

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

Mary Taylor, 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

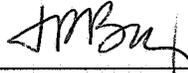
**MOTION FOR APPROVAL OF PERIODIC ACCOUNTING OF LIQUIDATOR
FOR THE PERIOD OF JULY 1, 2010 TO DECEMBER 31, 2010**

Plaintiff, Mary Taylor, 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 July 1, 2010 to December 31, 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,

MIKE DEWINE
Attorney General State of Ohio

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



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FILED
COMMON PLEAS COURT
FRANKLIN CO. OHIO
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CLERK OF COURTS - CV

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 July 1, 2010 to December 31, 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 the second half of 2010, the Liquidator made a final pro rata distribution of the remaining assets of DayMed in the total amount of Eight Million Two Hundred Twenty Six Thousand Six Hundred Sixty One and 17/100 Dollars (\$8,226,661.17) to Classes 1, 2, 3, 4 and 5 on their allowed claims pursuant to this Court's October 6, 2010 order. The Liquidator plans to file an application requesting that this Court enter a final closing order pursuant to R.C. 3903.46 and related sections, discharge the Liquidator, and close this liquidation estate and terminate this case on or about March 31, 2011.

For the reasons outlined above, the Liquidator respectfully requests the Court to approve the attached Statement of Receipts and Disbursements for the period July 1, 2010 to December 31, 2010, as set forth in the attached Exhibit A.

Respectfully submitted,

MIKE DEWINE
Attorney General State of Ohio

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



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EXHIBIT A

July 1, 2010 to December 31, 2010

Liquidator of DayMed Health Maintenance Plan, Inc.
Statement of Receipts and Disbursements
For the Period 07/01/10 to 12/31/10

	CASH	SECURITIES	TOTAL
Balance at 6/30/10	39,580.12	8,186,970.67	8,226,550.79
Security Amortization for the Period	0.00	(69,178.26)	(69,178.26)
RECEIPTS			
Investment Proceeds Money Market (Note 1)	1,931,182.05	(1,931,182.05)	0.00
Investment Proceeds (Note 2)	6,163,000.00	(6,163,000.00)	0.00
Interest/Dividend Income	131,781.70	0.00	131,781.70
Voided Class 2,3,4,5 Distribution checks	12,495.54	0.00	12,495.54
Proceeds from Settlement - Standard Security	100,000.00	0.00	100,000.00
TOTAL RECEIPTS	8,338,459.29	(8,094,182.05)	244,277.24
DISBURSEMENTS			
Salaries:			
Chief Deputy Liquidator	8,177.94	0.00	8,177.94
Deputy Liquidators	11,181.01	0.00	11,181.01
Employee Wages, Taxes, & Benefits (Note 3)	43,186.34	0.00	43,186.34
Legal Expense	2,852.19	0.00	2,852.19
Distribution to Claimants			
Class 2 Loss/Lae Claimants	714,388.32	0.00	714,388.32
Class 3 Federal Government Claimants	958.00	0.00	958.00
Class 4 and 5 Employee Claimants	189,417.12	0.00	189,417.12
Class 5 General Creditor Claimants	7,321,902.49	0.00	7,321,902.49
Employer Portion Class 4 and 5 Payroll Taxes Paid on Employee Wage Claims	14,961.06	0.00	14,961.06
General Operating Expense (Note 4)	39,709.68	0.00	39,709.68
TOTAL DISBURSEMENTS	8,346,734.15	0.00	8,346,734.15
Balance at 12/31/10	<u>31,305.26</u>	<u>23,610.36</u>	<u>54,915.62</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: The captions "Investment Proceeds" or "Investment Purchases" represent the difference between total maturities or sales and purchases for the reporting period. This excludes interest and dividend income.

Note 3: This amount may have fluctuated over the last period 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 4: Accountants Fees of \$5415.78 is comprised of the following: \$5,415.78 Tax Prep & Audit Fees, and \$0.00 Tax Prep & Audit Expenses.