

STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

Michael Wise, as Director of the South  
Carolina Department of Insurance,

Petitioner,

vs.

Oceanus Insurance Company, a Risk  
Retention Group,

Respondent.

IN THE COURT OF COMMON PLEAS  
FOR THE FIFTH JUDICIAL CIRCUIT

C.A. No. 2017-CP-40-05195

**LIQUIDATOR'S FIFTH CLAIMS  
REPORT, RECOMMENDATION &  
APPLICATION FOR ORDER  
APPROVING SAME**

Comes now Petitioner Michael Wise, as Liquidator of the above-captioned insurance company (Oceanus), by and through the undersigned counsel and files herewith his Fifth Claims Report, applies to the Court for an Order approving the Liquidator's undisputed claim determinations specified herein and recommends approval thereof.

This application is made pursuant to the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.*, specifically, S.C. Code Ann. § 38-27-620(a) (2015), wherein the Liquidator is required to review all claims duly filed in the liquidation proceedings, make such further investigation as he deems necessary, and submit a claims report to the Court containing his claim recommendations.

In support of his report, recommendation and application, the Liquidator would respectfully show the following:

1. On September 21, 2017, the Court entered an Order Commencing Liquidation Proceedings & Granting an Injunction & Automatic Stay of Proceedings regarding Oceanus.
2. Between the Liquidation Date of September 21, 2017 and March 20, 2018, the latter being the Claims Bar Date, the Liquidator issued approximately seven thousand one hundred and

sixty-two (7,162) Notices of Liquidation and Proof of Claim (POC) forms, with instructions to policyholders, third-party claimants and other potential claimants and/or creditors of Oceanus.

3. For five (5) consecutive days commencing October 27, 2017, notice of the liquidation was published in the New York Times, a newspaper of nationwide circulation, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a POC.

4. For two (2) consecutive days commencing October 22, 2017, notice of the liquidation was published in the Miami Herald, a newspaper of countywide circulation in Miami-Dade, Broward, and Monroe Counties, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

5. On or before the Bar Date of March 20, 2018, the Liquidator received one thousand three hundred and seventy-eight (1,378) timely-filed POCs. The Liquidator also received fifty-three (53) late-filed claims, ten (10) of which have been deemed timely filed, with the remaining forty-three (43) pending review.

6. Two hundred (200) claims have previously been adjudicated and submitted to the Court for approval, with such approval granted by orders entered June 26, 2019, February 21, 2020, October 29, 2020, and May 24, 2022.

7. Forty-five (45) additional POC's have now been completely adjudicated. All remaining POCs received are presently under evaluation.

8. Attached as Exhibit A and incorporated herein is a Schedule listing the names and addresses of thirty-nine (39) claimants holding a class 2 claim as defined by S.C. Code Ann. § 38-27-610(2) (2015), the POC number assigned by the Liquidator, the original claim amount, and the valuation of the claim proposed by the Liquidator.

9. Attached as Exhibit B and incorporated herein is a Schedule listing the names and addresses of six (6) claimants holding a claim with a priority subordinate to class 2 as defined by S.C. Code Ann. § 38-27-610 (2015). Exhibit B also includes the number assigned to each Proof of Claim and the priority class as defined by S.C. Code Ann. § 38-27-610 (2015). These claims were adjudicated as to priority class only, as the Liquidator presently expects distributions to class 2 to be less than 100 percent.

10. In further support of this report, recommendation and application, the Liquidator has attached as Exhibit C, the affidavit of Michael J. FitzGibbons, Special Deputy Liquidator.

WHEREFORE, the Liquidator prays the Court issue an Order approving this Fifth Claims Report and recommendation, with the actual distribution to be determined at the appropriate time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015), as well as such other relief as the Court deems just and proper.

