



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF:)
) C.A. No. 8601-VCZ
INDEMNITY INSURANCE CORPORATION,)
RRG, IN LIQUIDATION)

**RECEIVER’S FIRST SUPPLEMENTAL REPORT OF CLAIMS
RECOMMENDATIONS PURSUANT TO PARAGRAPH 10 OF THE CLAIM
FINAL DETERMINATION PLAN**

Petitioner, the Honorable Trinidad Navarro, Insurance Commissioner of the State of Delaware, in his capacity as the Receiver (“Receiver”) of Indemnity Insurance Corporation, RRG, in Liquidation (“ICRRG”), presents to this Honorable Court the Receiver’s First Supplemental Report of Claims Recommendations (the “Supplemental Claims Recommendation Report”) Pursuant to the Plan for the Receiver’s Claim Recommendation Report and Final Determination of Claim By The Court (the “Claim Final Determination Plan”).

I. Background

1. The Claim Final Determination Plan [D.I. 726, Ex. “A”] filed with the Court on September 10, 2019 and approved by the Court by Order of August 17, 2020 [D.I. 811] and subsequently modified for clarity and efficiency [D.I. 896] and approved by the Court by letter dated October 6, 2022 [D.I. 896] sets forth the process by which the priority and value of Claims of policyholders, creditors, and other Claimants are determined and confirmed.

2. The Claim Final Determination Plan provides that, *inter alia*, the Receiver will file a report with the Court concerning Claims in which the Proof of Claim/Notice of Determination process has become final (the “Claim Recommendation Report”). This is the Receiver’s First Supplemental Claims Recommendation Report, which is comprised of two categories of claims: (a) thirteen (13) claims asserted by Jeffrey Cohen on his own behalf and on behalf of companies in which he asserts an affiliation; and (b) two (2) claims raised by Jeffrey Cohen’s parents. For each Claim identified, this Supplemental Claims Report specifies the Receiver’s Claim Recommendation for each of the Claims.

II. Receiver’s Supplemental Report of Claims Recommendations Summary

3. Submitted in this Supplemental Claims Report are recommendations on fifteen (15) claims, thirteen claims from Jeffrey Cohen assigned POC Nos. 9901 through 9913, and two (2) claims from Jeffrey Cohen’s parents assigned POC Nos. 2862 and 2863.

4. For Mr. Cohen’s claims, the Receiver recommends that two (2) should be accorded Priority Class IX, and each of the remaining eleven (11) claims should be accorded Priority Class VII.¹ For Mr. Cohen’s parents’ claims, the Receiver recommends that each should be accorded Priority Class VI.

¹ If the Court were to excuse the late filing of Mr. Cohen’s claims pursuant to 18 *Del. C.* § 5917(e)(7), the Receiver would recommend assigning four of the late-filed claims to Class III, and the remaining seven late-filed claims to Class VI.

5. Priority Class III claims include:

Claims by policyholders, beneficiaries and insureds, including the federal or any state or local government if such government is a named policyholder, beneficiary or insured under the policy, arising from and within the coverage of and not in excess of the applicable limits of insurance policies, insurance contracts and funding agreements issued by the company; liability claims, including liability claims of the federal or any state or local government, against insureds which claims are within the coverage of and not in excess of the applicable limits of insurance policies, insurance contracts and funding agreements issued by the company, including claims for reasonable attorneys' fees incurred by the policyholder to defend against the liability claim if such attorneys' fees are covered under the policy, but only to the extent covered; policyholder's claims for refunds of unearned premium;...provided, however, that this paragraph shall not apply to the following claims:

- a. Claims arising under reinsurance contracts, including any claims for reinsurance premium due;
- b. Claims of insurers, insurance pools or underwriting associations for contribution, indemnity or subrogation, equitable or otherwise.

18 *Del. C.* § 5918(e)(3).

6. Priority Class VI Claims include:

Claims of general creditors including, but not limited to, claims of ceding and assuming insurers in their capacity as such, and claims of insurers, insurance pools or underwriting associations for contribution, indemnity or subrogation, equitable or otherwise. This class shall include any claims of the guaranty associations, federal or any state or local government to the extent such claims are not otherwise included in Class II, Class III, Class IV or Class V in paragraphs (e)(2) through (5) of this section.

