

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

Mary Jo Hudson, Ohio Superintendent
of Insurance, in her Capacity as Liquidator of
Personal Physician Care, Inc.,

Plaintiff,

v.

Personal Physician Care, Inc.,

Defendant.

Case No. 98CVH08-6251

Judge Stephen L. McIntosh

**APPLICATION FOR ORDER: AUTHORIZING TRANSFER OF REMAINING FUNDS;
DISCHARGING AND RELEASING LIQUIDATOR; AUTHORIZING FINAL
ACCOUNTING, AUDIT REPORT AND FILING OF TAX RETURN; CLOSING ESTATE
AND DISSOLVING CORPORATE ENTITY; APPROVING DESTRUCTION OF
RECORDS; APPROVING ABANDONMENT OF PHYSICAL ASSETS; AUTHORIZING
CLOSING BANK ACCOUNTS; AND AUTHORIZATION
OF RELATED ACTIONS**

FILED
COMMON PLEAS COURT
FRANKLIN CO. OHIO
2008 DEC 4
CLERK S 4:32 P

Plaintiff, Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator (the "Liquidator") of Personal Physician Care, Inc. ("PPC") hereby respectfully requests that this Court enter an Order:

1. Pursuant to R.C. 3903.46(A), finding that PPC's remaining funds, in the amount of \$67,075.51, are uneconomic to distribute, and authorizing the Liquidator to transfer these remaining funds to the Ohio Department of Commerce, Division of Unclaimed Funds, and the Liquidator is further authorized to return any assets received after the closing of the liquidation to the transferor(s);

2. Pursuant to R.C. 3903.46(A), discharging and releasing the Liquidator, her predecessors, assigns and any and all deputy liquidators, agents or employees of the Liquidator and employees of the Ohio Department of Insurance, of all claims and liability of any nature whatsoever and whenever incurred (including but not limited to costs, expenses and attorneys' fees) relating to, involving or arising out of any and all actions, decisions, conduct, transactions, or events that were alleged or that could have been alleged in the PPC liquidation proceedings or in any other litigation that in any way relate to or involve PPC, the PPC liquidation proceedings, or any proceedings related to PPC or the PPC liquidation proceedings;

3. Authorizing the Liquidator or her designee to retain limited authority for the following purposes: (a) filing a final accounting with the Court; (b) filing a final audit report with the Court; (c) executing the final PPC 2008 tax return and filing it with the Internal Revenue Service in the manner provided by law; and (d) taking all related actions as authorized or as deemed necessary and appropriate by the Liquidator under various sections of R.C. Chapter 3903;

4. Finding that all other matters regarding the liquidation of PPC have been finalized in accordance with the orders of this Court, and effective immediately, the PPC liquidation estate is closed;

5. Pursuant to R.C. 3903.20, the corporate entity of PPC is hereby dissolved; and,

6. Pursuant to R.C. 3903.48, approving and authorizing the destruction of the PPC books and records as follows: (a) all pre-liquidation books and records may be immediately destroyed; (b) all post-liquidation books and records that the Liquidator determines are no longer essential, or that are not required to be maintained pursuant to applicable federal and state records retention requirements, may be immediately destroyed; and (c) all other books and records may be destroyed on or after the date three (3) years following the date of the order granting this application; provided, however, that any books and records listed in subsections (a), (b), or (c) that are related to the class action litigation captioned *OHA: The Ohio Association for Hospitals and Health Systems, et al. v. Ohio Department of Human Services, et al., Court of Claims of Ohio Case No. 99-01233*, (“the Class Action”) shall be preserved until the time specified in subsections (a), (b), or (c) above, as applicable, or until the Effective Date (as that term is defined in the Class Action Settlement and Release Agreement) of the Class Action Settlement and Release Agreement that is pending court approval in the Class Action, whichever date is later, after which such records may be immediately destroyed.