Respectfully submitted,

August 3, 2023

s/ Geoffrey R. Bonham  
Associate General Counsel  
South Carolina Department of Insurance  
P.O. Box 100105  
Columbia, South Carolina 29202

Capitol Center  
1201 Main Street, Suite 1000  
Columbia, South Carolina 29201

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One of the attorneys for the Liquidator of  
Oceanus Insurance Company, a Risk  
Retention Group in Liquidation

Oceanus Insurance Company, a RRG in Liquidation  
5th Claims Report  
Exhibit A

POC	Claimant	Contact	Contact II	Address	City	State	Zip	Class Code	Claim Amount	Liquidator's Recommended Amount
1000146	S.P., MD	Stephen Pine, MD		5170 Comercio Ave	Woodland Hills	CA	91364	2	unstated	-
1000574	K.K.	Carolyn Caccese, Esq	Salenger, Sack, Kimmel & Bavaro	180 Froehlich Farm Blvd	Woodbury	NY	11797	2	2,000,000.00	-
1001031	D.L.	Stephen S. La Rocca	Stephen S. La Rocca, PLLC	111 John Street, Suite 800	New York	NY	10038	2	unstated	50,000.00
1000367	Z.N.G.	Elise Langsam, Esq.		217 Broadway Suite 606	New York	NY	10007	2	10,000,000.00	-
1000158	A.H.	Mary Ellen Duffy, Esq	Duffy & Duffy, PLLC	1370 RXR Plaza	Uniondale	NY	11758	2	unstated	-
1000453	V.T./A.N. (Deceased)	Philip G. Hunter		P.O Box 11710	Alexandria	LA	71315	2	500,000.00	-
1000662	S.W.	Denny Tang	Parker Waichman	6 Harbor Park Dr	Port Washington	NY	11050	2	3,000,000.00	-
1000294	W.L.	William Spratt, Esq	Shaub Ahmuty Citrin & Spratt LLP	1983 Marcus Ave.	Lake Success	NY	11042	2	1,000,000.00	-
1000992	T.H., MD	Thomas Hamilton		109 Bouvier Street	Huntington	WV	25704	2	unstated	-
1001248	V.T.H., DO	Larry McCarty	Hudson, Potts & Bernstein LLP	1800 Hudson Lane Ste 300	Monroe	LA	71201	2	unstated	-
1001249	J.M., MD	Larry McCarty	Hudson, Potts & Bernstein LLP	1800 Hudson Lane Ste 300	Monroe	LA	71201	2	unstated	-
1001356	E.C, MD	Gordon L. James	Hudson, Potts & Bernstein LLP	1800 Hudson Lane Ste 300	Monroe	LA	71201	2	unstated	-
1001357	E.C., MD	Gordon L. James	Hudson, Potts & Bernstein LLP	1800 Hudson Lane Ste 300	Monroe	LA	71201	2	unstated	-
1001358	M.E.P.S.	Larry McCarty	Hudson, Potts & Bernstein LLP	1800 Hudson Lane Ste 300	Monroe	LA	71201	2	unstated	-
1000467	R.S.	John R. Sheppard	Wilson, Elser, Moskowitz, Eldelman & Dicker, LLP	909 Fanning St, Suite 330	Houston	TX	77010	2	1,000,000.00	-
1000519	M.J.	Michael Jones		6740 Mallard Lake CT	Roanoke	VA	24018	2	unstated	-
1000521	K.A., MD	Kwami Agbodza		15 Westlake Court	Jackson	NJ	08527	2	unstated	-
1001295	S.	James V. Hatem	Nixon Peabody, LLP	900 Elm Street, Suite 1400	Manchester	NH	03101	2	unstated	-
1001296	S.	James V. Hatem	Nixon Peabody, LLP	900 Elm Street, Suite 1400	Manchester	NH	03101	2	unstated	-
1001297	S.	James V. Hatem	Nixon Peabody, LLP	900 Elm Street, Suite 1400	Manchester	NH	03101	2	unstated	-
1001299	S.	James V. Hatem	Nixon Peabody, LLP	900 Elm Street, Suite 1400	Manchester	NH	03101	2	unstated	-
1001301	S.	James V. Hatem	Nixon Peabody, LLP	900 Elm Street, Suite 1400	Manchester	NH	03101	2	unstated	-
1001308	S.	James V. Hatem	Nixon Peabody, LLP	900 Elm Street, Suite 1400	Manchester	NH	03101	2	unstated	-