18 *Del. C.* § 5918(e)(6).

7. Priority Class VII Claims include:

Claims which would otherwise qualify for classification under the classes enumerated above [*i.e.* in 18 Del. C. § 5918(e)(1) – (6)], but which are not filed with the receiver on or before the bar date and which are not excused from such bar date by the liquidation court.

18 *Del. C.* § 5918(e)(7).

8. Priority Class IX Claims include:

The claims of shareholders or other owners arising out of such capacity

18 *Del. C.* § 5918(e)(9).

III. Receiver's Recommendations

9. The Claims of Jeffrey Cohen and his Parents are listed in Schedule 1.

10. Each of the rows containing a Proof of Claim Number on Schedule 1 represents a single claim from either Mr. Cohen or his affiliated entity, or his parent.

The columns in Schedule 1 provide the following information for each claim:

- a. Proof of Claim Number. This is the number assigned to the Proof of Claim (“POC”) by the Receiver.
- b. Claimant. This is the name of the Claimant (using, where applicable, the short form name used in this Report).
- a. Priority. This is the priority class under 18 *Del. C.* § 5918(e) recommended by the Receiver.
- c. Priority if Late Filing Excused. This is the Priority of the Claim recommended by the Receiver on late-filed claims, if the late filing were to be excused by the Court pursuant to 18 *Del. C.* § 5918(e)(7).²
- d. Claimed Value. This is the value claimed in the POC, if given.

² Claims treated as timely-filed and claims with a priority class of VII or IX contain “N/A” in this column. Claims in Class VII and IX are reached only after consideration of untimely-filed claims in Classes I through VI (which are treated as Class VII claims pursuant to 18 *Del. C.* §5918(e)(7)).

- e. Receiver Recommended Value. This is the value for the claim recommended by the Receiver.

11. Pursuant to 18 Del. C. § 5918(e), “[e]very claim in each class shall be paid in full or adequate funds retained for such payment before the members of the next class shall receive any payment.”

12. The total value of Class III claims approved in the prior Orders of Court approving Groups 1 through 6 far exceeds the remaining assets of IICRRG.

13. Therefore, no distribution can be made to classes below Class III in priority. (*i.e.* Classes IV - IX).

14. As Classes IV - IX will not receive a distribution, the Receiver has not valued these claims. They contain a “N/A” in the Receiver Recommended Value column on Schedule 1. To the extent, upon objection or otherwise, the Court reclassifies any Class IV to Class IX claims, the Receiver will recommend a value on such claims. Class VII (untimely) claims have been valued where such a claim would be a Class III claim if the untimely filing were to be excused.

IV. The Basis for the Receiver’s Recommendations

A. Claims of Jeffrey Cohen (POC Nos. 9901 – 9913)

1. Background of Claims

15. By letter dated February 22, 2020, in response to the direction of the Court contained in a February 5, 2020 letter (D.I. 794), Mr. Cohen set forth his “best effort to detail the claims in question.” A true and correct copy of Mr. Cohen’s February 22, 2020 Letter (which was not docketed) is attached hereto as Exhibit “A.”

16. The February 22, 2020 letter set forth four claims under a heading of “Policyholder Claims” in which Mr. Cohen is asserting claims on behalf of companies he has contended have assigned him claims. The Receiver has assigned the following POC numbers to each of these claims:

- a. POC # 9901 – Claim of JB Cohen Enterprises for return premium on a 2007 policy of insurance “in the amount of several thousand dollars;”
- b. POC # 9902 – Claim of RB Entertainment Ventures, LLC (“RB Entertainment”) for return premium on a 2007 policy of insurance “in the amount of several thousand dollars;”
- c. POC # 9903 – Claim of RB Entertainment for return premium on a 2013 “Master TULIP” policy in the amount “of about \$5,000;” and
- d. POC # 9904 – Claim of the International Association of Entertainment Business (“IAEB”) for return premium on 2013 CGL and Auto policies in the amount “of about \$1,500.”

