

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

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

**MOTION FOR APPROVAL OF PERIODIC ACCOUNTING FOR THE
PERIOD OF JANUARY 1, 2013 TO JUNE 30, 2013**

Plaintiff, Mary Taylor, Ohio Superintendent of Insurance, in her capacity as Liquidator of American Chambers Life Insurance Company (the "Liquidator") requests this Court for an Order approving the Statement of Cash Receipts and Disbursements of the Liquidator for the period January 1, 2013 to June 30, 2013, as set forth in the attached Exhibit A. The grounds in support of this Motion are described in the accompanying Memorandum in Support.

Respectfully submitted,

MIKE DEWINE
Attorney General State of Ohio
By Special Counsel:
KOHRMAN, JACKSON & KRANTZ, PLL

/s/ Valoria C. Hoover
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*Attorneys for Mary Taylor, in her capacity as Liquidator
of American Chambers Life Insurance Company*

MEMORANDUM IN SUPPORT

Through this motion, the Liquidator requests that this Court approve the Statement of Cash Receipts and Disbursements of the Liquidator for the period January 1, 2013 to June 30, 2013. 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. This Court established the procedure for filing and approval of semi-annual accountings by the Liquidator in the ACLIC liquidation case on October 16, 2001.¹ The semi-annual

¹ This Court’s October 16, 2001 Order established the “procedure for filing and approval of semi-annual accountings, including compensation of employees, agents, actuaries, accountants, consultants and other 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. The Liquidator submits the semi-annual accounting for the period January 1, 2013 to June 30, 2013 as Exhibit A.

As reported previously, the Liquidator has taken steps 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. One such step was the Accounting Department's standardization of reporting requirements for all open liquidation estates, including a standardized format for the Statement of Cash Receipts and Disbursements effective with the January 1, 2012 to June 30, 2012 reporting period. The Statement of Cash Receipts and Disbursements for the period January 1, 2013 to June 30, 2013 attached as Exhibit A reflects the standardized format.

For the reasons outlined, the Liquidator respectfully requests the Court to approve the attached Statement of Cash Receipts and Disbursements of the Liquidator for the period January 1, 2013 to June 30, 2013.

Respectfully submitted,

MIKE DEWINE
Attorney General State of Ohio

By Special Counsel:
KOHRMAN, JACKSON & KRANTZ, PLL

personnel (collectively referred to as "Personnel") retained to assist in the liquidation, by the Liquidator to the Court."

/s/Valoria C. Hoover

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

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing *Motion for Approval of the Liquidator's Periodic Accounting* was posted on the Liquidator's website (www.obliq.com) substantially contemporaneous with the filing of this *Motion*.

The undersigned hereby certifies that a true copy of the foregoing motion was served via ordinary mail to Charles Richardson, Esq., Faegre Baker Daniels, 1050 K Street NW, Suite 400, Washington, DC 20001-4448 on this 21st day of August, 2013.

/s/Valoria C. Hoover

Valoria C. Hoover (0059596)

EXHIBIT A

January 1, 2013 to June 30, 2013

LIQUIDATION DATE MAY 8, 2000
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 CUMULATIVE FROM MAY 8, 2000 THROUGH JUNE 30, 2013

	Current Period 01/01/13 TO 06/30/13	Year to Date 01/01/13 TO 06/30/13	CUMULATIVE FROM 05/08/00
Beginning Cash & Invested Assets (Note 1)	7,281,963.94	7,281,963.94	14,484,114.96
Receipts:			
Return of Statutory Deposits	0.00	0.00	3,538,832.27
Adjustment to 5/08/00 Balance	0.00	0.00	391,703.74
Cole Taylor CD Return	0.00	0.00	588,869.05
Proceeds from the Sale of Riverbend Venture	0.00	0.00	17,500,000.00
Interest Income (Note 2)	238.67	238.67	7,759,947.47
Claim Recoveries	0.00	0.00	1,619,005.82
Premiums Received	0.00	0.00	8,859,713.90
Administration Fees	0.00	0.00	1,009,485.55
MMO Reimbursements	0.00	0.00	619,669.93
Recovery from Directors and Officers (Note 3)	1,500.00	1,500.00	510,000.00
Disbursements Funded by Others	0.00	0.00	14,077,055.04
Proceeds from the Sale of Assets (Note 4)	52.23	52.23	114,932.40
Recoveries from Settlement Agreements (Note 5)	70,000.00	70,000.00	1,760,116.52
Other Income (Note 6)	68.74	68.74	84,936.02
Insurance Recovery - Theft of Computers/Equipment	0.00	0.00	265.60
Checks Clearing after Liquidation	0.00	0.00	6,588,601.12
Intercompany Reimbursement of Expenses from Prior Period	0.00	0.00	844.46
Tax Payment Refunds	0.00	0.00	268,215.67
Refund of IGA Assessments	0.00	0.00	50,202.95
Refund of Auction Advertising Costs	0.00	0.00	47.50
Refund of General Operating Expenses	0.00	0.00	72.57
Reinsurance Premium Recovered	0.00	0.00	817,556.19
Checks Not Cleared (Voided)	0.00	0.00	1,258,435.22
Premium Refund	0.00	0.00	38,940.64
Preferential Recoveries	0.00	0.00	3,157,952.38
Recovery of Restitution Payments	0.00	0.00	491,756.48
Salvage and Subrogation Recovery	0.00	0.00	5,000.00
Voided Class 2 Non-NOLHGA Interim Distribution Checks	0.00	0.00	41.30
Total Receipts	71,859.64	71,859.64	71,112,199.79