Oceanus Insurance Company, a RRG in Liquidation  
5th Claims Report  
Exhibit A

1000045	E.W. as Administrator of B.S.	Ryan C. Johnsen, Esq.	Hoganwillig	2410 North Forest Road, #301	Buffalo	NY	14068	2	unstated	-	
1000495	R.V.	Timothy Kilgannon	Rossi, Crowley, Sancimino & Kilgannon, LLP	42-24 235th St	Douglaston	NY	11363	2	500,000.00	-	
1000540	M.B. and D.B.	Audrey M. Tolson	The Tolson Firm, LLC	2971 Flowers Road South, Suite 265	Atlanta	GA	30341	2	1,000,000.00	250,000.00	
1001026	G.H.C. and H.B.C.	Todd R. Falzone, Esq	Kelley Uustal PLC	500 North Federal Hwy #200	Ft Lauderdale	FL	33301	2	1,312,000.00	-	
1001220	J. And K.L.	Albert Aquila	Sullivan Papain Block McGrath & Cannavo, P.C.	120 Broadway	New York	NY	10271	2	2,000,000.00	250,000.00	
1000032	F.A.	James Karamanis, Esq	Barney & Karamanis, LLP	180 North Stetson, Suite 3050	Chicago	IL	60601	2	4,500,000.00	75,000.00	
1001054	F.A.	James A. Karamanis, Esq.	Barney & Karamanis, LLP	180 North Stetson, Suite 3050	Chicago	IL	60601	2	4,500,000.00	125,000.00	
1000330	A.M.	Dara Quattrone	Westmoreland Vesper Quattrone Beers	8025 Black Horse Pike	West Atlantic City	NJ	08232	2	unstated	375,000.00	
1000187	H.W.	Steven Alter, Esq	Slater Slater Schulman, LLP	445 Broad Hollow Road, Suite 334	Melville	NY	11747	2	3,000,000.00	500,000.00	
1000026	J.T.	Jeanine L. Stevens	The Stevens Law Group	1809 N. Hoyne Avenue	Chicago	IL	60647	2	50,000.00	200,000.00	
1001046	H.R.R./R.R.	Stanley E. Orzechowski	Law Office of Stanley E. Orzechowski	104 Bellerose Ave, Suite 2	East Northport	NY	11731	2	unstated	450,000.00	
1000314	B.S.	Joseph Falbo Jr., Esq.	145 Willis Ave.		Mineola	NY	11501	2	unstated	75,000.00	
1000667	J.M. c/o S.M.	Sean B. Cronin	Cronin & Makwell, PL	4250 Lakeside DR #204	Jacksonville	FL	32210	2	250,000.00	250,000.00	
1000582	C.R.	Sonia Canales, Paralegal	The Sanders Firm	100 Garden City Plaza, Suite 500	Garden City	NY	11530	2	unstated	-	
1000461	G.C.	Joseph Cooney, Esq	Orlovsky, Moody, Schaaff & Conlon, LLC	187 Highway 36	West Long Branch	NJ	07764	2	unstated	-	
1000507	A.D.M., MD	John Evans, Esq	Rawle & Henderson	14 Wall St. - 27th Floor	New York	NY	10005	2	5,000,000.00	-	
									<b>Total</b>	<b>39,612,000.00</b>	<b>2,600,000.00</b>

Oceanus Insurance Company, a RRG in Liquidation  
 5th Claims Report  
 Exhibit B