7. Pursuant to R.C. 3903.46(A), finding that PPC’s remaining physical assets are uneconomic to distribute, and approving and authorizing the Liquidator to abandon such physical assets;

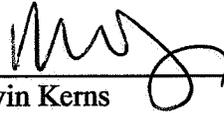
8. Authorizing the Liquidator to close all of the PPC bank accounts on or before December 31, 2008; and

9. Authorizing the Liquidator to take any and all related actions required to close the estate or carry out the orders of this Court.

Respectfully submitted,

NANCY H. ROGERS
Attorney General State of Ohio

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



R. Kevin Kerns (0021781)

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*Attorneys for Plaintiff Mary Jo Hudson,
Ohio Superintendent of Insurance, in her capacity as
Liquidator of Personal Physician Care, Inc.*

MEMORANDUM IN SUPPORT OF MOTION

On August 20, 1998, this Court issued an order placing Personal Physician Care, Inc. ("PPC") in liquidation pursuant to Chapter 3903 of the Ohio Revised Code and appointing the Ohio Superintendent of Insurance as Liquidator (the "Liquidation Order"). Since the date the Liquidation Order was entered, the Liquidator has thoroughly reviewed the books and records of PPC, has identified and collected, where reasonable, all known assets of PPC, and has reviewed, valued, and classified all known claims of PPC.

The Liquidator has made a pro-rata distribution to claimants holding allowed claims during the life of this liquidation as follows: (1) a 100% distribution to Class 2 claimants on their allowed claims; (2) a 100% distribution to Class 4 claimants on their allowed claims; and (3) a 91.833% final pro rata distribution to Class 5 claimants on their allowed claims. There were insufficient funds available in the PPC estate to pay allowed Class 5 claims in full and any claims in any class below Class 5. There were no claims allowed in Classes 3, 8 and 9. A final and complete distribution of remaining PPC assets was approved by this Court on February 20, 2008, resulting in a pro-rata distribution to allowed claims in this Liquidation as provided in the Order (the "February 20, 2008 Order"). By the February 20, 2008 Order, this Court also approved the Liquidator's recommendation for the allocation, distribution, and final accounting of those funds remaining in the estate for funding of administrative expenses.

Section 3903.46(A) of the Ohio Revised Code specifically authorizes the Court, in connection with the Liquidator's application for discharge, to "grant the discharge and make any other orders, including an order to transfer any remaining funds that are uneconomic to distribute, as may be appropriate." With little statutory direction as to how assets are to be distributed once all assets justifying the expense of collection and distributed have been collected and distributed, the Liquidator proposes that the remaining funds be transferred to the Ohio Department of Commerce, Division of Unclaimed Funds, which will hold the funds under R.C. 169.01 *et seq.* and allow potential claimants to search for, identify, and claim funds. Accordingly, the Liquidator requests that

the Court, pursuant to R.C. 3903.46(A), find that the remaining funds are uneconomic to distribute and authorize the Liquidator to transfer these remaining funds to the Ohio Department of Commerce, Division of Unclaimed Funds.

The Liquidator has otherwise reviewed the books and records of the PPC estate and determined that all other matters involving the estate have substantially been finalized, other than three ministerial functions, which cannot be performed until after the closing of the liquidation takes place.

The first two are a final accounting and a final auditor's report of the estate, in the form of previous auditor's reports submitted to this Court. This accounting and auditor's report will be filed with the Court upon their completion. Thirdly, because the final distribution took place in 2008, a final 2008 tax return must be prepared and filed with the Internal Revenue Service ("IRS"). For these reasons, the Liquidator requests this Court to authorize the Liquidator or her designee to retain authority to prepare and file the final accounting, to obtain and file a final audit report, and to execute a final 2008 tax return and file it with the IRS in the manner provided by law, thus completing the liquidation of PPC. Finally, once the liquidation of PPC is completed and the Liquidator is discharged, then the corporate entity of PPC is dissolved by operation of law pursuant to R.C. 3903.20.

