

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

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

v.

Reliance Insurance Company,
Defendant

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: No. 269 M.D. 2001

IN RE: Petition of Synagro Technologies, Inc.

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COMMONWEALTH COURT
OF PENNSYLVANIA
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ORDER

AND NOW, this 29th day of November 2001, the letter of counsel for Synagro Technologies, Inc., dated November 28, 2001, shall be treated as a reply to the response in opposition to Synagro Technologies, Inc.'s application for relief.

Having given consideration to the Application for Special Relief, and all responses filed thereto, and it appearing from the petition and responses thereto, the matter is listed for oral argument to be held December 12, 2001, at 10:00 a.m. in Courtroom 1, the Widener Building, located at 1339 Chestnut Street, 9th Floor, Philadelphia, PA 19107.

There appearing to be no genuinely disputed facts in the instant controversy, the parties are directed to file a joint stipulation of facts by 3:00 p.m. December 7, 2001; memorandum of law shall be filed on before 4:00 p.m. December 10, 2001, in the Filing Office located on the 9th floor of the

Widener Building, 1339 Chestnut Street, Philadelphia, PA. **If the parties are unable to enter into a stipulation of facts, the Court shall be contacted immediately.** At oral argument counsel shall be prepared to present argument regarding whether reinsurance proceeds may be committed to covering the losses of the insured, pursuant to the insured's coverage under the originally issued policy between insurer (Reliance Insurance Company) and insured (Synagro Technologies, Inc.); or whether the reinsurance proceeds are assets of the estate that may be used for general administrative purposes, *i.e.*, salaries, attorney fees, and other usual and customary administrative costs. The parties are further directed to be prepared to argue, based upon the stipulated facts, as to whether or not a settlement agreement was reached prior to the entry of the Liquidation Order, and, if so, may such settlement agreement be honored.

FURTHER, Synagro Technologies, Inc., through its counsel, is hereby directed to serve a copy of this order, forthwith, upon AON and all other involved underwriters in the Synagro/Lopez matter. AON, and any other affected underwriters, shall be afforded an opportunity, if they so desire, to enter an appearance, file memorandum of law, and participate in the December 12, 2001 oral argument. **FURTHER**, the Liquidator, through her counsel is directed to serve a copy of this order, further, upon all parties listed on the master service list via U.S. mail and, where designated, fax and/or e-mail. The Liquidator, through her counsel, is directed to file with

the court in the Office of the Prothonotary, 9th Floor the Widener Building,
1339 Chestnut Street, Philadelphia, PA 19107, by 3:00 p.m. December 4,
2001 an affidavit, that service, as outlined above, has been effectuated.


JAMES GARDNER COLINS, Judge