IN THE COURT OF COMMON PLEAS, FRANKLIN COUNTY, OHIO

Mary Taylor, Ohio Superintendent of Insurance, in her capacity as Liquidator of Acceleration National Insurance Company,	:	
Plaintiff,	:	
v.	:	Case No. 00-CV-010534
Acceleration National Insurance Company,	:	Judge Julie M. Lynch
Defendant.	:	

MOTION FOR THE APPROVAL OF LIQUIDATOR'S FINAL PERIODIC ACCOUNTING FOR THE PERIOD OF JULY 1, 2012 TO NOVEMBER 30, 2012

Plaintiff, Mary Taylor, Ohio Superintendent of Insurance in her capacity as Liquidator ("Liquidator") of Acceleration National Insurance Company ("ANIC"), requests this Court to approve the Final Statement of Receipts and Disbursements for the period of July 1, 2012 to November 30, 2012, as set forth in the attached Exhibit A. A Memorandum in Support is attached and incorporated by reference.

Respectfully submitted,

MIKE DE WINE
Attorney General State of Ohio
By Special Counsel:
CARLILE PATCHEN & MURPHY LLP

By: /s/ Scott R. Mergenthaler
Dennis J. Concilla (0012254)
dconcilla@cpmlaw.com
Carl A. Aveni, II (0070664)
caveni@cpmlaw.com
Scott R. Mergenthaler (00122869)
smergenthaler@cpmlaw.com
366 East Broad Street
Columbus, Ohio 43215
Telephone: (614) 228-6135
Facsimile: (614) 221-0216
Attorneys for the Liquidator of
Acceleration National Insurance Company

MEMORANDUM IN SUPPORT

On October 15, 2012, this Court entered an Order granting the Liquidator's motion for an order approving the Liquidator's Corrected Final Report of Claims, reserve for administrative expenses, and authorizing final distribution of the assets of Acceleration National Insurance Company ("ANIC"). On November 21, 2012, this Court entered an Order granting the Liquidator's application for an Order Terminating the liquidation proceedings of ANIC, discharging the Liquidator and making other provisions to close the ANIC liquidation estate and terminate the ANIC liquidation case (the "Final Closing Order"). Pursuant to R.C. 3903.46(A), the Final Closing Order requires the Liquidator to file for post-closure approval of a final accounting and a final auditor report. This Motion requests approval of the Liquidator's Final Statement of Receipts and Disbursements for the period of July 1, 2012 to November 30, 2012 (the "Statement"). The Statement is attached as Exhibit A and incorporated herein by reference.

Pursuant to the Final Order of Liquidation and Appointment of Liquidator (the "Liquidation Order") entered in this case on February 28, 2001, ANIC was ordered liquidated pursuant to R.C. Chapter 3903. The Liquidator Order appointed the Ohio Superintendent of Insurance as ANIC's Liquidator and empowered, authorized and directed the Liquidator to liquidate all of ANIC's property and assets 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 R.C. Chapter 3903, the Liquidator undertook to collect all debts and moneys due to ANIC, and make 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) provides that the expenses of administration are to be given first priority in the distribution of assets.

The Liquidator is also required by R.C. 3903.18(E) to submit accountings semi-annually to the Court in the form of a statement of receipts and disbursements of the Liquidator throughout the pendency of ANIC's liquidation proceedings. The accounting is to assist the Court in monitoring the progress and status of the liquidation, and in particular, the receipts and disbursements in ANIC's liquidation proceedings. Prior to this motion, since 2002, the Liquidator filed periodic accountings with this Court, all of which this Court approved. The final accounting for the period from July 1, 2012 to November 30, 2012 is attached as Exhibit A.

On October 15, 2012, this Court approved the Liquidator's Corrected Final Report of Claims filed in the ANIC liquidation and authorized the Liquidator to make a final pro-rata distribution of the remaining assets of ANIC to claimants in Classes 1 and 2 on their allowed claims in the total amount of $2,394,987.50. On October 16, 2012, the Liquidator issued the distribution checks. In its October 15, 2012 Order, the Court also approved the Liquidator's reservation of $54,009.12 from the assets of the ANIC estate for the Liquidator's payment of known future Class 1 administrative expenses on and after the closure of the ANIC bank accounts. The October 15, 2012 Order approved the Liquidator's pre-payment of the ANIC estate's unpaid administrative expenses related to the closure of the ANIC estate to another estate, LMI Insurance Company ("LMI"), for its administration and payment of these remaining ANIC expenses[1]. Consistent with long standing administrative operating procedures approved in the LMI Liquidation Case, the post-liquidation closing obligations of ANIC were transferred through a prepayment of the remaining ANIC court-

