

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.

COPY

Case No. 00CVH-03-2206

Judge Richard S. Sheward

CLERK OF COURT

2007 MAY -9 PM 4:04

COMMON PLEAS COURT
FRANKLIN COUNTY, OHIO

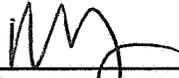
**MOTION FOR APPROVAL OF PERIODIC ACCOUNTINGS FOR THE
PERIOD OF JANUARY 1, 2006 THROUGH JUNE 30, 2006 AND
JULY 1, 2006 THROUGH DECEMBER 31, 2006**

Plaintiff, Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator of American Chambers Life Insurance Company ("ACLIC") moves this Court for an Order approving the Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2006 through June 30, 2006 and July 1, 2006 through December 31, 2006, as set forth in the attached Exhibits A and B. The grounds in support of this Motion are set forth in the accompanying Memorandum in Support.

Respectfully submitted,

MARC DANN
Attorney General State of Ohio

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


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Attorneys for the Liquidator of American Chambers Life
Insurance Company

MEMORANDUM IN SUPPORT

This motion is brought by the Liquidator requesting that this Court approve the Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2006 through June 30, 2006 and July 1, 2006 through December 31, 2006, as set forth in the attached Exhibits A and B.

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.

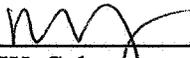
The Liquidator is also required by R.C. 3903.18(E) to periodically account to the Court, throughout the pendency of the ACLIC liquidation proceedings, to be submitted in the form attached hereto as Exhibits A and B. Such accountings may assist the Court in monitoring the progress and status of the liquidation, 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 Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2006 through June 30, 2006 and July 1, 2006 through December 31, 2006.

Respectfully submitted,

MARC DANN
Attorney General State of Ohio

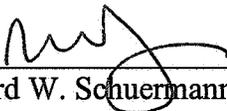
By Special Counsel:
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American Chambers Life Insurance Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing *Motion for Filing and Approval of Periodic Accountings of Liquidator* was served via ordinary mail to Charles Richards, Esq., Baker & Daniels, 805 15th Street NW, Suite 700, Washington, DC 20005 and Alan F. Berliner, Esq., Thompson Hine LLP, 10 West Broad Street, Suite 700, Columbus, OH 43215 on this 9th day of May, 2007.



Richard W. Schuermann, Jr. (0032546)

EXHIBIT A

American Chambers Life Insurance Company, in Liquidation
Statement of Receipts and Disbursements
For the period of January 1 to June 30, 2006

	<u>Cash</u>	<u>Securities/ Investments</u>	<u>Total for Period</u>	<u>Inception to Date</u>
Balance at December 31, 2005	\$ 20,886,548.44	\$ 50,000.00	\$ 20,936,548.44	14,484,114.96
Receipts:				
Adjustment to 5/8/00 Balance			-	391,703.74
Cole Taylor CD Return			-	588,869.05
Adjustment to Securities Value			-	(99,722.72)
Investment Income	470,350.86	-	470,350.86	3,997,185.98
Change in Market Value			-	77,936.90
Claim Recoveries			-	1,612,364.46
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			-	114,714.37
Miscellaneous Income			-	60,746.65
Insurance Recovery - Theft of			-	265.60
Computer/Equipment			-	
Checks Clearing after Liquidation			-	6,588,601.12
Tax Payment Refunds			-	268,214.28
Refund of Assessment			-	46,067.29
Reinsurance Premium Recovered			-	817,556.19
Checks not Cleared			-	1,258,435.22
Fen-Phen Settlement			-	60,341.84
Premium Refund			-	38,940.64
Preferential Recoveries	48,400.00		48,400.00	3,062,008.52
Settlements	686.88		686.88	77,957.38
Recovery of Arkansas Deposit			-	199,250.00
Recovery of Florida Deposit			-	2,058,336.48
Subrogation			-	5,000.00
Investment Proceeds Funds Transfer			-	-
Total Receipts:	\$ 519,437.74	\$ -	\$ 519,437.74	\$ 45,814,498.45
Disbursements:				
General Operating Expenses	78,581.07	-	78,581.07	4,294,372.70
Bank Withdrawal for CD			-	3,873.27
Loan Payments			-	124,203.83
Riverbend Transactions	9,904.00		9,904.00	1,222,863.86
Legal Expenses	145,865.12		145,865.12	3,560,438.13
Bank Charges			-	130,137.88
Salaries:				
Chief Deputy Liquidator	4,754.23		4,754.23	24,624.88
Deputy Liquidators	22,732.56		22,732.56	160,951.06
Employee Wages, Taxes, Benefits	54,812.42		54,812.42	347,650.15
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	1,025.00		1,025.00	1,364,254.64
Investment Purchases (Note 1)			-	6.00
Total Disbursements:	\$ 317,674.40	\$ -	\$ 317,674.40	\$ 39,160,301.63
Balance at June 30, 2006	\$ 21,088,311.78	\$ 50,000.00	\$ 21,138,311.78	\$ 21,138,311.78

