a) Class 1.—

1. All of the receiver's costs and expenses of administration.

2. All of the expenses of a guaranty association or foreign guaranty association in handling claims.

(b) Class 2.— All claims under policies for losses incurred, including third-party claims, all claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which claims are not under policies, and all claims of a guaranty association or foreign guaranty association. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. That portion of any loss, indemnification for which is provided by other benefits or advantages recovered by the claimant, may not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment by an employer to her or his employee may be treated as a gratuity.

(c) Class 3.—Claims under nonassessable policies for unearned premiums or premium refunds.

(d) Class 4.—Claims of the Federal Government.

(e) Class 5.—Debts due to employees for services performed, to the extent that the debts do not exceed \$2,000 for each employee and represent payment for services performed within 6 months before the filing of the petition for liquidation. Officers and directors are not entitled to the benefit of this priority. This priority is in lieu of any other similar priority that is authorized by law as to wages or compensation of employees.

(f) Class 6.—Claims of general creditors.

(g) Class 7.—Claims of any state or local government. Claims, including those of any state or local government for a penalty or forfeiture, shall be allowed in this class, but only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such claims shall be postponed to the class of claims under paragraph (j).

(h) Class 8.—Claims filed after the time specified in F.S. 631.181(3), except when ordered otherwise by the court to prevent manifest injustice, or any claims other than claims under paragraph (i) or under paragraph (j).

(i) Class 9.—Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies shall be limited in accordance with law.

(j) Class 10.—The claims of shareholders or other owners.

(2) In a liquidation proceeding involving one or more reciprocal states, the order of distribution of the domiciliary state shall control as to all claims of residents of this and reciprocal states. All claims of residents of reciprocal states shall be given equal priority of payment from the insurer's assets regardless of where such assets are located.

## FLORIDA DEPARTMENT OF FINANCIAL SERVICES, RECEIVER

«company»

2020 CAPITAL CIRCLE, S. E., SUITE 310

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