[1] The Liquidator administers and accounts for the administrative reserve pursuant to the long standing Administrative Operating Procedure updated and approved most recently on December 21, 2010 in the LMI Liquidation Case, Case No. 00CVH03-2431 (the "updated AOP"). The updated AOP was approved by this court on January 20, 2011. The process set forth in the updated AOP for Closed Estates has been in place since the early 1990s.

authorized reserve to LMI. Therefore, this category of expenses is not included in the attached Final Periodic Accounting.

The Liquidator's November 14, 2012 application for the Final Closing Order also requested that this Court enter an Order pursuant to R.C. 3903.46 and related sections. As noted above, on November 21, 2012, this Court entered the Final Closing Order granting the Liquidator's application, discharging the Liquidator, closing this liquidation estate effective on or before December 31, 2012, and terminating this case. The Liquidator's Final Statement of Receipts and Disbursements for the period of July 1, 2012 to November 30, 2012 is hereby submitted for approval as the final submission pursuant to the Final Closing Order.

For the reasons outlined above, the Liquidator respectfully requests the Court to approve ANIC's Final Statement of Receipts and Disbursements for the period of July 1, 2012 to November 30, 2012, as set forth in the attached Exhibit A.

Respectfully submitted,

MIKE DE WINE
Attorney General State of Ohio
By Special Counsel:
CARLILE PATCHEN & MURPHY LLP

By: /s/ Scott R. Mergenthaler
Dennis J. Concilla (0012254)
dconcilla@cpmlaw.com
Carl A. Aveni, II (0070664)
caveni@cpmlaw.com
Scott R. Mergenthaler (0012869)
smergenthaler@cpmlaw.com
366 East Broad Street
Columbus, Ohio 43215
Telephone: (614) 228-6135
Facsimile: (614) 221-0216
Attorneys for the Liquidator of
Acceleration National Insurance Company

CERTIFICATE OF NOTICE

I hereby certify that a true and accurate copy of the foregoing Motion for Approval of the Liquidator's Final Periodic Accounting was posted on the Liquidator's website () substantially contemporaneous with the filing of this Motion.

/s/ Scott R. Mergenthaler
Scott R. Mergenthaler (0012869)

EXHIBIT A

ACCELERATION NATIONAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE FEBRUARY 28, 2001
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM FEBRUARY 28, 2001 THROUGH NOVEMBER 30, 2012

