

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator of DayMed Health Maintenance Plan, Inc.,
Plaintiff,
vs.
DayMed Health Maintenance Plan, Inc.,
Defendant.

Case No. 99CVH03-01866
Judge John F. Bender

MOTION FOR APPROVAL OF PERIODIC ACCOUNTING OF LIQUIDATOR FOR THE PERIODS OF JULY 1, 2008 TO DECEMBER 31, 2008 AND JANUARY 1, 2009 TO JUNE 30, 2009

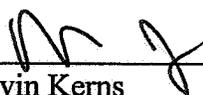
Plaintiff, Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator of DayMed Health Maintenance Plan, Inc. (the "Liquidator"), moves this Court for an Order approving the Statements of Receipts and Disbursements of the Liquidator for the period July 1, 2008 to December 31, 2008 and January 1, 2009 to June 30, 2009, as set forth in the attached Exhibits A and B. The grounds in support of this Motion are set forth in the accompanying Memorandum in Support.

FILED
COMMON PLEAS COURT
FRANKLIN CO. OHIO
2009 SEP 15 PM 2:55
CLERK OF COURTS-CV

Respectfully submitted,

RICHARD CORDRAY
Attorney General State of Ohio

By Outside Counsel:
KEGLER, BROWN, HILL & RITTER, CO. L.P.A.



R. Kevin Kerns (0021781)
Richard W. Schuermann, Jr. (0032546)
65 East State Street, Suite 1800
Columbus, Ohio 43215
Telephone: (614) 462-5400

*Attorneys for Mary Jo Hudson, in her capacity as
Liquidator of DayMed Health Maintenance Plan, Inc.*

MEMORANDUM IN SUPPORT

This Motion is brought by the Liquidator requesting that this Court approve the Statements of Receipts and Disbursements of the Liquidator for the periods July 1, 2008 to December 31, 2008 and January 1, 2009 to June 30, 2009. These receipts and expenditures are described and set forth in the attached Exhibits A and B.

By Order of this Court entered on March 4, 1999, the Ohio Superintendent of Insurance was appointed Liquidator of DayMed Health Maintenance Plan, Inc. ("DayMed") and was empowered, authorized and directed to liquidate all of the property and assets of DayMed in accordance with the laws of Ohio and under the continuing jurisdiction of this Court. As part of the liquidation, the Liquidator collects all debts and moneys due DayMed, and makes payment of necessary expenses. R.C. 3903.21(A)(4) provides, in pertinent part, that the Liquidator may:

Pay reasonable compensation to persons appointed and defray from the funds or assets of the insurer all expenses of taking possession of, conserving, conducting, liquidating, disposing of or otherwise dealing with the business and property of the insurer.

Section 3903.42(A) of the Ohio Revised Code provides that the expenses of administration be given first priority in the distribution of assets.

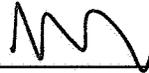
The Liquidator is also required by R.C. 3903.18(E) to periodically account to the Court, throughout the pendency of the DayMed liquidation proceedings, to be submitted in the forms attached hereto as Exhibits A and B. Such accountings may assist the Court in monitoring the progress and status of the liquidation, and in particular, the receipts and disbursements in the DayMed proceedings.

WHEREFORE, for the reasons outlined above, the Liquidator respectfully requests the Court to approve the attached Statements of Receipts and Disbursements of the Liquidator for the periods July 1, 2008 to December 31, 2008 and January 1, 2009 to June 30, 2009, as set forth in the attached Exhibits A and B.

Respectfully submitted,

RICHARD CORDRAY
Attorney General State of Ohio

By Outside Counsel:
KEGLER, BROWN, HILL & RITTER, CO. L.P.A.



