

STATE OF VERMONT

SUPERIOR COURT  
WASHINGTON UNIT

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COMMISSIONER OF THE  
DEPARTMENT OF FINANCIAL  
REGULATION

PLAINTIFF,

v.

ELITE TRANSPORTATION RISK  
RETENTION GROUP, INC.,  
RESPONDENT.  
\_\_\_\_\_

CIVIL DIVISION

DOCKET NO. 175-3-18 Wncv

LIQUIDATOR'S FOURTEENTH STATUS REPORT AND  
NINTH REPORT OF CLAIMS

I, J. David Leslie, Special Deputy Liquidator, hereby submit this Fourteenth Status Report regarding the liquidation of Elite Transportation Risk Retention Group, Inc. ("ETRRG" or the "Company") and the Liquidator's Ninth Report of Claims (attached as Exhibit A).

1. On March 15, 2018, the Commissioner of the Department of Financial Regulation ("Commissioner") filed an *ex parte* Petition for Seizure Order pursuant to 8 V.S.A. § 7042(b), seeking, among other things, authorization to take possession and control of ETRRG. The Court granted the Commissioner's petition by entering the requested order ("Seizure Order") on March 29, 2018. Following entry of the Seizure Order, the Commissioner further investigated the Company's condition, concluded that rehabilitation would be futile, and filed a Petition for Order of Liquidation on April 20, 2018. On May 7, 2018, the ETRRG board of directors voted unanimously to assent to the proposed Order of Liquidation. On May 15, 2018, the Court entered its Order of Liquidation ("Liquidation Order") that, among other things, appointed the Commissioner as Liquidator ("Liquidator"), authorized him to appoint a special deputy

liquidator, and approved the Plan of Liquidation. The Liquidator appointed me to serve as Special Deputy Liquidator on May 15, 2018.

2. The Liquidator's Prior Status Reports. On July 16, 2018, I submitted the Liquidator's First Status Report describing, among other things, the establishment of a claim filing deadline (May 15, 2019), the provision of notice to potential creditors of ETRRG, the consolidation of ETRRG's assets and administration, and next steps in the Liquidation. On October 31, 2018, I submitted the Liquidator's Second Status Report which provided an update on the Company's assets, the proofs of claim ("POCs") filed with the Liquidator, the Liquidator's analysis of historical member assessments, and next steps in the Liquidation. On January 14, 2019, I submitted the Liquidator's Third Status Report providing updated information on Company assets, claims, and administrative matters. The Court approved the Liquidator's request to extend the claim filing deadline to November 15, 2019. On December 23, 2019, I submitted the Liquidator's Annual Report and Status Report. I then submitted the Liquidator's Fifth Status Report on June 20, 2020 and the Liquidator's Sixth Status Report, Annual Accounting, and First Report of Claims on January 22, 2021. On August 12, 2021, I submitted the Liquidator's Seventh Status Report and Second Report of Claims and on March 29, 2022, I submitted the Liquidator's Eighth Status Report, Annual Accounting, and Third Report of Claims.

3. On January 31, 2023, I submitted the Liquidator's Ninth Status Report and Fourth Report of Claims advising, among other things, that the Liquidator expected to have all claims reserved or finally determined before April 30, 2023, and that a status report would be delivered to the Court shortly thereafter accompanied by an annual accounting and motions for corrective assessments. I submitted the Liquidator's Tenth Status Report, Annual Accounting, and Fifth Report of Claims on June 7, 2023 together with a motion for approval of a Plan for Corrective

Assessments. The Court entered its order approving that motion and plan on June 13, 2023 (“Order on Assessments”). On October 20, 2023, the Liquidator filed a Motion for Interim Distribution, seeking authority to make a 100% distribution on claims allowed in priority classes 1, 3, and 6. On the same day, I submitted the Liquidator’s Eleventh Status Report and Sixth Report of Claims. The Court entered its order approving the distributions (“Order for Interim Distributions”) on October 25, 2023. On February 13, 2024, I submitted the Liquidator’s Twelfth Status Report, Annual Accounting, and Seventh Report of Claims which provided an update on the status of distributions from the estate, reported twenty-one claim determinations, and advised as to the remaining open claims. Most recently, on February 26, 2025, I submitted the Liquidators’ Thirteenth Status Report, Annual Accounting, and Eighth Report of claims which advised that this proceeding is reaching its final stages. The Liquidator simultaneously filed a Motion for Interim Distribution on Allowed Priority Class 9 Claims which sought authority to make a 25% disbursement on allowed claims of surplus note holders and members for the return of corrective assessments. The motion was granted on March 3, 2025, and the Liquidator has subsequently made the associated distributions.

