

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. Diane Koken,	:	
Insurance Commissioner of the	:	
Commonwealth of Pennsylvania,	:	
Plaintiff	:	
	:	
V.	:	
	:	
Reliance Insurance Company,	:	No. 269 M.D. 2001
Defendant	:	

**In the Matter of Objections to Notice of Determination by Boornazian,
Jensen & Garthe POC Number 1953657**

G. Alan Bailey, Esquire, duly appointed Referee in the Matter of Objections to Notice of Determination by Boornazian, Jensen & Garthe hereby recommends to the Honorable James Gardner Colins, President Judge of the Commonwealth Court of Pennsylvania that the Boornazian claim be admit as set forth below, that this matter be dismissed and in support thereof presents the following:

1. By Order of the Commonwealth Court of Pennsylvania ("Court") dated October 3, 2001 ("Liquidation Order"), Reliance Insurance Company ("Reliance") was found to be insolvent and placed into liquidation. M. Diane Koken, Insurance Commissioner of the Commonwealth of Pennsylvania ("Liquidator") was appointed Liquidator of Reliance.
2. By Order of the Court dated September 9, 2002 ("Claims Filing Order") the Honorable James Gardner Colins, President Judge, established claims filing procedures, claims' filing deadlines and dispute resolution procedures for claims.
3. Boornazian, Jensen & Garthe ("Boornazian"), counsel to Reliance prior and subsequent to Reliance's insolvency filed Proof of Claim Number 1953657 ("POC"), seeking payment from the Liquidator of fees for legal services, in the amount of \$2,667.20.
4. On or about December 7, 2004 the Liquidator issued a Notice of Determination ("NOD") to Boornazian's POC, inter alia, setting a priority level of all fees claimed as class E (general creditor claim), and valuing the claim at \$0.
5. On January 24, 2005 Boornazian filed, with the Court, objections to the Liquidator's NOD.

6. By Order of the Court dated February 10, 2005 the undersigned was appointed Referee to provide a recommendation to the Court regarding issues involving the POC filed by Boornazian.


7. On February 14, 2005 the parties, via letter agreement attached hereto as Appendix A, resolved this matter. Pursuant to that Settlement, the Liquidator agreed to admit \$77.50 for fees and services rendered during the Reliance Rehabilitation as Priority Level A and \$2,589.70 for fees and services rendered prior to the Rehabilitation as Priority Level E. In return Boornazian withdrew its Objection to the NOD.

8. On February 15, 2005 the Liquidator, with the authorization of the Claimant, filed with the Court a Praecipe To Mark Objection Withdrawn As To Notice Of Determination Number 1953657.

9. In light of the above facts, and in consideration of the representations that a Settlement has been entered between the Liquidator and Boornazian, it is recommended to this Honorable Court that the Boornazian Objections to the Liquidator's NODs be marked withdrawn, that this matter be dismissed and that the Boornazian claim be admitted at \$77.50 for fees and services rendered during the Reliance Rehabilitation as Priority Level A and \$2,589.70 for fees and services rendered prior to the Rehabilitation as Priority Level E.

WHEREFORE, in that the parties have resolved this dispute, it is respectfully recommended that the Boornazian Objections to the Liquidator's NOD be marked withdrawn and that the Boornazian claim be admit at \$77.50 for fees and services rendered during the Reliance Rehabilitation as Priority Level A and \$2,589.70 for fees and services rendered prior to the Rehabilitation as Priority Level E and that this matter be dismissed.

Respectfully Submitted


G. Alan Bailey, Referee

Appendix A

5 Hanover Square
New York, NY 10001
212.854.3600



Reliance

February 11, 2005

Mr. Robert G. Crow, Esq.
Law Offices
Boornazian, Jensen & Garthe
A Professional Corporation
P.O. Box 12925
Oakland, CA 94604-2925

Re: Claim #: RN99072467
POC reference #: 1953657
Insured: CENICEROS, FRANK
Loss Date: 03/11/99

Dear Mr. Crow:

This is to confirm our telephone conversation today confirming our agreement with regard to the above captioned Proof of Claim. It was agreed that the charges for your services rendered during the period in which Reliance was in rehabilitation, in the amount of \$77.50, are Class or Priority Level A. Therefore, it was agreed that we will pay the \$77.50 amount in full. Additionally, we have agreed to an allowed amount for the balance of your invoice for your services rendered during the pre-rehabilitation services, with a mandatory classification of Class or Priority Level E, in the amount of \$2,589.70.

