

IN THE SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA
Civil Division

DISTRICT OF COLUMBIA,
a Municipal Corporation,

Petitioner,

v.

PINELANDS INSURANCE COMPANY
RISK RETENTION GROUP, INC.

Respondent.

Civil Action No.: 2015 CA 006558B

Judge: Bartnoff

Calendar No.: 15

Next Event: Status Hearing 9/16/15

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
MOTION TO APPROVE THE APPOINTMENT OF THE
SPECIAL DEPUTY TO THE LIQUIDATOR AND TO FIX COMPENSATION

The District respectfully moves this Court for an order approving the appointment of, and compensation for, Robert H. Myers, Jr. as Special Deputy Liquidator and others from the law firm of Morris, Manning & Martin, LLP whose services may be needed to liquidate the estate of Pineland. In support of this motion, the District states the following:

BACKGROUND AND PROCEDURAL HISTORY

1. Pinelands is an association captive insurer, organized and licensed under the District's laws, that offered liability insurance to taxis in New Jersey and Pennsylvania.
2. On August 25, 2015, the District filed an Emergency Consent Petition for an Expedited Order of Liquidation of Pinelands Insurance Company Risk Retention Group, Inc. pursuant to D.C. Official Code §§ 31-1303, 31-1315, 31-1316 and 31-3931.01 et seq. (Emergency Consent Petition).

3. After consideration of the Emergency Consent Petition and the entire record, the Court issued an Order of Liquidation for Pinelands on August 25, 2015. Among other things, the Order of Liquidation appointed DISB's Acting Commissioner and his successors in office as Pinelands' Liquidator.

4. Pursuant to the Order of Liquidation and D.C. Official Code § 31-1319(a)(1) (2012 Repl.), on August 27, 2015, the Liquidator appointed Robert H. Myers, Jr. to be the Special Deputy to the Liquidator for the purposes of liquidating Pinelands and for any related actions. The Order Appointing a Special Deputy is attached hereto as Exhibit A.

5. Mr. Myers is a highly skilled attorney with a practice focusing on insurance regulation and an emphasis on captive insurance. Mr. Myers also has significant experience in liquidation matters. He currently is acting as Special Deputy to the Liquidator in three (3) other matters before this Court involving liquidations of captive insurers; specifically, the liquidations of the NAMG Insurance Company (2010 CA 004746B), Scaffold Industry Insurance Company Risk Retention Group, Inc. (2012 CA 0002567B), and Ocean Risk Retention Group, Inc. (2013 CA 6110 2). A copy of Mr. Myers' resume is attached hereto as **IN CAMERA** Exhibit B and incorporated herein by reference.

MOTION FOR APPROVAL ORDER

D.C. Official Code § 31-1319(a)(1) (2012 Repl.) provides that the Liquidator has the power to appoint one or more special deputies and to determine their reasonable compensation. This provision does not require court approval of the appointment or compensation. In contrast, D.C. Official Code § 31-1319(a)(4) provides that the liquidator shall "fix the reasonable compensation of employees, agents, legal counsel, actuaries, accountants, appraisers and consultants *with the approval of the court.*" (emphasis added).

Mr. Myers has been retained as Special Deputy to the Liquidator, not legal counsel, and therefore court approval is not necessary under the plain meaning of D.C. Official Code § 31-1319(a)(1). However, the Special Deputy Liquidator is an attorney and his firm's engagement letter refers to the "legal services" they will perform in relation to Pinelands' insolvency. See Letter from Robert H. Myers, Jr. to Acting Commissioner Stephen C. Taylor, dated August 24, 2015, which is attached hereto as **IN CAMERA** Exhibit C and incorporated herein by reference (Retainer Agreement). Therefore, to avoid any possible confusion or uncertainty about whether the court's approval is required here, the Liquidator seeks an order confirming the court's approval of the Special Deputy's appointment and compensation, and to approve the compensation of other professionals at Morris, Manning & Martin, LLP whose services may be needed to liquidate Pinelands.¹ Given the experience of Mr. Myers and his firm, as detailed above and in the attached exhibits, the Liquidator recommends that the Court approve their retention on the terms listed.

RELIEF REQUESTED

Wherefore, the District moves the court for the entry of an order approving the appointment of Robert H. Myers, Jr. as Special Deputy to the Liquidator for Pinelands, and the retention of his firm Morris, Manning & Martin, LLP as described in the attached *in camera* Retainer Agreement.

Respectfully Submitted,

KARL A. RACINE
Attorney General for District of Columbia

¹The Morris Manning & Martin LLP personnel proposed to work on this matter, and their proposed billing rates, are explained more fully in the attached **IN CAMERA** Exhibit D.

ELIZABETH SARAH GERE
Acting Deputy Attorney General
Public Interest Division

/s/ Eric S. Glover
ERIC S. GLOVER
Chief, Civil Enforcement Section

/s/ E. Louise R. Phillips
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Government of the District of Columbia
Department of Insurance, Securities and Banking



Stephen C. Taylor
Acting Commissioner

IN THE MATTER OF: Pinelands Insurance Company Risk Retention Group, Inc.))))))	RFB No. O-01-15
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ORDER APPOINTING A SPECIAL DEPUTY

WHEREAS, on August 25, 2015, Judge Gregory Mize, Judge-in-Chambers for the Superior Court of the District of Columbia, issued an Order of Liquidation (“Liquidation Order”) authorizing the liquidation of Pinelands Insurance Company Risk Retention Group, Inc. (“Pinelands”) by Stephen C. Taylor, the Acting Commissioner of the Department of Insurance, Securities and Banking (“Commissioner” and/or “Liquidator”), pursuant to D.C. Official Code §§ 31-1303, 31-1315, 31-1316 and 31-3931.16(b) (2012 Repl.), in the proceeding captioned *District of Columbia v. Pinelands Insurance Company Risk Retention Group, Inc.*, Civil Action No. 2015 CA 6558 B; and

