

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 JULY 1, 2008 TO DECEMBER 31, 2008

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 July 1, 2008 through December 31, 2008, 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
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FRANKLIN CO. OHIO
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CLERK OF COURTS

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, 2008 through December 31, 2008, 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 July 1, 2008 through December 31, 2008.

Respectfully submitted,

RICHARD CORDRAY
Attorney General State of Ohio

By Outside Counsel:
KEGLER, BROWN, HILL & RITTER
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing instrument was served via ordinary mail on this 1st day of April, 2009 upon the following:

Charles Richardson, Esq.,
Baker & Daniels
805 15th Street NW, Suite 700
Washington, DC 20005

Alan F. Berliner, Esq.
Thompson Hine LLP
10 West Broad Street, Suite 700
Columbus, OH 43215.



Richard W. Schuermann, Jr. (0032546)

Exhibit A

American Chambers Life Insurance Company, in Liquidation

Statement of Receipts and Disbursements

For the period of July 1 to December 31, 2008

	<u>Cash</u>	<u>Securities/ Investments</u>	<u>Total for Period</u>	<u>Inception to Date</u>
Balance at June 30, 2008	\$ 40,774,665.83	\$ -	\$ 40,774,665.83	14,484,114.96
Receipts:				
Adjustment to 5/8/00 Balance			0.00	391,703.74
Cole Taylor CD Return			0.00	588,869.05
Proceeds From Sale Riverbend Venture			0.00	17,500,000.00
Adjustment to Securities Value			0.00	(99,722.72)
Investment Income	195,575.26	0.00	195,575.26	7,210,403.79
Change in Market Value		0.00	0.00	77,936.90
Claims Recoveries			0.00	1,619,005.82
Premiums Received			0.00	8,859,713.90
Administration Fees			0.00	1,097,891.19
MMO Reimbursements			0.00	619,669.93
Disbursements Funded by Others			0.00	14,012,450.44
Sale of Equipment	43.12		43.12	114,757.49
Miscellaneous Income			0.00	60,746.65
Insurance Recovery - Theft of Computer/Equipment			0.00	265.60
Checks Clearing after Liquidation			0.00	6,588,601.12
Interco Reimbursement of Expenses from Prior Period:	844.46		844.46	844.46
Tax Payment Refunds				268,215.67
Refund of IL IGA Assessment	0.00		0.00	47,194.29
Reinsurance Premium Recovered			0.00	817,556.19
Checks not Cleared			0.00	1,258,435.22
Fen-Phen Settlement			0.00	60,341.84
Premium Refund			0.00	38,940.64
Preferential Recoveries			0.00	3,151,388.70
Recovery of Synthroid TPP Marketing Settlement	179.35		179.35	179.35
Recovery from G. Meitzen Trust Settlement				1,629,547.47
Recovery from Directors & Officers	1,500.00		1,500.00	496,500.00
Recovery of Arkansas Deposit			0.00	199,250.00
Recovery of Florida Deposit			0.00	2,058,336.48
Recovery of South Carolina Deposit	0.00		0.00	1,261,680.63
Recovery Restitution Pmts	0.00		0.00	491,585.65
Subrogation			0.00	5,000.00
Investment Proceeds Funds Transfer	0.00	0.00	0.00	0.00
Total Receipts:	<u>198,142.19</u>	<u>0.00</u>	<u>198,142.19</u>	<u>70,427,289.49</u>
Disbursements:				
General Operating Expenses	101,741.54		101,741.54	4,767,473.22
Moving & Relocation Costs	264.98		264.98	15,194.66
Bank Withdraw for CD			0.00	3,873.27
Loan Payments			0.00	124,203.83
Riverbend Transactions	0.00		0.00	1,360,051.40
Legal Expenses	27,538.44		27,538.44	4,184,119.11
Return of Premium Payable - IGAs			0.00	3,203,513.22
Settlement-Return Property-Reliance Insurance Company	6,025,000.00		6,025,000.00	6,025,000.00
Bank Charges			0.00	130,137.88
Salaries:				
Chief Deputy Liquidator	10,353.48		10,353.48	63,957.71
Deputy Liquidators	15,045.31		15,045.31	249,267.86
Employee Wages, Taxes, Benefits	64,368.23		64,368.23	735,907.34
Payroll (Note 2)	0.00		0.00	716,140.25
Premiums Paid			0.00	4,172,902.57
Commissions Paid			0.00	6,391,632.50
Claims Paid			0.00	14,370,260.15
Dental Claims	0.00		0.00	8,102.71
Premium Refunds Paid to Policy	0.00		0.00	1,091,942.26
Medical Records Fee			0.00	39,818.32
Flex Benefits	0.00		0.00	5,268.77
Medco Fees	0.00		0.00	691,795.34
PPO Fees	0.00		0.00	104,039.85
Chrgit Sys Ach Debit			0.00	288.00
Balance Deficiency Chg	0.00		0.00	2,129.10
NSF Premiums	0.00		0.00	318,854.47
Deposit Returns	0.00		0.00	13,750.94
Outside Contracts	3,105.94		3,105.94	1,396,383.62
Investment Purchases			0.00	6.00
Total Disbursements:	<u>6,247,417.92</u>	<u>0.00</u>	<u>6,247,417.92</u>	<u>50,186,014.35</u>
Balance at December 31, 2008	<u>34,725,390.10</u>	<u>0.00</u>	<u>34,725,390.10</u>	<u>34,725,390.10</u>
	Note 3			\$ -

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 \$34,138,339.76 investment in Money Market and \$504,625.83 ACLIC-Protective interest bearing joint account (encumbered).