To recapitulate, you submitted a Proof of Claim seeking a total of \$2,667.20. In accordance with our agreement, you will be receiving our payment of \$77.50 for the fees and services rendered during rehabilitation, as well as our amended Notice of Determination, Class E, for an allowed amount of \$2,589.70 for services rendered pre-rehabilitation. You have agreed to withdraw your pending objection and not to object to the Amended Notice of Determination.

In order to handle this matter most expeditiously, the Liquidator can file the Praecipe to Withdraw the Objection with the Commonwealth Court of Pennsylvania. In order to do this, we will require your authorization. If you would like the Liquidator to do so, please sign and return a copy of this letter to me, as evidence of your agreement to the above and as evidence that the Liquidator is authorized to file the withdrawal of objection on behalf of your firm. A copy of the filed Praecipe will then be sent to you on this matter when completed.

If this form, when signed, can be faxed to my attention, that would be appreciated it. My fax number is listed below. Please contact the undersigned with questions, or to discuss this matter further. Thank your for your assistance.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. DIANE KOKEN
Insurance Commissioner of the
Commonwealth of Pennsylvania,

Plaintiff,

v.

RELIANCE INSURANCE COMPANY,

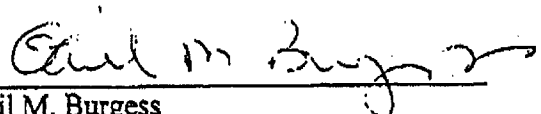
Defendant.

DOCKET NO. 269 MD 2001

**PRAECIPE TO MARK OBJECTION WITHDRAWN AS TO NOTICE
OF DETERMINATION ON PROOF OF CLAIM NUMBER 1953657**

M. Diane Koken, the Statutory Liquidator of Reliance Insurance Company ("Liquidator"), with the authorization of the claimant, Boornazian, Jensen & Garthe, a Professional Corporation, hereby files the following Praecipe to Mark Withdrawn the Objection filed on January 24, 2005 to the Notice of Determination on Proof of Claim No. 1953657, based on the attached letter of agreement.

Dated: February 15, 2005



Gail M. Burgess
Vice President, Associate General Counsel
Reliance Insurance Company (In Liquidation)
Three Parkway, Suite 500
Philadelphia, PA 19102
(215) 864-4210
On Behalf of the Statutory Liquidator of
Reliance Insurance Company

G. Alan Bailey
ATTORNEY AT LAW
1218 Waverly Road
Gladwyne, PA 19035
Tel: (610) 524-4700 Fax: (610) 524-0900

February 17, 2005

Honorable James G. Colins, President Judge
Commonwealth Court of Pennsylvania
The Widener Building, Suite 900
One South Penn Square
Philadelphia, PA 19107

Re: Reliance Insurance Company (in Liquidation) ("Reliance")
Koken v. Reliance Insurance Company No. 269 M.D. 2001
In the Matter of Objections to Notice of Determination by Boornazian, Jensen & Garthe
("Boornazian Matter"): POC Number 1953657

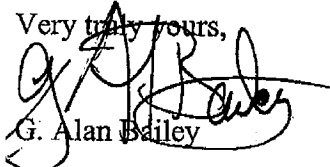
Dear Judge Colins:

Enclosed please find the Referee's Recommendation concerning the above captioned matter. As of the date of this letter a copy of the Referee's Recommendation in the Boornazian Matter was forwarded to counsel for the Liquidator and counsel for Claimant.

Per the appointment Order of February 10, 2005 I enclose an invoice for services with a copy of the invoice sent to the Liquidator.

I am available at your Honor's request to review the recommendation. Thank-you.

Very truly yours,


G. Alan Bailey

Enclosures

cc Robert G. Crow, Esquire, Counsel for Boornazian
Gail M. Burgess, Esquire, Counsel for the Liquidator