Note 3

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 \$21,083,000.00 investment in repurchase agreements.

American Chambers Life Insurance Company, in Liquidation

**Statement of Receipts and Disbursements
For the period of January 1 to June 30, 2006**

	<u>Cash</u>	<u>Securities</u>	<u>Plic</u>	<u>Upic</u>	<u>Ceres</u>	<u>NoIgha</u>	<u>Total</u>
Balance at December 31, 2005	\$ 16,538,686.54	\$ 50,000.00	\$ 6,051.63	\$ 324,827.52	\$ 1,392.29	\$ 4,015,590.46	\$ 20,936,548.44
Receipts:							
Interest Income	470,350.86						470,350.86
Dividend Income							
Change in Market Value							
Loss on Sale of Investment							
Fen-Phen Settlement							
Recovery of Arkansas Deposit							
Refund of Assessment							
Premium Refund							
Preferential Payments	48,400.00						48,400.00
Settlements	686.88						686.88
CLS Action PRCO - Warfarin Sodium Antitrust							
Cardizem Settlement							
Settlements							
Tax Payment Refund							
Insurance Recovery - Theft of							
Computer/Equipment							
Investment Proceeds Funds Transfer							
Total Receipts:	\$ 519,437.74	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 519,437.74
Disbursements:							
General Operating Expenses	78,581.07						78,581.07
Riverbend Transactions	9,904.00						9,904.00
Legal Expenses	145,865.12						145,865.12
Salaries:							
Chief Deputy Liquidator	4,754.23						4,754.23
Deputy Liquidators	22,732.56						22,732.56
Employee Wages, Taxes, Benefits	54,812.42						54,812.42
Outside Contracts	1,025.00						1,025.00
Investment Purchases	0.00						
Total Disbursements:	\$ 317,674.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317,674.40
Balance at June 30, 2006	\$ 16,740,449.88	\$ 50,000.00	\$ 6,051.63	\$ 324,827.52	\$ 1,392.29	\$ 4,015,590.46	\$ 21,138,311.78

EXHIBIT B

American Chambers Life Insurance Company, in Liquidation
Statement of Receipts and Disbursements
For the period of July 1 to December 31, 2006

	<u>Cash</u>	<u>Securities/ Investments</u>	<u>Total for Period</u>	<u>Inception to Date</u>
Balance at June 30, 2006	21,088,311.78	50,000.00	21,138,311.78	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	17,500,000.00		17,500,000.00	17,500,000.00
Adjustment to Securities Value			0.00	(99,722.72)
Investment Income	596,456.65	0.00	596,456.65	4,593,642.63
Change in Market Value		0.00	0.00	77,936.90
Claim Recoveries	792.85		792.85	1,613,157.31
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			0.00	114,714.37
Miscellaneous Income	0.00		0.00	60,746.65
Insurance Recovery - Theft of Computer/Equipment	0.00		0.00	265.60
Checks Clearing after Liquidation			0.00	6,588,601.12
Tax Payment Refunds	0.00		0.00	268,214.28
Refund of Assessment	0.00		0.00	46,067.29
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	69,200.00		69,200.00	3,131,208.52
Settlements	12,996.49		12,996.49	90,953.87
Recovery from Directors & Officers	490,500.00		490,500.00	490,500.00
Recovery of Arkansas Deposit			0.00	199,250.00
Recovery of Florida Deposit			0.00	2,058,336.48
Subrogation			0.00	5,000.00
Investment Proceeds Funds Transfer	0.00	0.00	0.00	0.00
Total Receipts:	18,669,945.99	0.00	18,669,945.99	64,484,444.44
Disbursements:				
General Operating Expenses	100,862.31	0.00	100,862.31	4,395,235.01
Bank Withdrawal for CD			0.00	3,873.27
Loan Payments			0.00	124,203.83
Riverbend Transactions	137,187.54		137,187.54	1,360,051.40
Legal Expenses	219,787.42		219,787.42	3,780,225.55
Bank Charges			0.00	130,137.88
Salaries:				
Chief Deputy Liquidator	4,922.10		4,922.10	29,546.98
Deputy Liquidators	18,439.16		18,439.16	179,390.22
Employee Wages, Taxes, Benefits	51,028.32		51,028.32	398,678.47
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	14,305.87		14,305.87	1,378,560.51
Investment Purchases (Note 1)			0.00	6.00
Total Disbursements:	546,532.72	0.00	546,532.72	39,706,834.35
Balance at December 31, 2006	39,211,725.05	50,000.00	39,261,725.05	39,261,725.05