WHEREAS, the Liquidation Order, incorporated within this Order Appointing a Special Deputy, appoints the Commissioner and his successors in office as Liquidator of Pinelands; and

WHEREAS, the Liquidation Order authorizes the Liquidator to take possession of Pinelands’ assets and administer them under the Court’s supervision; and

WHEREAS, the Liquidation Order vests title in the Liquidator to all of Pinelands’ property, contracts, rights of action, and books and records; and

WHEREAS, the Liquidation Order grants the Commissioner as Liquidator the powers identified at D.C. Official Code § 31-1319 (2012 Repl.); and

WHEREAS, D.C. Official Code § 31-1319(a)(1) (2012 Repl.) mandates that the Liquidator shall have the power to appoint one or more special deputies who may exercise the powers of the Liquidator;

NOW, THEREFORE, IT IS ORDERED as follows:

1. That pursuant to the Liquidator's authority under the Liquidation Order and the provisions of Title 31, Chapter 13 of the District of Columbia Official Code, Robert H. Myers, Jr., Esq. is hereby appointed as Special Deputy to the Liquidator for the purposes of liquidating Pinelands and for any related actions; and

2. That the reasonable compensation of Robert H. Myers, Jr., Esq. as Special Deputy shall be determined pursuant to a letter of engagement entered into as of today's date; and

3. That Robert H. Myers, Jr., Esq. as Special Deputy, shall have all of the powers of the Liquidator under the Liquidation Order and Title 31, Chapter 13 of the District of Columbia Official Code, and any other statutory or regulatory provisions granting the Commissioner powers or authority related to the liquidation of an insurer, including the authority to appear in any court to enforce the Liquidation Order; and

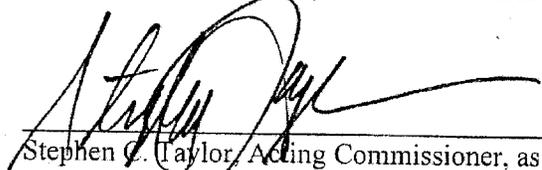
4. That Robert H. Myers as Special Deputy shall serve at the pleasure of the Liquidator.

5. This Order shall be effective *nunc pro tunc* as of the 25th day of August, 2015.

SO ORDERED.

WITNESS MY HAND AND THE OFFICIAL SEAL of the District of Columbia Department of Insurance, Securities and Banking, this 27th day of August, 2015.

Government of the District of Columbia
Department of Insurance, Securities and Banking



Stephen G. Taylor, Acting Commissioner, as
Liquidator for Pinelands Insurance Company Risk
Retention Group, Inc.

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ORDER APPROVING THE APPOINTMENT OF A
SPECIAL DEPUTY LIQUIDATOR

Upon consideration of the Motion to Approve the Appointment of the Special Deputy to the Liquidator and to Fix Compensation, and the entire record herein, it is this _____ day of September, 2015

1. **ORDERED:** That the Court approves the appointment of Robert H. Myers, Jr. as the Special Deputy to the Liquidator for Pinelands, and the retention of his firm, Morris, Manning & Martin, LLP, for the services and at the rates as described in their retainer agreement.
2. This is entered as a **final Order**.

Judge Judith Bartnoff
D.C. Superior Court

cc by CaseFileXpress:

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Robert H. Myers, Jr.
Special Deputy to the Liquidator
for Pinelands Insurance Co. RRG, Inc.
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MOTION TO APPROVE THE APPOINTMENT OF THE
SPECIAL DEPUTY TO THE LIQUIDATOR AND TO FIX COMPENSATION

The District of Columbia (District), at the request of and on behalf of Stephen C. Taylor, Acting Commissioner of the District of Columbia Department of Insurance, Securities and Banking, as Liquidator of Pinelands Insurance Company Risk Retention Group, Inc. (Pinelands), by and through his attorneys, the Office of the Attorney General for the District of Columbia, hereby moves this Court for an order approving the appointment of Robert H. Myers, Jr. as Special Deputy Liquidator, and to fix the reasonable compensation of Mr. Myers and others from the law firm of Morris, Manning & Martin, LLP, whose services may be needed to liquidate the estate of Pinelands. For the reasons stated more fully in the attached Memorandum of Points and Authorities, which is incorporated herein by reference, the Petitioner therefore requests that the Court enter the attached Order.

Respectfully submitted,

KARL A. RACINE
Attorney General for District of Columbia

ELIZABETH SARAH GERE
Acting Deputy Attorney General
Public Interest Division

/s/ Eric S. Glover
ERIC S. GLOVER
Chief, Civil Enforcement Section

/s/ E. Louise R. Phillips
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CERTIFICATE PURSUANT TO SCR-CIVIL 12-I

The present litigation is an insurance liquidation proceeding and the District is now the only party to the litigation; therefore, the requirement under SCR-Civil 12-I(a) to request consent to this motion from an opposing party does not apply.

/s/ E. Louise R. Phillips
E. LOUISE R. PHILLIPS
Assistant Attorney General

CERTIFICATE OF SERVICE

I hereby certify on this 1st day of September, 2015, a copy of the foregoing Motion to Approve the Appointment of the Special Deputy to the Liquidator and to Fix Compensation, Memorandum of Points and Authorities in support thereof and Proposed Order was served by email upon the following:

Robert H. Myers, Jr.
Special Deputy Liquidator
for Pinelands Ins. Co. RRG, Inc.
Morris, Manning & Martin, LLP
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/s/ E. Louise R. Phillips
E. LOUISE R. PHILLIPS
Assistant Attorney General