

IN THE COURT OF COMMON PLEAS, FRANKLIN COUNTY, OHIO

Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator of American Chambers Life Insurance Company, Plaintiff, v. American Chambers Life Insurance Company, Defendant. Case No. 00CVH-03-2206 Judge Richard S. Sheward

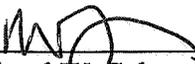
**MOTION FOR APPROVAL OF PERIODIC ACCOUNTING FOR THE PERIOD OF JANUARY 1, 2007 THROUGH JUNE 30, 2007**

Plaintiff, Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator of American Chambers Life Insurance Company (the "Liquidator") moves this Court for an Order approving the Statement of Receipts and Disbursements of the Liquidator for the period January 1, 2007 through June 30, 2007, 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,

MARC DANN  
Attorney General State of Ohio

By Outside Counsel:  
KEGLER, BROWN, HILL & RITTER  
A Legal Professional Association

  
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FRANKLIN CO. OHIO  
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## 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, 2007 through June 30, 2007, as set forth in the attached Exhibit A.

By Order of this Court entered on May 8, 2000, the Ohio Superintendent of Insurance was appointed Liquidator of American Chambers Life Insurance Company ("ACLIC") and was empowered, authorized and directed to liquidate all of the property and assets of ACLIC 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 ACLIC, 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.

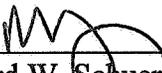
The Liquidator is also required by R.C. 3903.18(E) to periodically account to the Court, throughout the pendency of the ACLIC liquidation proceedings, to be submitted in the form attached hereto as Exhibit A. Such accountings may assist the Court in monitoring the progress and status of the liquidation,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

WHEREFORE, for the reasons outlined above, the Liquidator respectfully requests the Court to approve the attached Statement of Receipts and Disbursements of the Liquidator for the period January 1, 2007 through June 30, 2007.

Respectfully submitted,

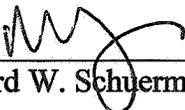
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Attorneys for the Liquidator of  
American Chambers Life Insurance Company

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true copy of the foregoing instrument was served via ordinary mail to Charles Richardson, Esq., Baker & Daniels, 805 15<sup>th</sup> Street NW, Suite 700, Washington, DC 20005 and Alan F. Berliner, Esq., Thompson Hine LLP, 10 West Broad Street, Suite 700, Columbus, OH 43215 on this 14<sup>th</sup> day of November, 2007.

  
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Richard W. Schuermann, Jr. (0032546)

# **EXHIBIT A**

**American Chambers Life Insurance Company, in Liquidation**  
**Statement of Receipts and Disbursements**  
**For the period of January 1 to June 30, 2007**

	Cash & Repurchase Agreements	Securities/ Investments	Total for Period	Inception to Date
<b>Balance at December 31, 2006</b>	<b>\$ 39,211,725.05</b>	<b>\$ 50,000.00</b>	<b>\$ 39,261,725.05</b>	<b>14,484,114.96</b>
<b>Receipts:</b>				
Adjustment to 5/8/00 Balance			-	391,703.74
Cole Taylor CD Return			-	588,869.05
Proceeds From Sale Riverbend Venture			-	17,500,000.00
Adjustment to Securities Value			-	(99,722.72)
Investment Income	1,005,498.93	-	1,005,498.93	5,599,141.56
Change in Market Value		-	-	77,936.90
Claim Recoveries	5,848.51		5,848.51	1,619,005.82
Premiums Received			-	8,859,713.90
Administration Fees			-	1,097,891.19
MMO Reimbursements			-	619,669.93
Disbursements Funded by Others			-	14,012,450.44
Sale of Equipment			-	114,714.37
Miscellaneous Income			-	60,746.65
Insurance Recovery - Theft of Computer/Equipment			-	265.60
Checks Clearing after Liquidation			-	6,588,601.12
Tax Payment Refunds			-	268,214.28
Refund of Assessment	735.00		735.00	46,802.29
Reinsurance Premium Recovered			-	817,556.19
Checks not Cleared			-	1,258,435.22
Fen-Phen Settlement			-	60,341.84
Premium Refund			-	38,940.64
Preferential Recoveries	20,180.18		20,180.18	3,151,388.70
Settlements	135.29		135.29	91,089.16
Recovery from Directors & Officers	1,500.00		1,500.00	492,000.00
Recovery of Arkansas Deposit			-	199,250.00
Recovery of Florida Deposit			-	2,058,336.48
Subrogation			-	5,000.00
Investment Proceeds Funds Transfer	50,000.00	(50,000.00)	-	-
<b>Total Receipts:</b>	<b>\$ 1,083,897.91</b>	<b>\$ (50,000.00)</b>	<b>\$ 1,033,897.91</b>	<b>\$ 65,518,342.35</b>
<b>Disbursements:</b>				
General Operating Expenses	71,775.03	-	71,775.03	4,467,010.04
Bank Withdrawal for CD			-	3,873.27
Loan Payments			-	124,203.83
Riverbend Transactions			-	1,360,051.40
Legal Expenses	120,546.57		120,546.57	3,900,772.12
Bank Charges			-	130,137.88
Salaries:				
Chief Deputy Liquidator	4,638.49		4,638.49	34,185.47
Deputy Liquidators	15,521.57		15,521.57	194,911.79
Employee Wages, Taxes, Benefits	65,966.84		65,966.84	464,645.31
Payroll (Note 2)			-	716,140.25
Premiums Paid			-	4,172,902.57
Commissions Paid			-	6,391,632.50
Claims Paid			-	14,370,260.15
Dental Claims			-	8,102.71
Premium Refunds Paid to Policy			-	1,091,942.26
Medical Records Fee			-	39,818.32
Flex Benefits			-	5,268.77
Medco Fees			-	691,795.34
PPO Fees			-	104,039.85
Chrgit Sys Ach Debit			-	288.00
Balance Deficiency Chg			-	2,129.10
NSF Premiums			-	318,854.47
Deposit Returns			-	13,750.94
Outside Contracts	3,468.65		3,468.65	1,382,029.16
Investment Purchases (Note 1)			-	6.00
<b>Total Disbursements:</b>	<b>\$ 281,917.15</b>	<b>\$ -</b>	<b>\$ 281,917.15</b>	<b>\$ 39,988,751.50</b>
<b>Balance at June 30, 2007</b>	<b>\$ 40,013,705.81</b>	<b>\$ -</b>	<b>\$ 40,013,705.81</b>	<b>\$ 40,013,705.81</b>
	(Note 3)			

Note 1: 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 2: Represents total payroll expense from Liquidation Date to 06/30/03. Beginning with the reporting period 07/01/03-12/31/03 the payroll expenses are reported as shown.

Note 3: This balance includes \$40,008,000.00 investment in repurchase agreements.