LIQUIDATION DATE MAY 8, 2000
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 CUMULATIVE FROM MAY 8, 2000 THROUGH JUNE 30, 2013

	Current Period 01/01/13 TO 06/30/13	Year to Date 01/01/13 TO 06/30/13	CUMULATIVE FROM 05/08/00
Disbursements:			
Compensation:			
Salaries (Note 7)	30,291.94	30,291.94	1,954,884.69
Employee Benefits (Note 8)	3,770.62	3,770.62	306,222.85
Payroll and Other Taxes (Note 9)	2,027.31	2,027.31	91,877.34
Professional Fees:			
Legal Fees (Note 10)	47,546.68	47,546.68	4,631,377.50
Consulting Fees and Other Outside Contracts (Note 11)	408.30	408.30	1,167,978.57
Tax Preparation and Audit Fees & Expenses	0.00	0.00	627,646.32
Other Expenses of Administration of Company and its Property:			
Rent and Rent Items (Note 12)	40,712.40	40,712.40	1,039,197.04
Maintenance / Repair: Facility and FF & E (Note 13)	31.69	31.69	10,984.82
Travel and Travel Items (Note 14)	67.07	67.07	15,127.81
Postage, Freight, Telephone and Internet (Note 15)	432.59	432.59	22,258.83
Office Supply Expense (Note 16)	33.01	33.01	12,493.53
Data Processing (Note 17)	1,239.00	1,239.00	29,061.72
Banking and Investment Expense (Note 18)	854.65	854.65	139,370.97
Warehouse Consolidation Project Expense	0.00	0.00	11,993.24
Reorganization & Consolidation of Files/Records/Documents Expense (Note 19)	59.78	59.78	94.67
Moving and Relocation Expense	0.00	0.00	15,194.66
Other Expenses (Note 20)	551.49	551.49	3,958,353.21
All Other Disbursements:			
Bank Withdrawal for CD	0.00	0.00	3,873.27
Loan Payments	0.00	0.00	124,203.83
Riverbend Transactions	0.00	0.00	1,360,051.40
Return of Premium Payable - NOLHGA	0.00	0.00	3,203,513.22
Interim Distribution Class 1 and Class 2 NOHLGA	0.00	0.00	24,122,933.78
Interim Distribution To Class 2 Non-NOLHGA Loss/LAE Claimants	0.00	0.00	2,229.46
Settlement - Return Property - Reliance Ins Co	0.00	0.00	6,025,000.00
Settlement - Return ACLIC/PLIC funds held - Property of Protective	0.00	0.00	1,954,531.00
Premium Paid	0.00	0.00	4,172,902.57
Commission Paid	0.00	0.00	6,391,632.50
Claims Paid	0.00	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	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	0.00	288.00
Balance Deficiency Charge	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
Purchase of Investments	0.00	0.00	6.00
Total Disbursements	128,026.53	128,026.53	78,041,244.71
Release of Special Deposits - Investments	0.00	0.00	50,000.00
Adjustment to Securities Value	0.00	0.00	(99,722.72)
Change in Market Value	0.00	0.00	77,936.90
Security Amortization for the Period	1,575.05	1,575.05	(355,912.12)
Ending Cash & Invested Assets (Note 1)	7,227,372.10	7,227,372.10	7,227,372.10

See Schedule A for Analysis of Increase in Cash and Invested Assets (Unencumbered) 0.00

**AMERICAN CHAMBERS LIFE INSURANCE COMPANY, IN LIQUIDATION
 LIQUIDATION DATE MAY 8, 2000
 ANALYSIS OF INCREASE IN CASH AND INVESTED ASSETS (UNENCUMBERED)
 FOR THE PERIOD JANUARY 1, 2013 THROUGH JUNE 30, 2013**

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/12	<u>7,281,963.94</u>
Decrease in Cash and Invested Assets (Unencumbered)	(54,591.84)
Decrease in Non Cash Assets (Encumbered)	<u>0.00</u>
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 06/30/13	<u><u>7,227,372.10</u></u>