POC	Claimant	Contact	Contact II	Address	City	State	Zip	Class Code	Claim Amount	Liquidator's Recommended Amount
1001341	C.M.	Robert A Miklos, Esq	Silberstein Awad & Miklos, P.C	600 Old Country Rd Ste 412	Garden City	NY	11530	8	10,000,000.00	N/A
1001454	Estate of J.F.N.	Joseph Maniaci	Maniaci Ciccotta Schweizer LLP	6720 Frankford Ave	Philadelphia	PA	19135	8	3,500.00	N/A
1000512	J.P.F.	John P. Franchina		400 West Main St. Suite 330	Babylon	NY	11702	11	69,500.00	N/A
1001374	J.R.D.	Joseph R Ades		24 Richmond Hill	Irvington	NY	10533	3	10,425.60	N/A
1000236	N.R., MD	Neeraj Rastogi, MD	247 Pleasant Street		Arlington	MA	2476	3	15,200.00	N/A
1000068	S.H., MD	Solemon Hakimi, MD	2915 Santa Monica Blvd	Suite # 1	Santa Monica	CA	90404	3	2,208.75	N/A

**Exhibit C**

**STATE OF SOUTH CAROLINA**

**COUNTY OF RICHLAND**

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Respondent.

**IN THE COURT OF COMMON PLEAS**

**FOR THE FIFTH JUDICIAL CIRCUIT**

C.A. No. 2017-CP-40-05195

**AFFIDAVIT OF MICHAEL J.  
FITZGIBBONS  
IN SUPPORT OF LIQUIDATOR'S  
FIFTH CLAIMS REPORT,  
RECOMMENDATION &  
APPLICATION FOR ORDER  
APPROVING SAME**

Michael J. FitzGibbons, being first duly sworn, deposes and says as follows:

1. I am the Special Deputy Liquidator of Oceanus Insurance Company, a Risk Retention Group ("Oceanus"). I was appointed to my position by the Liquidator, Raymond G. Farmer, Director of the South Carolina Department of Insurance, which designation was approved by the Court on September 21, 2017.

2. I am over 21 years of age and suffer no legal disability.

3. By virtue of my appointment as Special Deputy Liquidator, I have been actively and personally involved in the liquidation of Oceanus at all times since it was placed into liquidation, including the matters addressed in this Affidavit. My responsibilities as the Special Deputy Liquidator include supervision and oversight of and direct involvement in the liquidation process. I am familiar with the claims process and with the claims that have been filed. Therefore, I have personal knowledge of the matters addressed in this Affidavit.

4. The claims process has included the following components, each and every one of which has been followed:

a. Notice of Oceanus' liquidation was given in accordance with S.C. Code Ann. § 38-

27-410(a) (2015).

- b. In accordance with S.C. Code Ann. § 38-27-410(b) (2015), the notice specified that the last date to file a timely proof of claim with the Liquidator was March 20, 2018. Proofs of claim had to be postmarked no later than 5:00 P.M. Eastern Daylight Time on that date to be considered timely.
- c. The Liquidator's Proof of Claim (POC) forms are in compliance with S.C. Code Ann. § 38-27-550(a) (2015) and provided notice of the liquidation of Oceanus in accordance with S.C. Code Ann. § 38-27-410(b) (2015).
- d. As the duly-appointed Special Deputy Liquidator, I have considered each of the forty-five (45) POCs subject to this Claims Report, in accordance with the requirements of the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.*
- e. I am administering the claims process. I initially retained as Oceanus employees Tim Morris and Jennifer Arias to assist me in the adjudication of claims under policies for losses incurred. Mr. Morris is no longer an employee of Oceanus, and, in his stead, I have contracted Glynloen Consulting. I have now charged Glynloen Consulting and Ms. Arias with the responsibility to make recommendations to the Liquidator as to the validity, valuation and priority of each POC. The Liquidator and/or his duly-appointed Special Deputy then independently approves or denies these recommendations, in whole or in part, and submits the same to this Court for approval.
- f. Each POC subject to this Claims Report contains the necessary claim file documentation for the Liquidator's recommendation thereon.



g. To the extent this Claims Report includes claims that were denied in whole or in part, notice of such denial complying with S.C. Code Ann. § 38-27-580(a) (2015) was provided to the affected claimants and either no timely objection was made by the affected claimants, or the objection was resolved by mutual agreement.

