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COMMON PLEAS COURT
FRANKLIN CO., OHIO
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IN THE COMMON PLEAS COURT OF
FRANKLIN COUNTY, OHIO

MARY JO HUDSON, Ohio Superintendent of
Insurance, in her capacity as Liquidator of
The Oil & Gas Insurance Company,

Plaintiff,

v.

The Oil & Gas Insurance Company,

Defendant.

Case No. 90-CVII-05-3409

Judge Julie M. Lynch

**MOTION FOR APPROVAL OF PERIODIC ACCOUNTING OF LIQUIDATOR
FOR THE PERIOD JULY 1, 2009 THROUGH DECEMBER 31, 2009**

Mary Jo Hudson, Liquidator of The Oil & Gas Insurance Company, moves this Court for an Order approving the Statement of Receipts and Disbursements of the Liquidator for the period July 1, 2009 through 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 and in the Affidavit of Lynda G. Loomis, Chief Deputy Liquidator, attached hereto as Exhibit B.

Respectfully submitted,

RICHARD CORDRAY
Attorney General of Ohio

By Special Counsel:

Keith McNamara

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Liquidator of Oil & Gas Insurance Company*

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MEMORANDUM IN SUPPORT

The Liquidator requests that this Court approve the Statement of Receipts and Disbursements of the Liquidator for the period July 1, 2009 through December 31, 2009. These receipts and expenditures are described and set forth in the Attached Exhibit A and the Affidavit of Lynda G. Loomis, Chief Deputy Liquidator, attached hereto as Exhibit B.

On August 31, 1990. The Oil & Gas Insurance Company ("OGICO") was declared insolvent and placed in liquidation and the Ohio Superintendent of Insurance was appointed Liquidator. Section 3903.21 of the Ohio Revised Code and the Liquidation Order direct the Liquidator to take possession of and liquidate all property and assets of OGICO, to collect all debts and monies due OGICO, and to pay reasonable compensation to persons employed to assist with the liquidation 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 business property of the insurer.

The Liquidation Order and Section 3903.18(E) of the Ohio Revised Code provide that the Liquidator must submit periodic accountings to the Court. Such accountings assist the Court in monitoring the progress and status of the Liquidation and, in particular, the receipts and disbursements in the OGICO liquidation proceedings.

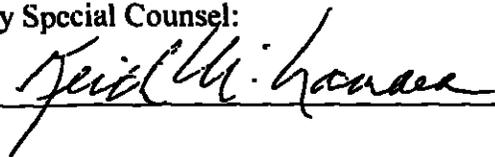
WHEREFORE, for the reasons outlined above, the Liquidator respectfully requests the Court to approve the attached Statement of Receipts and Disbursements of the Liquidator for the period July 1, 2009 through December 31, 2009.

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Respectfully submitted,

RICHARD CORDRAY
Attorney General of Ohio

By Special Counsel:



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**Liquidator of The Oil & Gas Insurance Company
Statement of Receipts and Disbursements
For The Period 7/01/09 to 12/31/09**

	CASH	SECURITIES	TOTAL
Balance at 06/30/09	134,467.01	13,529,722.04	13,664,189.05
Security Amortization for the Period	0.00	0.00	0.00
RECEIPTS			
Interest/Dividend Income	10,402.65	0.00	10,402.65
Refund of General Operating Expenses	21.50	0.00	21.50
Reinsurance Recoveries	585,844.86	0.00	585,844.86
Miscellaneous Income	3.16	0.00	3.16
TOTAL RECEIPTS	596,272.17	0.00	596,272.17
DISBURSEMENTS			
Investment Purchases in Money Market (Note 1)	456,402.65	(456,402.65)	0.00
Salaries:			
Chief Deputy Liquidator (Note 3,4,5)	4,831.46	0.00	4,831.46
Deputy Liquidators (Note 3,4,5)	6,614.38	0.00	6,614.38
Employee Wages, Taxes, Benefits (Note 3,4,5)	64,809.61	0.00	64,809.61
Legal Expense	9,598.10	0.00	9,598.10
Federal Income Tax Payments (Note 2)	45,039.00	0.00	45,039.00
General Operating Expenses (Note 6, 7)	30,601.21	0.00	30,601.21
TOTAL DISBURSEMENTS	617,796.41	(456,402.65)	161,393.76
Balance at 12/31/09	112,942.77	13,986,124.69	14,099,067.46

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 Money Market purchases for the reporting period.

Note 2: Effective with the tax year ending 12/31/08, Oil & Gas Insurance Company, in Liquidation was no longer eligible to file the Federal Tax Exempt Form 990PC. Oil & Gas is now required to file Federal Tax Form 1120PC. This amount includes additional tax payment of \$14,039 for 2008 year and \$31,000 estimated tax payment for 2009 due to receipt of \$580K previously written off reinsurance account (Pine Top).

Note 3: Includes \$193.85 salary expenses incurred on behalf of Ohio General Insurance Company (OGIC). \$22.53 in Chief Deputy Liquidator Salaries and \$171.32 in Employee wages. In 12/07, OGIC remitted \$54,359.16 to Oil & Gas to cover pre-paid operating expenses.



**Liquidator of The Oil & Gas Insurance Company
Statement of Receipts and Disbursements
For The Period 7/01/09 to 12/31/09**

- Note 4:** Includes \$987.55 salary expenses incurred on behalf of American Druggists' Insurance Company (ADIC). \$123.91 in Chief Deputy Liquidator Salaries and \$863.64 in Employee Wages. In 12/08, ADIC remitted \$25,911.91 to Oil & Gas to cover pre-paid operating expenses.
- Note 5:** Includes \$241.61 salary expenses incurred on behalf of Personal Physician Care, Inc. (PPC). \$ 19.63 in Chief Deputy Liquidator Salaries, \$50.48 Deputy Liquidator Salaries, and \$171.30 in Employee Wages. In 12/08, PPC remitted \$12,157.49 to Oil & Gas to cover pre-paid operating expenses.
- Note 6:** Accountants Fees of \$6,357.50 is comprised of the following: \$6,337.62 Tax & Audit Fees, \$19.88 Tax and Audit Expenses.
- Note 7:** Includes \$3,262.26 in expenses incurred as a result of 2009 Warehouse Consolidation Project. 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 reshelved 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 result 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.