	Current Period 7/1/2012 TO 11/30/2012	YTD 1/1/2012 TO 11/30/2012	CUMULATIVE FROM 2/28/2001
Beginning Cash & Invested Assets (Note 1)	2,455,028.76	9,698,023.74	3,527,972.02
Receipts:			
Interest Income (Note 2)	47.16	243.87	3,134,726.55
Premiums Collected	0.00	0.00	1,630.70
Reinsurance Recoveries	0.00	0.00	12,247,009.05
Salvage & Subrogation	0.00	0.00	847,217.52
Reimbursement of Losses Paid	0.00	0.00	1,669.58
Return of Overpymt. - NJ Unsat. Claim & Judgment Fd.	0.00	0.00	23,082.63
Recovery From Various Guaranty Associations (Note 4)	15,079.33	15,079.33	41,517.32
Recovery of Statutory Deposit	0.00	0.00	1,346,605.22
Transfer of Unencumbered Funds to Operating (Note 3)	59,329.17	199,503.99	306,135.26
Recovery of Insured's Policy Deductible	0.00	0.00	8,144.90
Refund of Indiana IGA Assessment	0.00	0.00	222.08
Proceeds from Adner Enterprises, Inc. Settlement	0.00	0.00	50,522.82
Proceeds from First Commercial Holdings, Inc. Settlement	0.00	0.00	13,080.53
Proceeds from The Hartford Insurance Co. - D & O Settlement	0.00	0.00	250,000.00
Recovery of Preference Payments	0.00	0.00	655,694.14
Refund of General Operating Expenses	0.00	0.00	27.48
Tax Refunds	0.00	0.00	193,765.24
Other Income (Note 5)	303.68	303.68	16,105.30
Reimbursement of Prior Period Intercompany Expenses	0.00	0.00	284.30
Replacement of Ancillary Deposits - Funds Returned	0.00	0.00	605,578.12
Proceeds from Closed Bank Account - Uncashed Checks on Loss & LAE	0.00	0.00	42,541.98
Total Receipts	74,759.34	215,130.87	19,785,560.72
Disbursements:			
Compensation			
Salaries (Note 6)	31,644.72	72,490.41	1,408,316.30
Employee Benefits (Note 7)	2,670.25	8,270.67	210,703.04
Payroll & Other Taxes (Note 8)	2,378.13	6,154.68	107,061.46
Professional Fee			
Legal Fees (Note 9)	1,309.38	2,315.66	741,933.99
Consulting Fees and Other Outside Contracts (Note 10)	2,869.93	4,706.09	1,621,620.18
Tax Preparation & Audit Fees (Note 11)	14,030.00	14,030.00	191,874.30
Ohio Department of Insurance - Examiner Fees	0.00	0.00	25,716.36
Other Expenses of Administration of Company and its Property:			
Rent and Rent Items (Note 12)	14,495.56	33,692.91	384,557.28
Maintenance / Repair - Facility and FF & E (Note 13)	185.77	234.42	6,913.93
Travel and Travel Items (Note 14)	108.95	305.10	75,451.97
Postage, Freight, Telephone and Internet (Note 15)	595.81	1,198.72	39,401.91
Office Supply Expense (Note 16)	43.87	159.47	9,960.61
Data Processing (Note 17)	112.48	1,609.77	84,399.65
Banking and Investment Expense	1,781.00	2,768.41	29,338.63
Moving and Relocation Costs	0.00	0.00	5,083.40
Reorganization & Consolidation of Files/Records/Documents	0.00	74.41	74.41
Warehouse Consolidation Project Expenses	0.00	0.00	8,166.39
Other Expenses (Note 18)	3,442.95	4,311.94	196,287.84
All Other Disbursements :			
Additional Cost - Replacement of Ancillary Deposits	0.00	0.00	638,365.01
Interim Distribution to Insurance Guaranty Associations (Note 19)	1,871,335.48	7,579,048.27	15,738,583.45
Interim Distribution to Class 2 Claimants-Non IGA (Note 19)	523,652.02	1,982,919.13	3,608,959.61
Total Disbursements	2,470,656.30	9,714,290.06	25,132,769.72
Security Amortization for the Period	195.89	630.67	(95,280.33)
Encumbered Cash Accounts (Statutory Deposit) - OR	(59,327.69)	(199,495.22)	0.00
Recovery of Statutory Deposit (US Trea. Note) OH	0.00	0.00	1,978,276.69
Short Term Investment - Book Value Adjustment	0.00	0.00	(63,759.38)
Ending Cash & Invested Assets (Note 1)	(0.00)	(0.00)	0.00

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

EXHIBIT A

Acceleration National Insurance Company, In Liquidation
Liquidation Date February 28, 2001
Notes to Statement of Cash Receipts and Disbursements
For the Period July 1, 2012 through November 30, 2012

		Beginning Balance 7/1/2012	Ending Balance 11/30/2012
Note 1	**Cash and Invested Assets**		
Unencumbered Cash & Invested Assets			
Cash		5,041.97	0.00
U.S. Government Obligations		999,804.11	0.00
JP Morgan Funds - Money Market		1,390,854.99	0.00
Total Unencumbered Cash & Invested Assets		**2,395,701.07**	**0.00**
Cash Encumbered		59,327.69	0.00
Subtotal		**2,455,028.76**	**0.00**
Encumbered Non Cash Assets			
Statutory Deposits (C)		101,151.22	0.00
Total Encumbered Non Cash Assets		101,151.22	0.00
Total Cash and Invested Assets and Non Cash Assets		**2,556,179.98**	**0.00**
Statutory Deposits (C)			
Note 2	**Interest Income**		
	Interest- Money Market Fund	47.16	
		47.16	
Note 5	**Refund of Previous Assessment**		
	Refund of Indiana Insurance Guaranty Association assessment	15,079.33	
		15,079.33	
Note 3	**Transfer of Unencumbered Funds to Operating Account**		
	Release of Unencumbered portion of JPM ANIC Oregon Special Deposit to Operating Account	59,329.17	
		59,329.17	
Note 4	**Recovery from Various Insurance Guaranty Associations**		
	Recovery of Early Access payment from Connecticut IGA due to Loss Recovery	15,079.33	
		15,079.33	
Note 5	**Other Income**		
	Workers Comp Refund	298.81	
	Wells Fargo Refund	4.87	
		303.68	
Note 6	**Salaries**		
	Chief Deputy Liquidator	4,172.55	
	Deputy Liquidators	7,782.57	
	Employee Salaries	19,689.60	

