

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 PERIOD OF JANUARY 1, 2010 TO JUNE 30, 2010**

Plaintiff, Mary Jo Hudson, in her capacity as Liquidator of DayMed Health Maintenance Plan, Inc. ("DayMed"), moves this Court for an Order approving the Statement of Receipts and Disbursements of the Liquidator for the period January 1, 2010 to June 30, 2010, as set forth in the attached Exhibit A. The grounds in support of this Motion are set forth in the accompanying Memorandum in Support.

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)
Daniel J. Bennett (0079932)
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.*

FILED
2010 AUG -4 PM 3:55
CLERK OF COURTS
COMMON PLEAS COURT
FRANKLIN CO. OHIO

MEMORANDUM IN SUPPORT

This Motion is brought by the Liquidator requesting that this Court approve the Statement of Receipts and Disbursements of the Liquidator for the period January 1, 2010 to June 30, 2010 (the "Statement"). The Statement is described and set forth in the attached Exhibit A.

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 and pursuant to the Order of Liquidation and Ohio Revised Code Chapter 3903, the Liquidator undertakes to collect all debts and moneys due to DayMed, and makes payment of necessary expenses. The Liquidation Order and R.C. 3903.21(A)(4) provide, 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 form attached hereto as Exhibit A. 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.

Since 2008, the Liquidator has made required changes in many areas aimed at preserving and utilizing estate assets for the benefit of the estate's creditors and substantially reducing and

controlling costs. In particular, the Liquidator has taken steps to increase efficiencies in, and reduce costs associated with, the use of outside counsel and consultants. In 2009, the Liquidator reduced outside counsel legal expenses in this estate by 50% of the total expenditure for legal expenses in 2008.

The Liquidator will continue to take steps to reduce and control costs and continue to investigate ways to improve efficiencies in the liquidation process and implement other procedures that are aimed at conserving estate assets for timely distributions to policyholders and creditors.

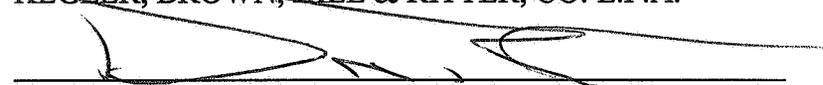
For the reasons outlined above, the Liquidator respectfully requests the Court to approve the attached Statement of Receipts and Disbursements for the period January 1, 2010 to June 30, 2010, as set forth in the attached Exhibit A.

Respectfully submitted,

RICHARD CORDRAY
Attorney General State of Ohio

By Outside Counsel:

~~KEGLER, BROWN, HILL & RITTER, CO. L.P.A.~~


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Richard W. Schuermann, Jr. (0032546)
Daniel J. Bennett (0079932)
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Columbus, Ohio 43215
Telephone: (614) 462-5400

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EXHIBIT A

January 1, 2010 to June 30, 2010

Liquidator of DayMed Health Maintenance Plan, Inc.
Statement of Receipts and Disbursements
For the Period 01/01/10 to 06/30/10

	CASH	SECURITIES	TOTAL
Balance at 12/31/09	24,987.07	8,298,352.94	8,323,340.01
Security Amortization for the Period	0.00	(117,021.16)	(117,021.16)
RECEIPTS			
Interest/Dividend Income	131,602.64	0.00	131,602.64
Proceeds from Sale of Assets	78.17	0.00	78.17
Miscellaneous Income	5.26	0.00	5.26
TOTAL RECEIPTS	<u>131,686.07</u>	<u>0.00</u>	<u>131,686.07</u>
DISBURSEMENTS			
Investment Purchases in Money Market (Note 1)	5,638.89	(5,638.89)	0.00
Salaries:			
Chief Deputy Liquidator	6,211.20	0.00	6,211.20
Deputy Liquidators	16,488.13	0.00	16,488.13
Employee Wages, Taxes, & Benefits (Note 2)	55,337.02	0.00	55,337.02
Legal Expense	2,475.45	0.00	2,475.45
General Operating Expense (Note 3)	30,942.33	0.00	30,942.33
TOTAL DISBURSEMENTS	<u>117,093.02</u>	<u>(5,638.89)</u>	<u>111,454.13</u>
Balance at 06/30/10	<u>39,580.12</u>	<u>8,186,970.67</u>	<u>8,226,550.79</u>
	A	AB	

(A) Excluding \$0.00 Held By States.
(B) Bonds Carried at Amortized Value.

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: This amount may have increased over the last period (or prior periods) due to increased staff hours associated with planning for the distribution and closure of the estate and due to changes in COBRA mandated by The American Recovery and Reinvestment Act of 2009, which reduced the cost of the COBRA health insurance premium remitted by eligible former employees. The reduced cost of COBRA results in an initial higher payment of COBRA premiums by the employer, subject to a later credit on their payroll FICA tax.

Note 3: Accountants Fees of \$898.42 are comprised of the following: \$891.18 Tax Prep & Audit Fees, \$7.24 Tax Prep and Audit Expenses.