5. I am submitting this Affidavit in support of the Liquidator's Fifth Claims Report, Recommendation & Application for Order Approving Same ("Report, Recommendation and Application"), which pertains to thirty-nine (39) Class 2 claims and six hundred and six (6) claims with a priority subordinate to Class 2, as prescribed by S.C. Code Ann. §§ 38-27-610 & -620 (2015).

6. Between the entry of the Liquidation Order on September 21, 2017, and March 20, 2018, I caused to be issued approximately seven thousand one hundred and sixty-two (7,162) Notices of Liquidation and Proof of Claim (POC) forms, with instructions to policyholders, third-party claimants, and/or other potential claimants and creditors of Oceanus.

7. For five (5) consecutive days commencing October 27, 2017, I caused to be published Notice of the liquidation in the New York Times, a newspaper of nationwide circulation, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

8. For two (2) consecutive days commencing October 22, 2017, I caused to be published Notice of the liquidation in the Miami Herald, a newspaper of countywide circulation in Miami-Dade, Broward and Monroe Counties, informing interested parties of the liquidation proceedings and including contact information and instructions for the timely filing of a claim.

9. On or before the Bar Date of March 20, 2018, I received one thousand three-hundred and seventy-eight (1,378) timely filed POCs, and I received fifty-three (53) late-filed

claims. Ten (10) of the fifty-three (53) late-filed claims have been deemed timely filed, with forty-three (43) pending further review.

10. Two hundred (200) claims have previously been adjudicated and submitted to the Court for approval, with such approval granted by order entered June 26, 2019, February 21, 2020, October 29, 2020, and May 24, 2022.

11. Forty-five (45) additional claims have now been adjudicated and are the subject of this application. All remaining unadjudicated POCs are under evaluation.

12. Attached to the Report, Recommendation and Application and incorporated by reference as Exhibit A is a listing of the names and addresses of these thirty-nine (39) claimants with Class 2 claims as defined in S.C. Code Ann. § 38-27-610(2) (2015), the POC number assigned, the original claim amount, and the Liquidator's valuation and recommendation pursuant to S.C. Code Ann. § 38-27-620 (2015). Actual distributions of Class 2 claims will be determined and made at the appropriate time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015).

13. Also attached to this Application and incorporated by reference is Exhibit B, which is the listing of the names and addresses of the remaining six (6) claimants subject to this application holding a claim with a priority subordinate to class 2 as defined by S.C. Code Ann. § 38-27-610(2) (2015). Exhibit B also includes the number assigned to each of these Proofs of Claim and their priority class as defined by S.C. Code Ann. § 38-27-610 (2015). These claims were adjudicated as to priority class only as I expect, at this time, distributions to class 2 claimants to be less than 100 percent.

14. Actual distributions will be determined and made at the appropriate time in accordance with S.C. Code Ann. §§ 38-27-610 & -630 (2015).

15. To the best of my knowledge and belief, the claims and recommendation thereon subject to this Report and Application are not subject to modification. If any additional factors hereafter come to my attention which may require any modification, such as third-party payments or releases of any such claims, I will immediately notify the Liquidator, and he and/or I will promptly bring those matters to the attention of this Court in an amendment to modify such claims and recommendation.

FURTHER AFFIANT SAYETH NOT.



Michael J. FitzGibbons  
Special Deputy Liquidator

SWORN to before me this 3<sup>rd</sup> day of August, 2023



Notary Public for the State of Arizona  
My commission expires 09/15/2026



**SARAH E. ALEXANDER**  
Notary Public - Arizona  
Maricopa Co. / #633463  
Expires 09/15/2026