Acceleration National Insurance Company, In Liquidation
Liquidation Date February 28, 2001
Notes to Statement of Cash Receipts and Disbursements
For the Period July 1, 2012 through November 30, 2012

		31,644.72

Note 7 **Employee Benefits**

Salaries 401K Employer Contribution	485.31
Employee Insurance Benefits	1,860.63
Employee Related Expense - Other	324.31
	2,670.25

Note 8 **Payroll and Other Taxes**

Workers Compensation Insurance	148.58
State Unemployment Tax	0.80
FICA Tax	2,228.75
	2,378.13

Note 9 **Legal Fees**

Attorney General Contracted Legal Fees

Carlile, Patchen & Murphy LLP	1,309.38
	1,309.38

Note 10 **Consulting Fees and Other Outside Contracts**

ADP-Process Liquidation Payroll	162.49
RASP Consulting - IT Consultant	2,707.44
	2,869.93

Note 11 **Tax Preparation and Audit Fees**

Maloney + Novotny 1120 PC Tax Return (2011/2012)	5,330.00
Maloney + Novotny Audit Fees (6/30/2012 YE, 11/30/12)	8,700.00
	14,030.00

Note 12 **Rent & Rent Items**

Rent on Leased Properties	9,108.25
Storage Expense -Fireproof Records Center	4,608.54
Rent - Other- Safety Deposit Box	7.81
Trash/Recycling	63.19
Furniture & Equipment Rent	707.77
	14,495.56

Note 13 **Maintenance / Repair: Facility and FF & E**

CDW Direct	150.27
Gordon Flesch Co	35.50
	185.77

Acceleration National Insurance Company, In Liquidation
Liquidation Date February 28, 2001
Notes to Statement of Cash Receipts and Disbursements
For the Period July 1, 2012 through November 30, 2012

Note 14 **Travel & Travel Items**

Travel - Accommodation and Transportation	96.34
Travel - Expenses and Meals	12.61
	108.95

Note 15 **Postage, Freight, Telephone and Internet**

Office Postage	70.96
Express & Freight	0.87
Telephone and Fax	170.71
Internet - Internet Access	353.27
	595.81

Note 16 **Office Supply Expense**

Office Supplies	43.87
	43.87

Note 17 **Data Processing**

Computer Supplies	30.87
Software Expense Purch/Maint	81.61
	112.48

Note 18 **Other Expenses**

Professional and D & O / EPLIC Liability Insurance	1,604.44
Registration & Dues	7.50
Storage Retrieval - Fireproof Records Center	60.00
Record Destruction - Fireproof Records Center	1,729.05
FF & E and IT - Non Capitalized Purchases	22.30
Miscellaneous Expense	19.66
	3,442.95

Note 19 **Final Distributions - IGA Class 1 and 2 and Class 2 Non-IGA**

Final Distribution to IGAs - Class 1	88,614.00	
Final Distribution to IGAs - Class 2	1,782,721.48	
Final Distribution - Class 2 Claimants - Non IGA	426,022.60	
Reissued - Class 2 Claimants - Non IGA (2nd Interim Dist)	97,629.42	
	2,394,987.50	**(A)**

(A) - Payments made pursuant to Court Order.

EXHIBIT A

ACCELERATION NATIONAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE: FEBRUARY 28, 2001
ANALYSIS OF INCREASE IN CASH AND INVESTED ASSETS (UNENCUMBERED)
For the Period July 1, 2012 through November 30, 2012

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 7/1/12	**2,556,179.98**
Decrease in Cash and Invested Assets (Unencumbered)	(2,395,701.07)
Actual decrease in Cash and Invested Assets (Unencumbered)	(2,395,701.07)
Decrease in Cash (Encumbered)	(59,327.69) *
Decrease in Non Cash Assets (Encumbered)	(101,151.22) **
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 11/30/12	**0.00**

*** Decrease in Encumbered Cash due to the transfer of the Unencumbered portion to Operating, according to the Determined Value of Admin, Loss & LAE Expense for Oregon IGA.**

**** Decrease in Non Cash Assets (Encumbered) due to the final accounting of GA & AR Special Deposits - applied to Admin, Loss & LAE.**