

Case

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.)
)
 AMWEST SURETY INSURANCE)
 COMPANY,)
)
 Respondent.)

Case No. CI 01 2102

APPLICATION NO. 95

(LIQUIDATOR'S APPLICATION TO PAY INTERIM DISTRIBUTION)

Ann M. Frohman, Liquidator (the "Liquidator") of Amwest Surety Insurance Company ("Amwest"), 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 3 Policyholder Claimants, as defined in NEB. REV. STAT. §44-4842(3) in effect on June 7, 2001, the date of the Order of Liquidation, Declaration of Insolvency, and Injunction

herein.

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3. The Liquidator seeks to pay an interim distribution equal to fifteen percent (15%) of the net approved claim amounts of Class 3 Policyholder claims. The total dollar amount of the interim distribution for which approval is sought is \$6,457,112.83. Together with the prior twenty-five percent (25%) interim distribution, this distribution will result in aggregate distributions of forty percent (40%) of the net approved claim amounts of Class 3 Policyholder claims.

4. Every claim in every class having priority over Class 3 Policyholder 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 3 Policyholder claims which are unliquidated and undetermined on the date of this Application. The Liquidator intends to pay one or more additional distributions to Class 3 Policyholder 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 true and correct listing of the names and addresses of each nonbail surety Class 3 Policyholder claimant to whom the Liquidator seeks to make a distribution and the dollar amount of such distribution. Attached hereto as Schedule 2 and incorporated herein by reference is a true and correct listing of the names and addresses of each bail surety Class 3 Policyholder claimant to whom the Liquidator seeks to make a distribution and the dollar amount of such distribution.

6. To the best of the Liquidator's knowledge and belief, the claims covered by this application are not subject to modification by the factors specified in Application No. 62 (For Order Modifying Approval of Liquidator's First Claims Report), or those factors have already been accounted for, as reflected on the attached schedules. If any additional factors addressed in Application No. 62 hereafter come to the Liquidator's attention, 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 a supplemental report or an application to modify such claims as the case requires.

7. The Liquidator further applies to the Court for authority to make distribution payments to all similarly situated Class 3 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. The aggregate amount of such distributions shall be forty percent (40%), consisting of the twenty-five percent (25%) interim distribution initially approved on October 20, 2008, and the fifteen percent (15%) interim distribution which is the subject of this application.

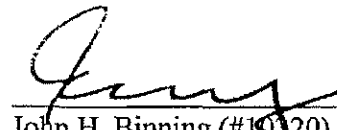
This Application is supported by the Affidavit of Michael J. FitzGibbons, Special Deputy Liquidator.

Date: June 19, 2009.

ANNM. FROHMAN, DIRECTOR OF INSURANCE
OF THE STATE OF NEBRASKA, AS
LIQUIDATOR OF AMWEST SURETY
INSURANCE COMPANY, Petitioner

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