

Candice E Reynolds
3433 SE 14th
Portland, OR 97202

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Chief Clerk's Office
Commonwealth Court of Pennsylvania
Pennsylvania Judicial Center
601 Commonwealth Avenue, Suite 2100
P.O. Box 69185
Harrisburg, PA 17106-9185

Dear Court,

I received a "Notice To Payee of Request to Transfer Contract Ownership". I asked my CPA to review it for me. A copy of his reply is attached. He feels that there is not enough information available to him to determine the "tax consequences" to me. I am retired on disability and I cannot afford any extra taxes. I do not want ownership of the "annuity contract" if it costs me any extra taxes. Can the contract ownership be transferred back to the party Reliance purchased it from?

Please reply,

Candice E Reynolds
Candice E. Reynolds

Dale A. Jenkins, CPA, PC.
15875 SE 114th Ave. – Suite D
Clackamas, Oregon 97015
Phone: (503) – 657-1772
Cell: (971) – 373-3126
Fax: (503) – 657-1779
E-mail: dajcpa@comcast.net

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Candice E. Reynolds
3433 SE 14th
Portland, OR 97202

September 30, 2014

Re: NOTICE TO PAYEE OF REQUEST TO TRANSFER CONTRACT OWNERSHIP

Dear Candice,

You have requested that I review the attached notice. (Copy attached)

You receive periodic payments under a structured settlement funded by an annuity contract issued by Washington National Fidelity Life Insurance Company f/k/a National Fidelity Life Insurance Company. (“Annuity Issuer”). Reliance Insurance Company (“Reliance”) purchased your Annuity Contract and owns your Annuity Contract.

Reliance is in the process of being liquidated. Thus they appear to be “going out of business”. Reliance is asking the Court to transfer the ownership of the “Annuity Contract” directly to you. However, Reliance states that “there may be tax consequences to you as a result of the transfer with respect to the periodic payments received after such a transfer”. There is not enough information in this “notice” to determine what “the tax consequences” would be to you.

There is no reason that you should have any “tax consequences” from receiving payments from an annuity contract that you are entitled to receive.

I suggest that you ask the Court to transfer the ownership of the “annuity contract” back to the company that Reliance purchased it from. That is probably the “Annuity Issuer”.

Please contact me if you have any questions.


Dale A Jenkins, CPA

NOTICE TO PAYEE of Request to Transfer Contract Ownership

You are receiving this Notice because you receive periodic payments under a structured settlement funded by an annuity contract ("the Annuity Contract") issued by Washington National Life Insurance Company f/k/a National Fidelity Life Insurance Company ("Annuity Issuer"), Reliance Insurance Company ("Reliance"), which is responsible for the payments under the structured settlement, purchased your Annuity Contract to fund those payments and owns your Annuity Contract. Reliance instructed the Annuity Issuer to pay you directly and so you have been receiving payments from the Annuity Issuer. Reliance is being liquidated by the Pennsylvania Insurance Commissioner pursuant to an Order of Liquidation entered by the Commonwealth Court of Pennsylvania (the "Court") in October 2001.

Reliance is seeking Court approval to transfer ownership to you of the Annuity Contract under which you receive payments with such transfer of ownership to be effective immediately. There may be tax consequences to you as a result of the transfer with respect to the periodic payments received after such transfer. Consequently, you may want to consult a tax advisor or accountant.

Because your structured settlement is funded in accordance with the Annuity Contract and you have been receiving payments directly from the Annuity Issuer under your Annuity Contract, Reliance's obligation to make any additional payments has been contingent only. Reliance is seeking Court approval to be discharged and released immediately with regard to its contingent obligation to make the periodic payments to you under the structured settlement in the event the Annuity Issuer fails to meet its payment obligation and from all further liability or responsibility related to your structured settlement.

Reliance is seeking to have the Court confirm that the Annuity Issuer remains responsible to make annuity payments to you in the same manner as before the transactions. Reliance's request and the Court's response will not affect your rights to receive continuing payments from the Annuity Issuer under your Annuity Contract, although it may have tax implications for you. If the Court approves Reliance's request, you would no longer have any rights with respect to Reliance. If you have any objection to the transfer, you must file an objection with the Commonwealth Court of Pennsylvania at the following address within sixty (60) days from September 2, 2014:

Chief Clerk's Office
Commonwealth Court of Pennsylvania
Pennsylvania Judicial Center
601 Commonwealth Avenue, Suite 2100
P.O. Box 69185
Harrisburg, PA 17106-9185

If you would like to receive a copy of the Liquidator's filing, you may obtain a copy:

- (1) at www.reliancedocuments.com; or
- (2) by calling Reliance at 215-864-4000; or
- (3) by e-mail inquiry to Liquidator@relianceinsurance.com (Please refer to the "Structured Settlement Annuity Filing").