

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

**ORDER APPROVING INTERIM  
DISTRIBUTION TO CLASS 4  
CLAIMANTS  
(PURSUANT TO APPLICATION NO.  
51)**

This matter came on for consideration on Application No. 51 of the Director of Insurance for the State of Nebraska, Ann M. Frohman, acting as Liquidator of Far West Insurance Company pursuant to the Insurers Supervision, Rehabilitation and Liquidation Act ("Act"), NEB. REV. STAT. § 44-4801 *et seq.*, for an Order approving an interim distribution to Class 4 Claimants. Application No. 51 is supported by the Affidavit of Michael J. FitzGibbons, which states the factual basis for said application.

The Court finds that the claimants covered in the Liquidator's Application No. 51 are Class 4 general creditor claimants under NEB. REV. STAT. §44-4842(4), as in existence on November 9, 2001, the date of Far West's Order of Liquidation, Declaration of Insolvency, and Injunction herein. The Court further finds this priority classification appropriate for distributions in this liquidation by reason of NEB. REV. STAT. §44-4818(2), whereby the rights and liabilities of the insurer, its creditors

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and others are fixed as of the date of the Order of Liquidation herein. The Court further finds that the Liquidator's Application No. 51 seeks approval to make a forty percent (40%) general asset distribution to approved Class 4 claimants, which together with the fifty percent (50%) general asset distribution previously approved by the Court, will result in the Court's approval of aggregate ninety percent (90%) general asset distributions to approved Class 4 claimants.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

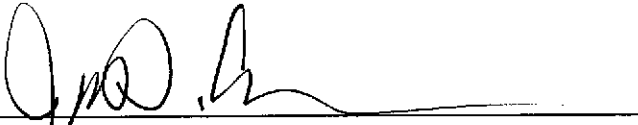
1. Pursuant to NEB. REV. STAT. §44-4844, the Liquidator is AUTHORIZED AND ORDERED to pay forty percent (40%) interim claim distributions as listed on Schedules 1, 2 and 3 attached to Application No. 51.

2. The Liquidator is further AUTHORIZED AND ORDERED to pay equivalent claim distributions on any similarly situated Class 4 claims which have been approved by the Court and which have either been confirmed by the claimant or are exempt from the Liquidator's confirmation process, and the Liquidator shall report to the Court on the payment of such claim distributions not less often than quarterly.

3. As a condition to making any distribution to any claimant hereunder, the Liquidator is authorized to require the affected claimant to represent in writing to the Liquidator, by endorsement of the claims distribution check or otherwise, under penalties of perjury, that (a) the claimant is the holder of the claim free and clear of any rights or claims of third parties created by the claimant, (b) the claimant has not made any transfer, assignment or pledge of such claim, (c) the claimant has not received any payment on such claim from any other source, and (d) the claimant has not released the claim in whole or in part. The Liquidator may reduce or withhold payment to any claimant as appropriate to the extent such claimant no longer holds such claim, or has

transferred, assigned or pledged such claim, has released the claim, or has received payment on such claim from any other source, and if any such situations exist, the Liquidator shall make a supplemental report to the Court, and, as necessary, an application to modify or disallow the affected claims.

DATED: September 15 2010.

  
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John A. Colborn, District Judge

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