Accordingly, the Liquidator moves this Court for an Order:

1. Pursuant to R.C. 3903.46(A), finding that PPC's remaining funds, in the amount of \$67,075.51, are uneconomic to distribute, and authorizing the Liquidator to transfer these remaining funds to the Ohio Department of Commerce, Division of Unclaimed Funds;

2. Pursuant to R.C. 3903.46(A), discharging and releasing the Liquidator, her predecessors, assigns and any and all deputy liquidators, agents or employees of the Liquidator and employees of the Ohio Department of Insurance, of all claims and liability of any nature whatsoever and whenever incurred (including but not limited to costs, expenses and attorneys' fees) relating to, involving or arising out of any and all actions, decisions, conduct, transactions, or events that were

alleged or that could have been alleged in the PPC liquidation proceedings or in any other litigation that in any way relate to or involve PPC, the PPC liquidation proceedings, or any proceedings related to PPC or the PPC liquidation proceedings;

3. Authorizing the Liquidator or her designee to retain limited authority for the following purposes: (a) filing a final accounting with the Court; (b) filing a final audit report with the Court; (c) executing the final PPC 2008 tax return and filing it with the Internal Revenue Service in the manner provided by law; and (d) taking all related actions as authorized or as deemed necessary and appropriate by the Liquidator under various sections of R.C. Chapter 3903;

4. Finding that all other matters regarding the liquidation of PPC have been finalized in accordance with the Orders of this Court, and effective immediately, the PPC liquidation estate is closed;

5. Pursuant to R.C. 3903.20, the corporate entity of PPC is hereby dissolved; and,

6. Pursuant to R.C. 3903.48, approving and authorizing the destruction of the PPC books and records as follows: (a) all pre-liquidation books and records may be immediately destroyed; (b) all post-liquidation books and records that the Liquidator determines are no longer essential, or that are not required to be maintained pursuant to applicable federal and state records retention requirements, may be immediately destroyed; and (c) all other books and records may be destroyed on or after the date three (3) years following the date of the order granting this application; provided, however, that any books and records listed in subsections (a), (b), or (c) that are related to the class action litigation captioned *OHA: The Ohio Association for Hospitals and Health Systems, et al. v. Ohio Department of Human Services, et al., Court of Claims of Ohio Case No. 99-01233*, (“the Class Action”) shall be preserved until the time specified in subsections (a), (b), or (c) above, as applicable, or until the Effective Date (as that term is defined in the Class Action Settlement and Release Agreement) of the Class Action Settlement and Release Agreement that is pending court approval in the Class Action, whichever date is later, after which such records may be immediately destroyed.

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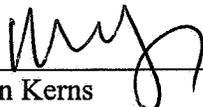
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Respectfully submitted,

NANCY H. ROGERS
Attorney General State of Ohio

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

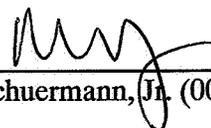


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*Attorneys for Plaintiff Mary Jo Hudson,
Superintendent of Insurance, Ohio Department
of Insurance, in her capacity as Liquidator
of Personal Physician Care, Inc.*

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served upon Mary Jo Hudson, Superintendent of Insurance, Ohio Department of Insurance, in her capacity as Liquidator of Personal Physician Care, Inc., in care of Lynda G. Loomis, Chief Deputy Liquidator, Office of the Ohio Insurance Liquidator, 50 W. Town Street, Third Floor – Suite 350, Columbus, Ohio 43215-4197, and also on Thomas Ridgley, Vorys Sater Seymour and Pease, LLP, 52 East Gay Street, P.O. Box 1008, Columbus, Ohio 43216-1008 (Attorneys for Plaintiffs in the Class Action) and Anthony J. O'Malley and Marcel C. Duhamel, Vorys, Sater Seymour and Pease, LLP, 2100 Cleveland Center, 1375 East Ninth Street, Cleveland, Ohio 44114-1724 (Attorneys for Plaintiffs in the Class Action) on this 4th day of December, 2008



Richard W. Schuermann, Jr. (0032546)