

CAUSE NO. D-1-GV-12-001713

SEP 14 2015

At 11:30 P. M.
IN THE DISTRICT COURT OF TRAVIS COUNTY, TEXAS
District Clerk

THE STATE OF TEXAS

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§
§

IN THE DISTRICT COURT OF TRAVIS COUNTY, TEXAS
TRAVIS COUNTY, TEXAS
53RD JUDICIAL DISTRICT

VS.

GRAMERCY INSURANCE COMPANY

**ORDER APPROVIING FIRST EARLY ACCESS
PAYMENTS TO GUARANTY ASSOCIATIONS
AND REQUEST TO DESTROY NON-ESSENTIAL RECORDS**

The Court considered the *Application for Approval of First Early Access Payments to Guaranty Associations and Request to Destroy Non-essential Records* (the "Application"), filed by Resolution Oversight Corporation, solely in its capacity as Special Deputy Receiver of Gramercy Insurance Company, (the "SDR" and "Gramercy" respectively). After considering the Application, the evidence submitted, and the recommendation of the Master appointed in this proceeding (the "Master"), the Court finds as follows:

1. The *Supplemental Order of Reference to Master* (the "Order of Reference"), entered on August 26, 2013, provides Applications filed pursuant to TEX. INS. CODE ANN. §§ 443.007 and 443.303 are referred to the Special Master appointed in this proceeding.
2. The Application was submitted to the Master in accordance with the Order of Reference;
3. Notice of the Application was provided in accordance with TEX. INS. CODE ANN. §§ 443.007 (d) and 443.303(d), and no objections to the Application were filed;
4. The Texas Property and Casualty Insurance Guaranty Association filed its Acknowledgment and Waiver to the Application;
5. The Master has issued a recommendation that the Application should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure;
6. The Court has jurisdiction over the Application and the parties in interest; and
7. The Affidavit of Ernesto Garza is admitted and the Application should be GRANTED in all respects.

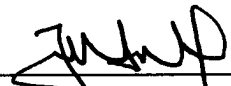
IT IS THEREFORE ORDERED ADJUDGED AND DECREED as follows:

1. The Application is GRANTED;
2. The Court approves the notice to the parties described in this Application, and finds that such notice complies with the requirements of TEX. INS. CODE ANN. §§ 443.007(d) and 443.303(e) and due process;
3. The SDR shall distribute \$4,867,778.16 from the assets of the estate to the Affected Guaranty Associations in the amounts described in Exhibit 3 to the Application as early access payments pursuant to TEX. INS. CODE ANN. § 443.303.
4. The early access payments to the Affected Guaranty Associations shall be treated as advances against payments to be made under TEX. INS. CODE ANN. § 443.302;
5. The early access payments shall be made within thirty (30) business days after the date this Order is entered by the Receivership Court, unless an appeal has been filed or an order staying the distribution has been entered and not yet expired;
6. The Affected Guaranty Associations must return to the SDR any amount of the early access payment that may be required to pay secured creditors and other claims as provided in TEX. INS. CODE ANN. § 443.303(g);
7. These first early access payments will apply to the Class 1 claims of the Affected Guaranty Associations under TEX. INS. CODE ANN. § 443.301(a);
8. This Order does not constitute a final determination of the Affected Guaranty Associations' reserves;
9. The agreement between the SDR, South Carolina Department of Insurance and the South Carolina Property and Casualty Insurance Guaranty Association ("SCPCIGA") transferring the South Carolina statutory deposit to SCPCIGA is approved and the SDR is authorized to

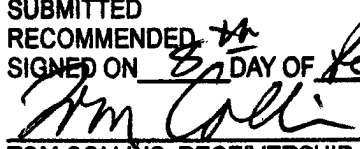
execute the agreement, attached as Exhibit 2 to the Application, or one substantially similar thereto;

10. The statutory deposits in Missouri, New Mexico, South Carolina and the recoveries of the deposits in Louisiana, Nevada, and North Carolina shall be treated as advances against the payments to be made to those states' insurance guaranty associations under TEX. INS. CODE ANN. § 443.303;
11. The Affected Guaranty Associations are authorized to destroy the Physical Claims Records that have been scanned into their records management system as long as they provide the SDR with access to these electronic records until termination of this receivership proceeding;
12. The Special Deputy Receiver is authorized to take any actions necessary to implement the Order;
13. This Order constitutes a final judgment fully resolving all issues relating to the Application, provided that this Court shall retain jurisdiction to issue further orders pursuant to TEX. INS. CODE ANN. Chapter 443.

SIGNED this 14th day of September, 2015.



Judge Presiding
TIM SULAK

PROPER NOTICE GIVEN
ACKNOWLEDGMENT OF NOTICE AND WAIVER
OF OBJECTION PRESENTED
SUBMITTED
RECOMMENDED th
SIGNED ON 8th DAY OF Sept. 2015


TOM COLLINS, RECEIVERSHIP SPECIAL MASTER