17. The February 22, 2020 letter set forth seven numbered claims under a heading of “Creditor Claims” in which Mr. Cohen is asserting claims on behalf of either himself or companies he has contended have assigned him claims. In assigning POC numbers, to these claims, the Receiver split the last two claims into separate claims as each asserts both an ownership interest in IICRRG, as well as a claim for a “bank account.” The Receiver has assigned the following POC numbers to each of these claims:

- a. POC # 9905 – Claim of Jeffrey Cohen for “salary, bonuses, termination fees, and outstanding expenses in excess of \$10 million” and a “claim for his personal property and records for about \$1 million;”
- b. POC # 9906 – Claim of IDG Companies, LLC (“IDG”) for “receivables due from [IICRRG] for about \$150,000” and claims for “the IMS Source Code valued at about \$5 million;” “Bank accounts with several hundred

thousand dollars in cash;” “the Book of Business valued at \$60 million;” and “all business records;”

- c. POC # 9907 – Claim of TAL, LLC (“TAL”) for “personal property of about \$100,000 that included office furniture and some computer equipment;”
- d. POC # 9908 – Claim of Insurance Designers of Maryland, Inc. (“IDMD”) for “personal property of about \$10,000 that included office furniture and some computer equipment;”
- e. POC # 9909 – Claim of NI Agency, LLC (“NI Agency”) for a “Book of Business of about \$1.5 million;” “Bank accounts with about \$180,000 in cash; Receivables from [IICRRG] of about \$30,000;” and “all business records;”
- f. POC # 9910 – Claim of RB Entertainment “for the ownership value of [IICRRG] of about \$25 million;”
- g. POC # 9911 – Claim of RB Entertainment for a “bank account of about \$100,000;”
- h. POC # 9912 – Claim of IAEB “for the ownership value of [IICRRG] of about \$2 million;” and
- i. POC # 9913 – Claim of IAEB for “a bank account of about \$20,000.”

2. The Timeliness of the Claims

18. The February 22, 2020 letter states that “[a]ll of the following claims were submitted via U.S. Mail to the Receiver (Attn: Michael Johnson) sometime between April and June 2014.³ Some of the claims were submitted on the Proof of Claim forms provided by the Receiver.”

19. The February 22, 2020 letter states that “[t]he original claim submissions included notarized statements.” It also includes a declaration, under the

³ Presumably, this would be between April 10, 2014 (the date of the Liquidation Order) and June 25, 2014 (the date of Mr. Cohen’s arrest and the beginning of his incarceration).

penalty of perjury, that the information provided in the letter is true and correct to the best of Mr. Cohen's recollection.

20. No Proofs of Claim from Jeffrey Cohen or any of the entities on the February 22, 2020 letter were contained on either the Receiver's Proof of Claim Master Log, where POCs for IICRRG are tracked, or in IICRRG's claims mail.

21. For this reason, and for the following reasons where Cohen's actions have been inconsistent with his contention that he personally, or his entities have actually filed proofs of claim, the Receiver does not credit Cohen's representation that the Proofs of Claim were submitted to the Receiver prior to the Bar Date.

- a. In one of Cohen's actions in Federal Court, Cohen responded to the Receiver's argument that IDG must bring its claims relating to bank accounts of IIDG allegedly taken by the Receiver in the proof of claim process. He argued that IDG could not bring claims in that process. See Plaintiff's [Cohen's] Reply to Defendants' Opposition for Temporary Restraining Order and for Preliminary Injunction – *Cohen v. Stewart, et al*, 14-CV-0611, Dkt No. 21, at pg. 11. Nevertheless, the February 22, 2020 Letter asserts that IDG brought such a claim. (Letter, "Creditor Claims, paragraph (2)(c)").
- b. Similarly, on several occasions the Receiver and IICRRG have argued in pleadings in matters brought by Cohen relating to various lawsuits he has brought that all claims should have been brought in the claims process of the liquidation, and that Cohen did not submit any proofs of claim. See, e.g. Indemnity Insurance Corp. RRG's Motion to Dismiss Counterclaim, *IICRRG v. Cohen*, No. 8985 (Del. Ch.), at ¶ 27 ("Despite his knowledge of the requirement to bring his claims against Indemnity in the context of the liquidation proceedings, Cohen elected to continue with his collateral attacks in Maryland courts and failed to file any claims by the Bar Date").
- c. Cohen's response did not dispute that he failed to file a proof of claim, but instead states: "Cohen was, and continues to be excluded as a party in Case No. 8601 [the Liquidation Proceeding]. He is unable to participate in that action to present the instant issues." (Cohen Response at para. 4 (4))." The issues there included the \$10,000,000

