

IN THE DISTRICT COURT OF LANCASTER COUNTY, NEBRASKA

STATE OF NEBRASKA, ex rel.)
L. TIM WAGNER,)
DIRECTOR OF INSURANCE OF)
THE STATE OF NEBRASKA,)
)
Petitioner,)
)
vs.)
)
FAR WEST INSURANCE COMPANY,)
)
Respondent.)
)

Case No. CI 01 4133

APPLICATION NO. 51
(LIQUIDATOR'S APPLICATION TO
PAY INTERIM DISTRIBUTION)

Ann M. Frohman, Liquidator ("Liquidator") of Far West Insurance Company ("Far West"), applies to the Court for an Order authorizing the Liquidator to pay an interim distribution to certain claimants.

1. The Liquidator makes this application pursuant to NEB. REV. STAT. §44-4844, which allows the Liquidator to pay distributions under the direction of the Court in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of unliquidated and undetermined claims.

2. The Liquidator seeks Court approval to pay from its general assets an interim distribution to Class 4 Claimants, as defined in NEB. REV. STAT. §44-4842(4) in effect on November 9, 2001, the date of the Order of Liquidation, Declaration of Insolvency, and Injunction herein.

This is a COPY
Original filed by the
Clerk, District Court
Lancaster County, NE
on 9-13-10

3. The Liquidator seeks to pay an interim distribution equal to forty percent (40%) of the net approved claim amounts of Class 4 claims. The total dollar amount of the interim distribution for which approval is sought is \$3,077,666.96. Together with the prior fifty percent (50%) interim distribution, this distribution will result in aggregate distributions of ninety percent (90%) of the net approved claim amounts of Class 4 claims.

4. Every claim in every class having priority over Class 4 claims has been paid in full or adequate funds have been retained for such payment. Adequate funds have also been retained to assure appropriate treatment of all Class 4 claims which are unliquidated and undetermined on the date of this Application. The Liquidator intends to pay one or more additional distributions to Class 4 claimants subject to the completion of the claim adjudication process and the collection of remaining assets.

5. Attached hereto as Schedule 1 and incorporated herein by reference is a listing of the names and addresses of surety-related claimants in this liquidation holding Class 4 claims, the number assigned by the Liquidator to each Proof of Claim, the amount of each claim finally approved, and the proposed distribution thereon.

6. Attached hereto as Schedule 2 and incorporated herein by reference is a listing of the names and addresses of nonsurety claimants in this liquidation holding Class 4 claims, the number assigned by the Liquidator to each Proof of Claim, the amount of each claim finally approved, and the proposed distribution thereon.

7. Attached hereto as Schedule 3 and incorporated herein by reference is a listing of the names and addresses of bail-related claimants in this liquidation holding Class 4 claims, the number

assigned by the Liquidator to each Proof of Claim, the amount of each claim finally approved, and the proposed distribution thereon.

8. Every claim in every class having priority over Class 4 claims has been paid in full or adequate funds have been retained for such payment. Adequate funds have also been retained to assure appropriate treatment of all claims which are unliquidated and undetermined on the date of this Application.

9. The Liquidator further applies to the Court for authority to make equivalent distributions to all similarly situated Class 4 claims which have received Court approval and which either have been confirmed by the claimant or are exempt from the Liquidator's confirmation process, subject to reporting to the Court from time to time.

10. Omitted claims will be addressed either in future claims reports or under the disputed claims process in Far West's liquidation proceedings.

11. To the best of the Liquidator's knowledge and belief, the claims covered by this report are not subject to modification; if any additional factors hereafter come to the Liquidator's attention which may require any modification, such as third party payments or releases of any such claims, or the existence of specific assets (assets held for the benefit of some but not all claimants) securing any such claims, the Liquidator will promptly bring those matters to the Court's attention in an application to modify such claims.

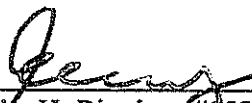
This application is supported by the affidavit of Michael J. FitzGibbons, Special Deputy Liquidator.

DATED: September 13, 2010.

ANN M. FROHMAN, DIRECTOR OF THE
DEPARTMENT OF INSURANCE, STATE OF
NEBRASKA, LIQUIDATOR OF FAR WEST
INSURANCE COMPANY, Petitioner

By: REMBOLT LUDTKE LLP
Attorneys for Petitioner
1201 Lincoln Mall, Suite 102
Lincoln, NE 68508
(402) 475-5100

By:



John H. Binning (#10320)
Robert L. Nefsky (#15449)
Jane F. Langan (#20736)