R. Kevin Kerns (0021781)
Richard W. Schuermann, Jr. (0032546)
65 East State Street, Suite 1800
Columbus, Ohio 43215
Telephone: (614) 462-5400

*Attorneys for Mary Jo Hudson, in her capacity as
Liquidator of DayMed Health Maintenance Plan, Inc.*

EXHIBIT A

July 1, 2008 to December 31, 2008

**Liquidator of DayMed Health Maintenance Plan, Inc.
Statement of Receipts and Disbursements
For the Period 07/01/08 to 12/31/08**

	CASH	SECURITIES	TOTAL
Balance at 6/30/08	50,076.22	8,494,000.00	8,544,076.22
RECEIPTS			
Investment Proceeds Repo Agreement (Note 1)	8,494,000.00	(8,494,000.00)	0.00
Interest/Dividend Income	46,488.86	0.00	46,488.86
PPC Intercompany Reimbursement of Expenses from Prior Period	165.73	0.00	165.73
Proceeds from Sale of Assets	25.10	0.00	25.10
TOTAL RECEIPTS	8,540,679.69	(8,494,000.00)	46,679.69
DISBURSEMENTS			
Investment Purchases in Money Market (Note 2)	8,445,137.49	(8,445,137.49)	0.00
Salaries:			
Chief Deputy Liquidator	2,116.10	0.00	2,116.10
Deputy Liquidators	8,385.09	0.00	8,385.09
Employee Wages, Taxes, & Benefits	26,297.73	0.00	26,297.73
Legal Expense	10,741.99	0.00	10,741.99
General Operating Expense	25,352.56	0.00	25,352.56
TOTAL DISBURSEMENTS	8,518,030.96	(8,445,137.49)	72,893.47
Balance at 12/31/08	72,724.95	8,445,137.49	8,517,862.44

Note 1: The captions "Investment Proceeds in Repo Agreements" or "Investment Purchases in Repo Agreement" represent the difference between total repurchase sales and purchases for the reporting period.

Note 2: The captions "Investment Proceeds in Money Market" or "Investment Purchases in Money Market" represent the difference between total money market sales and purchases for the reporting period.

EXHIBIT B

January 1, 2009 to June 30, 2009

Liquidator of DayMed Health Maintenance Plan, Inc.
Statement of Receipts and Disbursements
For the Period 01/01/09 to 06/30/09

	CASH	SECURITIES	TOTAL
Balance at 12/31/08	72,724.95	8,445,137.49	8,517,862.44
RECEIPTS			
Investment Proceeds Money Market (Note 1)	101,254.85	(101,254.85)	0.00
Interest/Dividend Income	19,745.15	0.00	19,745.15
Proceeds from Sale of Assets	49.17	0.00	49.17
TOTAL RECEIPTS	121,049.17	(101,254.85)	19,794.32
DISBURSEMENTS			
Salaries:			
Chief Deputy Liquidator	2,398.31	0.00	2,398.31
Deputy Liquidators	7,046.86	0.00	7,046.86
Employee Wages, Taxes, & Benefits	29,269.99	0.00	29,269.99
Legal Expense	4,816.60	0.00	4,816.60
Warehouse Consolidation Project Expenses (Note 2)	1,901.78	0.00	1,901.78
General Operating Expense	48,167.44	0.00	48,167.44
TOTAL DISBURSEMENTS	93,600.98	0.00	93,600.98
Balance at 06/30/09	<u>100,173.14</u>	<u>8,343,882.64</u>	<u>8,444,055.78</u>

Note 1: The captions "Investment Proceeds in Money Market" or "Investment Purchases in Money Market" represent the difference between total money market sales and purchases for the reporting period.

Note 2: To reduce administrative expenses and conserve estate assets for the benefit of policyholders and claimants, the Liquidator elected not to renew at 6/30/2009 three (3) warehouse leases. Rather, the Liquidator repaired and re-shelved the one (1) remaining warehouse to hold records required for the ongoing administration of the liquidation proceedings. Simultaneously, the Liquidator undertook a review of all records stored in the four (4) warehouses to determine which records of the insolvent companies should be retained for future reference, which should be placed in offsite storage, and which were no longer useful. Pursuant to R.C. 3903.48, the Liquidator sought court orders from the courts supervising the liquidation proceedings to destroy records that were determined to be no longer useful. The Liquidator also moved approximately 100,000 boxes of records to Fireproof Records Center to be held until such time as they may be destroyed pursuant to records destruction schedules approved by the courts. The Liquidator estimates that the results of this warehouse consolidation will reduce overhead expenses attributable to the closed warehouse by approx. \$169,000/year and achieve more expeditious closing of an estate.