4. All of the filings described in ¶¶ 2 and 3 above have been publicly posted on the liquidation website ([www.etrreg.com](http://www.etrreg.com)) along with other key liquidation materials.

### **STATUS REPORT**

5. Balance Sheet. A simplified balance sheet reflecting ETRRG’s financial condition as of June 30, 2025 is presented on the following page in Table 1.

6. Assets. The Company’s cash, cash equivalents, and other liquid assets have been marshaled and consolidated in either an account in the Vermont branch of a national banking institution or an investment account at Wilmington Trust. All of these liquid assets are carried as

cash or cash equivalents (rather than invested assets) to maintain liquidity and facilitate prompt disbursement of interim distributions.

**Table 1 – Simplified ETRRG Balance Sheet as of 6/30/25**

<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 3,364,792
Assessments Receivable	176,909
Reinsurance Receivable	572,849
Credit for Interim Distributions (Class 9)	<u>1,160,586</u>
Total Assets	\$ 5,275,136
<b>LIABILITIES</b>	
Priority Class 1	
Administrative Expense Reserve	\$ 54,263
Priority Class 3	
Finally Determined	\$ 833,891
Priority Class 6	\$ 32,595
Priority Class 9	
Allowed	\$ 7,671,896
Finally Determined	<u>240,983</u>
Subtotal (Class 9)	\$ 7,912,879
Unclaimed Distributions	<u>\$ 955,105</u>
Total Liabilities	\$ 9,788,731

7. The remaining ETRRG assets are illiquid but reasonably certain to be collected. The “Assessments Receivable” figure reflects the portion of the corrective assessment owed by ETRRG members to the Company pursuant to the Order on Assessments that the Liquidator believes is likely to be recouped through setoff against future distributions (i.e. distributions on claims allowed in priority class 9). This figure is not fixed – it is a function of the priority class 9 distribution percentage and will increase or decrease with that distribution – but its volatility is limited such that a reasonable estimate can be presented. The “Reinsurance Receivable” figure is similarly stable given that all claims filed in the ETRRG liquidation have now been finally determined and reported to the Court such that the reinsurance receivable figure will change only if the Court disapproves or modifies the Ninth Report of Claims (see, *infra*, ¶ 12) or there is a

dispute with the reinsurer. Finally, the “Credit for Interim Distributions (Class 9)” figure reflects disbursements previously made on allowed claims in priority class 9 for which the ETRRG estate will be permitted to take credit when a final distribution is made at the close of the proceeding.

8. Prepaid Deductibles. In addition to Company assets, the Liquidator is holding \$19,321 in constructive trust as security against members’ deductible obligations under the conditions described in the Liquidator’s Plan for Administration of Prepaid Deductibles. (The Plan for Administration of Prepaid Deductibles was submitted as an exhibit to the Liquidator’s Fifth Status Report and has been posted at [www.etrreg.com](http://www.etrreg.com).) The Liquidator has concluded that there are no longer any open claims with the potential to create deductible exposure, has made final calculations, and has sent multiple communications to members requesting instructions for the disbursement of these funds. Three ETRRG members have yet to respond. If these members remain non-responsive, the Liquidator will develop a plan for providing final notice and escheatment pursuant to 8 V.S.A. § 7084.

9. Liabilities. Vermont law requires that payments on claims against insolvent insurers be made in accordance with statutorily established priorities and that all claims in a priority class be paid in full (or adequate reserves established for such payment) before claims in subsequent classes receive any distribution. 8 V.S.A. § 7081. Accordingly, in Table 1 the Liquidator presents the Company’s estimated liabilities in terms of priority classification rather than the standard format applicable to an insurer operating as a going concern.<sup>1</sup>

a. *Priority Class 1 (Administrative Expense)* – The administrative reserve for this proceeding (initially established in 2018 and increased in 2022 and 2024) has been drawn

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<sup>1</sup> The Liquidator has recommended and the Court has ordered allowance of claims falling in priority classes 1, 3, 6, 9, and 10. See 8 V.S.A. § 7081. The Liquidator does not anticipate that any claims will be recommended for allowance in the remaining priority classes.

