

IN THE COURT OF COMMON PLEAS, FRANKLIN COUNTY, OHIO

MARY JO HUDSON )  
Superintendent, )  
Ohio Department of Insurance, in her Capacity )  
as Rehabilitator of Colonial Insurance Company, )

Plaintiff, )

v. )

COLONIAL INSURANCE COMPANY, )  
(In Rehabilitation) )

Defendant. )

Case No. 03 CVC 01 00597

Judge David Fais

FILED  
COMMON PLEAS COURT  
FRANKLIN CO. OHIO  
2008 DEC 23 AM 9:28  
CLERK OF COURTS-CV

**ORDER: AUTHORIZING TRANSFER OF REMAINING CC AGENT COMMISSION FUNDS; TERMINATING REHABILITATION OF COLONIAL INSURANCE COMPANY; DISCHARGING AND RELEASING REHABILITATOR; AUTHORIZING FINAL ACCOUNTING, AUDIT REPORT AND FILING OF TAX RETURN; CLOSING ESTATE AND DISSOLVING CORPORATE ENTITY; APPROVING DESTRUCTION OF RECORDS; APPROVING ABANDONMENT OF PHYSICAL ASSETS; AUTHORIZING CLOSING BANK ACCOUNTS; AND AUTHORIZATION OF RELATED ACTIONS**

This matter came before the Court upon the Plaintiff's Application for an Order Authorizing Transfer of Remaining CC Agent Commission Funds, Terminating Rehabilitation of Colonial Insurance Company, Discharging and Releasing Rehabilitator; Authorizing Final Accounting, Audit Report and Filing of Tax Return, Closing Estate and Dissolving Corporate Entity, Approving Destruction of Records, Approving Abandonment of Physical Assets, Authorizing Closing Bank Accounts, and Authorization of Related Actions. Upon consideration of the Rehabilitator's Application and Memorandum in Support, the Court finds the Application is well-taken, and it is hereby ADJUDGED and DECREED as follows:

1. The Rehabilitator is authorized to transfer funds that result from unnegotiated CC agent commission and policyholder unearned premium checks in the amount of \$16,897.10 to the Ohio Department of Commerce, Division of Unclaimed Funds;
2. The Court finds that Colonial Insurance Company ("Colonial") has no remaining cash or cash equivalents as of the date of the Order and, thus, the Rehabilitator will make no additional Post-Closing Payment to Central United Life Insurance Company under the Assumption Reinsurance Agreement;
3. Pursuant to R.C. 3903.16 (B) and this Court's June 24, 2008 Order, the rehabilitation proceeding of Colonial is terminated;
4. Pursuant to R.C. 3903.46(A), the Rehabilitator, her predecessors, assigns and any and all deputy rehabilitators, agents or employees of the Rehabilitator and employees of the Ohio Department of Insurance, are hereby discharged and released of all claims and liability of any nature whatsoever and whenever incurred (including but not limited to costs, expenses and attorneys' fees) relating to, involving or arising out of any and all actions, decisions, conduct, transactions, or events that were alleged or that could have been alleged in the Colonial rehabilitation proceedings or in any other litigation that in any way relate to or involve Colonial, the Colonial rehabilitation proceedings, or any proceedings related to Colonial or the Colonial rehabilitation proceedings;
5. The Rehabilitator, or her designee, is hereby authorized to retain limited authority for the following purposes: (a) filing a final accounting with the Court; (b) filing a final audit report with the Court; (c) executing the final Colonial 2008 tax return and filing it with the Internal Revenue Service in the manner provided by law; and

- (d) taking all related actions as authorized or as deemed necessary and appropriate by the Rehabilitator under various sections of R.C. Chapter 3903;
6. The Court finds that all other matters regarding the rehabilitation of Colonial have been finalized in accordance with the orders of this Court, and specifically this Court's June 24, 2008 Order and the Modified Rehabilitation Plan approved thereby, and effective immediately, the Colonial rehabilitation estate is closed;
  7. Pursuant to R.C. 3903.20, the corporate entity of Colonial is hereby dissolved; and, the certificate of authority for Colonial to operate as a MPA that was granted pursuant to R.C. 3919.31 shall be surrendered to the Ohio Department of Insurance.
  8. Pursuant to R.C. 3903.48, approving and authorizing the destruction of the Colonial books and records as follows: (a) all pre-rehabilitation books and records may be immediately destroyed; (b) all post-rehabilitation books and records that the Rehabilitator determines are no longer essential, or that are not required to be maintained pursuant to applicable federal and state records retention requirements, may be immediately destroyed; and (c) all other books and records may be destroyed on or after the date three (3) years following the date of the order granting this Application;
  9. Pursuant to R.C. 3903.46(A), the Court finds that Colonial's remaining physical assets are uneconomic to distribute, and approving and authorizing the Rehabilitator to abandon such physical assets;
  10. The Liquidator is hereby authorized to close all of the Colonial's bank accounts on or before December 31, 2008; and

11. The Liquidator is hereby authorized to take any and all related actions required to close the estate or carry out the orders of this Court.

IT IS SO ORDERED.

*[Handwritten signature of Judge David Fais]*  
JUDGE DAVID FAIS  
*12-22-08*

Respectfully submitted,

**KOHRMAN JACKSON & KRANTZ, P.L.L.**

*[Handwritten signature of Valoria C. Hoover]*  
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*Outside Counsel for Plaintiff, Mary Jo Hudson,  
Superintendent, Ohio Department of Insurance,  
in her Capacity as Rehabilitator of Colonial Insurance Company*

THE STATE OF OHIO Franklin County, ss	} I, JOHN O'GRADY, Clerk OF THE COURT OF COMMON PLEAS, WITHIN AND FOR SAID COUNTY.
HEREBY CERTIFY THAT THE ABOVE AND FORE- GOING IS TRULY TAKEN AND COPIED FROM THE ORIGINAL <u>order</u>	
NOW ON FILE IN MY OFFICE.	
WITNESS MY HAND AND SEAL OF SAID COUNTY	
THIS <u>23<sup>rd</sup></u> DAY OF <u>Dec.</u> A.D. 20 <u>08</u> .	
JOHN O'GRADY, Clerk	
By <u>MPK</u>	Deputy