Note		Beginning Balance 12/31/12	Ending Balance 06/30/13
Note 1	<u>Cash and Invested Assets</u>		
	Unencumbered Cash & Invested Assets		
	Cash	7,418.47	15,156.75
	Bonds at Amortized Value	5,064,823.80	5,066,398.85
	Short Term Investments	250,000.00	250,000.00
	JP Morgan Funds - Money Market	1,959,721.67	1,895,816.50
	Total Unencumbered Cash & Invested Assets	<u>7,281,963.94</u>	<u>7,227,372.10</u>
	Encumbered Non Cash Assets		
	Statutory Deposits	0.00	0.00
	Total Encumbered Non Cash Assets	<u>0.00</u>	<u>0.00</u>
	Total Cash and Invested Assets and Non Cash Assets	<u>7,281,963.94</u>	<u>7,227,372.10</u>
Note 2	<u>Interest Income</u>		
	Interest on CD	143.84	
	Interest on Money Market Funds	94.83	
		<u>238.67</u>	
Note 3	<u>Recovery from Directors & Officers</u>		
	Thomas T. Sawicz - Settlement D&O Payments	1,500.00	
		<u>1,500.00</u>	
Note 4	<u>Proceeds from the Sale of Assets</u>		
	Sale of Assets	52.23	
		<u>52.23</u>	
Note 5	<u>Recoveries from Settlement Agreements</u>		
	Recovery from Settlement with Foley & Lardner LLP and Michael H. Woolever	70,000.00	
		<u>70,000.00</u>	
Note 6	<u>Other Income</u>		
	FICA Tax Refund - 3Q2012 Severance Ruling	68.74	
		<u>68.74</u>	

Note 7	<u>Salaries</u>		
	Chief and Deputy Liquidator Salaries		14,936.62
	Liquidation Employee Salaries		15,355.32
			30,291.94
			30,291.94
Note 8	<u>Employee Benefits</u>		
	Salaries 401K Employer Contribution		783.88
	Employee Insurance Benefits		2,573.90
	Employee Relations Other		412.84
			3,770.62
			3,770.62
Note 9	<u>Payroll & Other Taxes</u>		
	Workers Compensation Insurance		75.71
	State Unemployment Tax		478.99
	Federal Unemployment Tax		32.96
	FICA Tax		1,439.65
			2,027.31
			2,027.31
Note 10	<u>Legal Fees</u>		
	<u>Attorney General Contracted Legal Fees</u>		
	Kohrman Jackson & Krantz PLL		47,472.50
	Carlile Patchen & Murphy LLP		49.18
		Sub-Total	47,521.68
	<u>Attorney General Contracted Legal Expenses</u>		
	Kohrman Jackson & Krantz PLL		25.00
		Sub-Total	25.00
		Total Legal Fees	47,546.68
Note 11	<u>Consulting Fees and Other Outside Contracts</u>		
	ADP- Payroll Processing		135.00
	RASP Consulting - IT Consultant		269.82
		Sub-Total	404.82
	<u>Consulting Fees and Other Outside Contracts - Expenses</u>		
	RASP Consulting - IT Consultant		3.48
		Sub-Total	3.48
		Total Consulting Fees and Other Outside Contracts	408.30
Note 12	<u>Rent and Rent Items</u>		
	Rent on Leased Properties - Columbus Office Space		10,354.44
	Rent on Leased Properties - 1450 Dublin Rd Warehouse		1,327.39
	Rent on Leased Properties - Fireproof Records Center		2,408.28
	Rent on Leased Properties - Iron Mountain Records Management		26,008.20
	Furniture, Fixtures, & Equipment Rent		561.70
	Trash and Recycling		52.39
			40,712.40
			40,712.40

Note 13	<u>Maintenance / Repair: Facility and FF & E</u>	
	Gordon Flesch Co, Inc	24.83
	5 Star Plumbing	5.08
	Precision Roller	1.78
		31.69
		31.69
Note 14	<u>Travel and Travel Items</u>	
	Travel/Accommodation -Transportation	55.65
	Travel Expenses and Meals	11.42
		67.07
		67.07
Note 15	<u>Postage, Freight, Telephone, and Internet</u>	
	Postage	17.50
	Express and Freight	0.47
	Telephone & Fax	149.37
	Internet - Internet Access	265.25
		432.59
		432.59
Note 16	<u>Office Supply Expense</u>	
	Office Supplies	33.01
		33.01
		33.01
Note 17	<u>Data Processing</u>	
	Computer Maintenance	78.80
	Computer Supplies	20.69
	Computer Software Expense	1,139.51
		1,239.00
		1,239.00
Note 18	<u>Banking & Investment Expense</u>	
	Banking & Investment Expense	854.65
		854.65
		854.65
Note 19	<u>Reorganization & Consolidation of Files/Records/Documents</u>	
	Office Supplies - Boxes	26.42
	Travel-Accom. Transportation	2.15
	Storage Retrieval - Truck Rental and Gas	31.21
		59.78
		59.78
Note 20	<u>Other Expenses</u>	
	Insurance Building Liability	511.00
	Registration & Dues	36.25
	FF& E and IT - Non Capitalized Items	4.24
		551.49
		551.49