

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, 2009 TO DECEMBER 31, 2009**

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, 2009 to December 31, 2009, 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.



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*Attorneys for Mary Jo Hudson, in her capacity as Liquidator  
of American Chambers Life Insurance Company*

FILED  
COMMON PLEAS COURT  
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 July 1, 2009 to December 31, 2009. The Statement is described and 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 and pursuant to the Liquidation Order and Ohio Revised Code Chapter 3903, the Liquidator undertakes to collect all debts and moneys due ACLIC, 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.

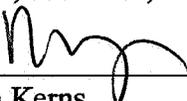
The Liquidator is also required by R.C. 3903.18(E) to periodically account to the Court, throughout the pendency of the ACLIC liquidation proceedings, to be submitted in the form attached hereto as Exhibit A. Such accountings may assist the Court in monitoring the progress and status of the liquidation,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

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 periods July 1, 2009 to December 31, 2009.

Respectfully submitted,

**RICHARD CORDRAY**  
Attorney General State of Ohio

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

  
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*Attorneys for Mary Jo Hudson, in her capacity as Liquidator  
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**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 15th Street NW, Suite 700, Washington, DC 20005 and Alan F. Berliner, Esq., Thompson Hine LLP, 41 South High Street, Suite 1700, Columbus, OH 43215 on this 9<sup>th</sup> day of April, 2010.



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Richard W. Schuermann, Jr.

(0032546)

**EXHIBIT A**

**July 1, 2009 to December 31, 2009**

**American Chambers Life Insurance Company, in Liquidation**  
**Statement of Receipts and Disbursements**  
For the period of July 1 thru December 31, 2009

	<u>Cash</u>	<u>Securities/ Investments</u>	<u>Total for Period</u>	<u>Inception to Date</u>
<b>Balance at June 30, 2009</b>	<b><u>34,611,552.07</u></b>	<b><u>0.00</u></b>	<b><u>34,611,552.07</u></b>	<b><u>14,484,114.96</u></b>
<b>Bond (Premium)/Discount Amortization</b>		(65,658.09)	(65,658.09)	(65,658.09)
<b><u>Receipts:</u></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	9,532.76		9,532.76	7,301,227.49
Change in Market Value			-	77,936.90
Claims Recoveries			-	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/Office Furniture			-	114,765.85
Miscellaneous Income	2.15		2.15	60,748.80
Insurance Recovery - Theft of Computer/Equipment			-	265.60
Checks Clearing after Liquidation			-	6,588,601.12
Interco Reimbursement of Expenses from Prior Period			-	844.46
Tax Payment Refunds			-	268,215.67
Refund of Auction Advertising Costs	-		-	47.50
Refund of AZ IGA Assessment			-	626.12
Refund of IL IGA Assessment	-		-	47,194.29
Refund of General Operating Expenses	72.57		72.57	72.57
Reinsurance Premium Recovered			-	817,556.19
Checks not Cleared			-	1,258,435.22
Fer-Phen Settlement			-	60,341.84
Premium Refund			-	38,940.64
Preferential Recoveries			-	3,151,388.70
Recovery of Synthroid TPP Marketing Settlement			-	179.35
Recovery from G. Meitzen Trust Settlement			-	1,629,547.47
Recovery from Directors & Officers	1,500.00		1,500.00	499,500.00
Recovery of Arkansas Deposit			-	199,250.00
Recovery of Florida Deposit			-	2,058,336.48
Recovery of South Carolina Deposit			-	1,261,680.63
Recovery Restitution Pmts			-	491,585.65
Subrogation			-	5,000.00
Investment Proceeds Funds Transfer			-	-
<b>Total Receipts:</b>	<b><u>11,107.48</u></b>	<b><u>0.00</u></b>	<b><u>11,107.48</u></b>	<b><u>70,521,869.89</u></b>

## American Chambers Life Insurance Company, in Liquidation

### Statement of Receipts and Disbursements

For the period of July 1 thru December 31, 2009

	<u>Cash</u>	<u>Securities/ Investments</u>	<u>Total for Period</u>	<u>Inception to Date</u>
<b><u>Disbursements:</u></b>				
General Operating Expenses	72,609.40		72,609.40	4,909,518.69
Moving & Relocation Costs	-		-	15,194.66
Warehouse Consolidation Project Expense (Note 4)	7,734.72		7,734.72	11,993.24
Bank Withdraw for CD	-		-	3,873.27
Loan Payments	-		-	124,203.83
Riverbend Transactions	-		-	1,360,051.40
Legal Expenses (Note 5)	41,743.27		41,743.27	4,234,179.13
Tax Prep & Audit Fees	7,896.64		7,896.64	7,896.64
Return of Premium Payable - IGAs	-		-	3,203,513.22
NOLHGA - Early Access Payments	12,822,841.00		12,822,841.00	12,822,841.00
Settlement-Return Property-Reliance Insurance Company	-		-	6,025,000.00
Settlement-Return Property-Protective Life Insurance Co	1,954,531.00		1,954,531.00	1,954,531.00
Bank Charges	-		-	130,137.88
Salaries:				
Chief Deputy Liquidator	12,905.83		12,905.83	88,322.77
Deputy Liquidators	10,406.59		10,406.59	276,699.57
Employee Wages, Taxes, Benefits	57,839.44		57,839.44	878,000.21
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	-		-	1,398,945.45
Investment Purchases (Note 1)	9,985,573.91	(9,985,573.91)	-	6.00
<b>Total Disbursements:</b>	<b>24,974,081.80</b>	<b>(9,985,573.91)</b>	<b>14,988,507.89</b>	<b>65,371,833.19</b>
<b>Balance at December 31, 2009</b>	<b>9,648,577.75</b>	<b>9,919,915.82</b>	<b>19,568,493.57</b>	<b>19,568,493.57</b>
	(Note 3)			0.00

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 \$9,589,749.56 investment in Money Market.

Note 4: 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.

Note 5: This does not include \$12,363.12 in legal fees billed for the month of December that will not be paid until 2010 due to delays with the Ohio Attorney General e-billing system.