claim relating to his employment contract that is at issue in Creditor Claim No. 1 in the February 22, 2020 Letter..

22. In addition, one of the other entities for which Cohen contends he filed a proof of claim, IDMD, filed a chapter 7 petition with the United States Bankruptcy Court for the District Court of Delaware on January 23, 2014, more than three months before the liquidation of IICRRG (and thus before proof of claims would have been available). *In re Insurance Designers of Maryland, Inc.*, Case No. 14-10119 (Bankr. Del.). As such, Cohen would have had no authority to file a proof of claim on behalf of IDMD.

23. Under the circumstances, based on the absence of records of the POC filings in the Receiver's records, as well as the inconsistencies in Mr. Cohen's prior representations, the Receiver does not credit the representations of the filing date of the Proofs of Claim made in the February 22, 2020 letter, and therefore the Receiver recommends to the Liquidation Court that Mr. Cohen's Proofs of Claim be considered filed after the Bar Date, and that such late filing not be excused.

3. Value Recommendations

24. For each of the "Policyholder Claims" asserted in Mr. Cohen's February 22, 2020 Letter (POC Nos. 9901 – 9904), the Receiver has valued the claims at \$0, because based upon IICRRG's records, no return of premium is due on the claims.

- a. For Claim No. 9901, the Receiver was unable to identify any policy for JB Cohen Enterprises for 2007. A search of IICRRG's policy administration and claim processing system ("IMS") yielded no result for JB Cohen Enterprises as a client/insured, nor is JB Cohen Enterprises listed on Indemnity's Earned Unearned Premium report for 2007, which report supports the written and unearned premium stated

on IICRRG's 2007 Annual Statement. Thus, the Receiver has determined that the value of this claim is \$0.00.

- b. For Claim No. 9902, the Receiver was unable to identify any policy for RB Entertainment for 2007. A search of IMS yielded no result for RB Entertainment as a client/insured, nor is RB Entertainment listed on Indemnity's Earned Unearned Premium report for 2007, which report supports the written and unearned premium stated on Indemnity's 2007 Annual Statement. Thus, the Receiver has determined that the value of this claim is \$0.00.
- c. For Claim No. 9903, the Receiver identified a policy issued to RB Entertainment in 2013, as a master policy to insure specific exposures underneath the master policy as they were presented to the company. Premium was charged to the specific exposures at the time that exposure is underwritten. According to the Earned Unearned Premium report for 2013 all of the premium charged for these exposures was earned in 2013 and there was no unearned premium for these exposures as of December 31, 2013. The premium was earned when written. Thus, the Receiver has determined that the value of this claim is \$0.00.
- d. For Claim No. 9904, the Receiver identified a policy issued to the IAEB in 2013, as a master policy to insure specific exposures underneath the master policy as they were presented to the company. Premium was charged to the specific exposures as the time that exposure is underwritten. According to the Earned Unearned Premium report for 2013 all of the premium charged for these exposures was earned in 2013 and there was no unearned premium for these exposures as of December 31, 2013. The premium was earned when written. The declaration page for the IAEB master policy shows zero premium associated with the master policy. Thus, the Receiver has determined that the value of this claim is \$0.00.

25. For each of the "Creditor Claims" asserted in Mr. Cohen's February 22, 2020 Letter (POC Nos. 9905 – 9913), The Receiver has not determined a value for such claims because, as discussed in paragraphs 11 through 14, above, Class IV through Class IX claims will receive no distribution.