down pursuant to the Plan of Liquidation (§ 2.a) and currently stands at \$54,263. The Liquidator anticipates that this will be sufficient to complete the proceeding.<sup>2</sup>

b. *Priority Class 3 (Claims Arising under Policies)* – All POCs filed in this proceeding have now been finally determined. The \$833,891 figure presented in Table 1 reflects the value of the claims included in the Ninth Report of Claims (Exhibit A) as all other priority class 3 claims have been determined, reported to the Court, and authorized to receive 100% distributions such that they do not reflect a continuing class 3 obligation.

c. *Priority Class 6 (General Unsecured Obligations)* – As with priority class 3 claims, the \$32,595 figure reflects the claims included in the Ninth Report of Claims with all other priority class 6 claims having been determined, reported to the Court, and authorized to receive 100% distributions such that they do not reflect a continuing class 6 obligation.

d. *Priority Class 9 (Surplus or contribution notes, similar obligations, and premium refunds on assessable policies)*. The Liquidator initially received a single priority class 9 claim which has been allowed in the amount of \$400,000. The Order on Assessments, however, authorized the Liquidator to implement the Plan for Corrective Assessments which involved (among other things) imposing corrective assessments on the ETRRG members, recognizing each assessment as “giving rise to a priority class 9 claim against the ETRRG estate”, and “deem[ing] each member to have filed such a claim”. The Plan for Corrective Assessments also required that the Liquidator “promptly issue notices of determination allowing them in priority class 9”. The initial round of determinations relating to Corrective Assessments were included in the Seventh Report of Claims but

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<sup>2</sup> Administrative expenses totaled \$243,973 in 2018, \$146,235 in 2019, \$225,662 in 2020, \$158,088 in 2021, \$188,952 in 2022, \$225,665 in 2023, \$66,683 in 2024, and \$40,478 through June 30, 2025.

there were two non-responsive members. Both of those members have now responded and their claims have been finally determined and included in the Ninth Report of Claims. The \$7,912,879 figure presented in Table 1 therefore reflects a final value that will change only if the Court disapproves or modifies the Ninth Report of Claims (see, *infra*, ¶ 12).<sup>3</sup>

e. *Distributions Ordered but Unclaimed.* The Court's Order for Interim Distributions directed the Liquidator to make 100% distributions on claims allowed in priority classes 1, 3, and 6 and the Court has subsequently authorized a 25% distribution on allowed claim in priority class 9. The Liquidator sent letters to all claimants eligible for distribution explaining the relevant calculations and requesting check, wire, or ACH instructions. Based on responses received, the Liquidator has been able to make claim disbursements (i.e. authorized distributions less any available setoffs) totaling \$10,113,845. Some claimants, however, have not responded to requests for payment instructions such that the Liquidator holds \$930,662 in respect of unclaimed priority class 3 distributions and \$24,443 in unclaimed priority class 6 distributions. If those claimants remain non-responsive, the Liquidator will develop a plan for providing final notice and escheatment pursuant to 8 V.S.A. § 7084.

10. Claim Status. All claims filed with the Liquidator have been investigated and finally determined.

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<sup>3</sup> It is not yet possible for the Liquidator to recommend a final distribution percentage on allowed priority class 9 claims. The Liquidator understands, however, that a publicly available estimate may be helpful for claimants' planning purposes. Accordingly, the Liquidator has calculated that the Company's financial condition as of June 30, 2025, would support a final distribution on priority class 9 claims of approximately 42%. This figure reflects a substantial improvement from the 16% estimated in the Liquidator's Second Status Report (filed October 31, 2018) and is very close to the 40% estimate presented in the Liquidator's Motion for Approval to Make Corrective Assessments Under Shareholder Agreements (filed June 7, 2023).

## **NINTH REPORT OF CLAIMS**

11. The Liquidator has issued notices of determination or received notices of withdrawal relating to all 588 claims received in this proceeding.<sup>4</sup> Since the Eighth Report of Claims was filed on February 26, 2025, an additional eight claims have become finally determined or withdrawn. See 8 V.S.A. § 7078(a) (“Within 60 days from the mailing of notice [of determination] the claimant may file objections with the liquidator” and “[i]f no such filing is made, the claimant may not further object to the determination.”) Those claims are reported in the Liquidator’s Ninth Report of Claims, attached as Exhibit A, together with the Liquidator’s recommendations. See 8 V.S.A. § 7082(a) (“As soon as practicable, the liquidator shall present to the Court a report of the claims against the insurer with recommendations.”)

