

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

M. Diane Koken,
Insurance Commissioner of the Commonwealth of
Pennsylvania,

Plaintiff,

v.

Reliance Insurance Company,

Defendant

No. 269 MD 2001

2007 APR 11 P
COURT OF COMMONWEALTH AND DOMESTIC RELATIONS

**THE LIQUIDATOR'S PETITION TO APPOINT REFEREE TO RESOLVE DISPUTE
REGARDING NOTICE OF DETERMINATION ON PROOF OF CLAIM NUMBER
2085853 FILED BY KIAC PARTNERS**

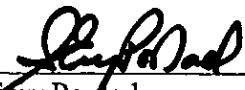
Pursuant to paragraph 10(e) of this Court's Order dated September 9, 2002, the Statutory Liquidator of Reliance Insurance Company (In Liquidation) ("Reliance") hereby petitions this Court to appoint a Referee to resolve the dispute between the parties with regard to the Liquidator's Notice of Determination on Proof of Claim Number 2085853.

The Claimant, KIAC Partners, filed an Objection on June 30, 2006 to the Liquidator's Notice of Determination to which the Liquidator responded on July 31, 2006.

The dispute between the parties involves an issue as to the allowed amount. The Liquidator issued a Notice of Determination assigning the claim class (e) priority under 40 P.S. § 221.44(e), and zero allowed amount. Claimant KIAC Partners has objected to the allowed amount.

The parties are unable to resolve the dispute referenced Proof of Claim. The parties, therefore, respectfully request that this Court appoint a Referee in accordance with paragraph 10(e) of this Court's September 9, 2002 Order.

Dated: April 9, 2007



S. Emy Poulad
Vice President, Associate General Counsel
Reliance Insurance Company (In Liquidation)
Three Parkway
Philadelphia, PA 19102
On behalf of the Statutory Liquidator of Reliance
Insurance Company

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M. DIANE KOKEN
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RELiance INSURANCE COMPANY,


Defendant.

DOCKET NO. 269 MD 2001

CERTIFICATE OF SERVICE

I, S. Emy Poulad, Vice President and Associate General Counsel of Reliance Insurance Company (In Liquidation), on behalf of the Statutory Liquidator of Reliance Insurance Company, do hereby certify that this day a true and correct copy of the foregoing Liquidator's Petition to Appoint Referee to Resolve the Dispute regarding the Objection to the Notice of Determination on Proof of Claim Number 2085853 filed by KIAC Partners was served on the claimant's attorneys by first class U.S. Mail, postage prepaid to Joseph A. Dworetzky, Esq. of Hangley Aronchick Segal & Pudlin at One Logan Square, 27th Floor, Philadelphia, PA 19103 and Martin Beeler, Esq. of Covington & Burling at 1330 Avenue of the America, New York, NY 10019.

Dated: April 9, 2007



S. Emy Poulad
Vice President, Associate General Counsel
Reliance Insurance Company (In Liquidation)
Three Parkway
Philadelphia, PA 19102
On behalf of the Statutory Liquidator of
Reliance Insurance Company