26. Notwithstanding, the above, the Receiver has notified Mr. Cohen that for Claim Nos. 9905 – 9913, if the Receiver were to value those claim, each claim would be valued at \$0, because insufficient information had been provided, and because in the case of POC No. 9905 and 9908, the POC should be denied based on the merits.⁴ As of the date of this report, no further information on any claim has been provided in response to the Notice of Determination.

B. Claims of Neal and Sandra Cohen (POC Nos. 2862 and 2863)

27. Neal and Sandra Cohen (collectively, “the Cohens”) are the parents of Jeffrey Cohen. They filed Proofs of Claim Nos. 2862 and 2863, respectively, on or about November 10, 2020, after the Bar Date.

28. Each of the Cohens asserts a claim for payment due to them under a promissory note issued to each by IICRRG. Each of the Cohens asserts that the amount of their claim is \$35,000.00, which they contend is the amount owed on their respective promissory notes.

29. Based solely on the date of filing of the POC, the classification of this POC would be Class VII unless the Liquidation Court excused the late filing.

30. The Cohens claim no contemporaneous knowledge of the filing by IICRRG and the Receiver has no evidence that the Cohens were notified of the filing, therefore, the Receiver recommends to the Liquidation Court that the late filing be

⁴ For POC 9905, Mr. Cohen’s claim for salary and associated relief was dismissed with prejudice by order of July 3, 2018, by the Delaware Court of Chancery in the case of *Indemnity Insurance Corporation, RRG v. Cohen*, CA No. 8985. For POC No. 9908, as discussed Paragraph 22, above, any claim of IDMD would be owned by the Bankruptcy Trustee.

excused, and the Cohens' Proofs of Claim be treated as timely filed Class VI (general creditor) claims.

31. For the reasons discussed in paragraphs 11 through 14, above, neither Class VI nor Class VII claims will receive a distribution, and thus the Receiver has not assigned a value to the Cohens' claims.

Date: July 11, 2025



MICHAEL J. JOHNSON
Deputy Receiver of Indemnity
Insurance Corporation, RRG in
Liquidation



SCHEDULE 1

<u>POC #</u>	<u>Claimant</u>	<u>Priority</u>	<u>Priority if Late Filing Excused</u>	<u>Claimed Value</u>	<u>Receiver Recommended Value¹</u>
2862	Neal Cohen	VI*	VI	\$35,000	N/A
2863	Sandra Cohen	VI*	VI	\$35,000	N/A
9901	JB Cohen Enterprises	VII	III	“several thousand dollars”	\$0
9902	RB Entertainment	VII	III	“several thousand dollars”	\$0
9903	RB Entertainment	VII	III	~\$5,000	\$0
9904	IAEB	VII	III	~\$1,500	\$0
9905	Jeffrey Cohen	VII	VI	\$11,000,000	N/A
9906	IDG	VII	VI	~\$65,150,000 and “several hundred thousand dollars”	N/A
9907	TAL	VII	VI	~\$100,000	N/A
9908	IDMD	VII	VI	~\$10,000	N/A
9909	NI Agency	VII	VI	~\$1,710,000	N/A

* POC Nos. 2862 and 2863 filed by Neal and Sandra Cohen (the “Cohens”) were submitted after the Bar Date, and thus would be classified as Class VII. The Cohens claim no contemporaneous knowledge of the filing by IICRRG and the Receiver has no evidence that the Cohens were notified of the filing, therefore, the Receiver recommends to the Liquidation Court that the late filing be excused, and the Cohens’ Proofs of Claim be treated as timely filed Class VI (general creditor) claims.

¹ A value for Class VI and Class IX claims was not determined, as such claims will not receive a distribution.

<u>POC #</u>	<u>Claimant</u>	<u>Priority</u>	<u>Priority if Late Filing Excused</u>	<u>Claimed Value</u>	<u>Receiver Recommended Value</u>
9910	RB Entertainment	IX	N/A	~\$25,000,000	N/A
9911	RB Entertainment	VII	VI	~\$100,000	N/A
9912	IAEB	IX	N/A	~\$2,000,000	N/A
9913	IAEB	VII	VI	~\$20,000	N/A