12. By his Motion for Order Approving Liquidator’s Ninth Report of Claims (filed herewith), the Liquidator requests that the Court enter an order approving the Ninth Report of Claims. See to 8 V.S.A. § 7082(b) (“The court may approve, disapprove, or modify the report on claims [filed] by the liquidator.”)

13. Next Steps. If the Court approves the Ninth Report of Claims, the Liquidator will make the appropriate distributions and will submit a final invoice to ETRRG’s reinsurer. When the reinsurer remits payment, all assets justifying the expense of collection will have been received and the only steps remaining to complete this proceeding will be a motion for final distribution and the submission of a plan for terminating the proceeding. The Liquidator is hopeful that these pleadings can be filed within 120 days such that it may be possible to make the

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<sup>4</sup> Claims are typically withdrawn as part of a settlement or where unilateral withdrawal might facilitate efforts in another proceeding (e.g. collections from another insurer/tortfeasor).



final distribution before the end of 2025. The Liquidator proposes to file his next status report with the Court in six months. That is expected to be the final status report in this proceeding.



A handwritten signature in blue ink, appearing to read "J. David Leslie", written over a horizontal line.

J. David Leslie  
Special Deputy Liquidator

Subscribed and sworn before me  
this 11 th day of August, 2025.

A handwritten signature in black ink, appearing to read "Kyle Buohl", written over a horizontal line.

Notary Public **KYLE BUOHL**  
My commission expires: **7.10.31**

**EXHIBIT A**

**LIQUIDATOR'S NINTH REPORT OF CLAIMS FOR ETRRG**

August 19, 2025

**Claims Recommended for Allowance in Priority Class 1**

<b><u>POC No.</u></b>	<b><u>Claimant Name</u></b>	<b><u>Claimant Address</u></b>	<b><u>Priority</u></b>	<b><u>Amount</u></b>
		None in Ninth Report of Claims		
		Allowed in Prior Reports of Claims		\$ 9,204.06

**Claims Recommended for Allowance in Priority Class 3**

<b><u>POC No.</u></b>	<b><u>Claimant Name</u></b>	<b><u>Claimant Address</u></b>	<b><u>Priority</u></b>	<b><u>Amount</u></b>
368(Def)	Calex Express, Inc.	58 Pittston Ave., Pittston, PA 18640	3	\$ 115,719.99
369	Calex Express, Inc.	58 Pittston Ave., Pittston, PA 18640	3	22,743.22
391	Finster Courier, Inc.	9201 River Rd., Pennsauken, NJ 08110	3	695,427.95
		Recommended for Allowance in Ninth Report of Claims		\$ 833,891.16
		Allowed in Prior Reports of Claims		13,634,235.59
		Total if Ninth Report of Claims is Allowed		\$ 14,470,626.75

**Claims Recommended for Allowance in Priority Class 6**

<b><u>POC No.</u></b>	<b><u>Claimant Name</u></b>	<b><u>Claimant Address</u></b>	<b><u>Priority</u></b>	<b><u>Amount</u></b>
A21	J.P. Donmoyer Inc.	1600 N. State Route 934, Annville, PA 17003	6	\$ 30,817.84
A22	Transtech Leasing Inc.	P.O. Box 143, Hummelstown, PA 17036	6	1,776.84
		Recommended for Allowance in Ninth Report of Claims		\$ 32,594.68
		Allowed in Prior Reports of Claims		225,962.91
		Total if Ninth Report of Claims is Allowed		\$ 258,557.59

**Claims Recommended for Allowance in Priority Class 9**

<u>POC No.</u>	<u>Claimant Name</u>	<u>Claimant Address</u>	<u>Priority</u>	<u>Amount</u>
A14	J.P. Donmoyer Inc.	1600 N. State Route 934, Annville, PA 17003	9	\$ 237,181.16
A20	Transtech Leasing Inc.	P.O. Box 143, Hummelstown, PA 17036	9	\$ 3,801.52
Recommended for Allowance in Ninth Report of Claims				\$ 240,982.69
Allowed in Prior Reports of Claims				7,671,896.31
Total if Ninth Report of Claims is Allowed				\$ 7,912,879.00

**Claims Recommended for Allowance in Priority Class 10**

None in Ninth Report of Claims

**Claims Denied or Withdrawn**

<u>POC No.</u>	<u>Claimant Name</u>	<u>Claimant Address</u>	<u>Priority</u>	<u>Amount</u>
386	Sharon Swalina	2601 River Landing Dr., Sanford, FL 32771	n/a	n/a