Note 3

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 \$39,206,000.00 investment in repurchase agreements.

American Chambers Life Insurance Company, in Liquidation

Statement of Receipts and Disbursements

For the period of July 1 to December 31, 2006

	<u>Cash</u>	<u>Securities</u>	<u>Plic</u>	<u>Uplc</u>	<u>Cares</u>	<u>Nolaha</u>	<u>Total</u>
Balance at June 30, 2006	16,740,449.88	50,000.00	6,051.63	324,827.52	1,392.29	4,015,590.46	21,138,311.78
<u>Receipts:</u>							
Proceeds from sale of Riverbend Venture	17,500,000.00						17,500,000.00
Interest Income	596,456.65						596,456.65
Dividend Income		0.00					0.00
Change in Market Value		0.00					0.00
Loss on Sale of Investment						0.00	0.00
Fen-Phen Settlement							0.00
Claim Recoveries	792.85						792.85
Refund of Assessment	0.00						0.00
Premium Refund	0.00						0.00
Preferential Payments	69,200.00						69,200.00
Settlements	12,996.49						12,996.49
Recovery from Directors & Officers	490,500.00	0.00					490,500.00
Insurance Recovery - Theft of	0.00						0.00
Computer/Equipment	0.00						0.00
Investment Proceeds Funds Transfer	0.00						0.00
Total Receipts:	18,669,945.99	0.00	0.00	0.00	0.00	0.00	18,669,945.99
<u>Disbursements:</u>							
General Operating Expenses	100,862.31						100,862.31
Riverbend Transactions	137,187.54						137,187.54
Legal Expenses	219,787.42						219,787.42
Salaries:							
Chief Deputy Liquidator	4,922.10						4,922.10
Deputy Liquidators	18,439.16						18,439.16
Employee Wages, Taxes, Benefits	51,028.32						51,028.32
Outside Contracts	14,305.87						14,305.87
Total Disbursements:	546,532.72	0.00	0.00	0.00	0.00	0.00	546,532.72
Balance at December 31, 2006	34,863,863.15	50,000.00	6,051.63	324,827.52	1,392.29	4,015,590.46	39,261,725.05

**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

FILED
COMMON PLEAS COURT
FRANKLIN CO. OHIO
2007 MAY 11 PM 12:14
CLERK OF COURT - CV

**JOURNAL ENTRY AND ORDER APPROVING MOTION FOR
APPROVAL OF LIQUIDATOR'S PERIODIC ACCOUNTINGS FOR THE
PERIODS JANUARY 1, 2006 THROUGH JUNE 30, 2006 AND
JULY 1, 2006 THROUGH DECEMBER 31, 2006**

This matter is before the Court upon the motion of Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator of American Chambers Life Insurance Company ("ACLIC"), for an order approving the Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2006 through June 30, 2006 and July 1, 2006 through December 31, 2006, as set forth in Exhibits A and B attached to said motion (the "Motion"). Upon consideration of the Liquidator's Motion, Memorandum in Support and Exhibits A and B, the Court finds the Motion is well taken and it is hereby:

ORDERED, ADJUDGED AND DECREED that the Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2006 through June 30, 2006 and July 1, 2006 through December 31, 2006, as set forth in Exhibits A and B attached to the Motion, are hereby approved.

Dated: _____



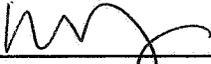
Judge Richard S. Sheward

APPROVED:

MARC DANN
Attorney General State of Ohio

By Special Counsel:

KEGLER, BROWN, HILL & RITTER
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