

STATE OF SOUTH DAKOTA)	IN CIRCUIT COURT
	: SS	
COUNTY OF HUGHES)	SIXTH JUDICIAL CIRCUIT

STATE OF SOUTH DAKOTA, EX REL.)	32CIV18-125
LARRY DEITER, DIRECTOR OF)	
INSURANCE OF THE STATE OF SOUTH)	
DAKOTA,)	
)	
Petitioner,)	STIPULATION FOR DIVISION
)	OF FEDERAL TAX REFUND
v.)	AND APPLICATION FOR
)	COURT APPROVAL
RELIAMAX SURETY COMPANY,)	
)	
Respondent.)	

The Liquidator above-named and First Dakota National Bank (the “Bank”) hereby stipulate and agree as follows:

1. ReliaMax Surety Company (“RSC”) is a subsidiary of ReliaMax Holding Company, a Delaware corporation, (“RHC”) and one of a number of subsidiaries of RHC that filed consolidated federal income tax returns as a corporate group in the name of RHC. RSC, RHC and other subsidiaries were parties to two Tax Allocation Agreements, dated January 12, 2012 and July 5, 2016, respectively. The Tax Allocation Agreements are not conclusive as to the method or formula by which any tax refunds would be allocated.
2. RHC has been administratively dissolved, no longer engages in any business and has no directors, officers or employees.
3. Of the RHC subsidiaries listed in the Tax Allocation Agreements, only RSC and Reliamax Properties [a subsidiary of RSC] remain actively in existence. The others have either been administratively dissolved or are no longer subsidiaries of RHC.

4. The Liquidator filed the federal income tax filings in the name of RHC. Under the Federal CARES Act of 2020, Pub. L. 116-136, March 27, 2020, 134 stat 281, a tax refund became available. With the assistance and participation of Eide Bailly LLP as outside certified public accountants, the Liquidator caused an Application for such refund to be filed with the Internal Revenue Service.

5. The Liquidator has now received two payments from the IRS as refunds pursuant to the Application: namely \$3,395,436.41 by ACH transfer to the Liquidator's bank account; and \$224,878.55 by United States Treasury check made payable to RHC.

6. The Bank is a secured creditor of RHC and in that capacity has a first perfected security interest in the portion of the tax refund allocable to RHC.

7. To fully and finally resolve all ambiguities under the Tax Allocation Agreements as to the division of any tax refund, the Liquidator and the Bank have agreed, and hereby agree, that (i) the Liquidator shall receive and retain the amount that RSC previously paid toward the corporate group tax liability for the period covered by the refund Application, namely the sum of \$2,559,682; and (ii) the remaining amount of the received refunds shall be paid to the Bank as secured creditor of RHC in two forms: first, delivery to the Bank of the Treasury check in the amount of \$224,878.55, and wire transfer from the Liquidator's account to the Bank in the amount of \$835,754.41, which transfers are to be accomplished and completed prior to April 1, 2021.

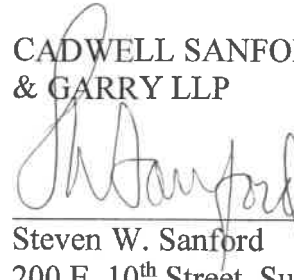
8. Both the Liquidator and Bank agree that this division of the federal tax refund received by the Liquidator is fair, reasonable and intended as a final and complete settlement of any and all disputes concerning the federal tax refund and its allocation.

WHEREFORE, the Liquidator and Bank respectfully request that this Stipulation be in all respects approved, ratified and confirmed by the Court.

Dated: March 25, 2021

CADWELL SANFORD DEIBERT
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By



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Dated: March 25, 2021

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CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that a true and correct copy of the foregoing was served on March 25, 2021 via Odyssey on the following:

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The same was also served on March 25, 2021 by email and U.S. mail, postage prepaid, on those listed below:

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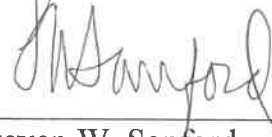
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