

IN THE COURT OF COMMON PLEAS OF FRANKLIN COUNTY, OHIO

Ann H. Womer Benjamin, Superintendent, Ohio  
Department of Insurance, in her capacity as  
Rehabilitator of Builders & Contractors  
Employee Benefit Association Trust,

Case No. 02CVH02-2010

Plaintiff,

Judge Schneider

v.

Builders & Contractors Employee Benefit  
Association Trust,

Defendant.

FILED  
COMMON PLEAS COURT  
FRANKLIN COUNTY, OHIO  
06 SEP 19 AM 11:42  
CLERK OF COURTS

**STATUS REPORT ON THE FIRST AMENDED PLAN OF REHABILITATION FOR BUILDERS & CONTRACTORS EMPLOYEE BENEFIT ASSOCIATION TRUST, IN REHABILITATION**

This Court by Order dated May 15, 2006, approved the First Amended Plan of Rehabilitation For Builders & Contractors Employee Benefit Association Trust (“the Amended Plan”). The Rehabilitator offers the following as a report as to the status of the implementation of the Amended Plan:

1. Members’ Acceptances and Payment. The Amended Plan provided members, who had been assessed for the liabilities of Builders & Contractors Employee Benefit Association Trust (“BCEBAT”), an opportunity to settle the assessment litigation against them and to receive a full and final release in return for paying a reduced assessment amount. Pursuant to the Plan, the Rehabilitator sent a Settlement Notice dated May 31, 2006, to each member, advising such members that they were to notify the Rehabilitator by June 30, 2006, of their intent to accept the settlement, and that those accepting the settlement were to pay the settlement amount by July 31, 2006.

Of the 276 members offered the opportunity to pay 90% of their present assessment in full release of any present and future assessments, 106 members (38 percent) accepted and paid.

The Rehabilitator collected a total of \$942,551.01 from such accepting members under the Amended Plan, including approximately \$63,000 which was not accepted and/or paid timely. The Rehabilitator submitted three separate motions requesting that she be permitted to accept such settlement payments as timely under the Amended Plan, which motions the Court granted by orders on August 25, 2006, August 28, 2006, and Sept. 13, 2006. Those members who paid have been fully released per the provisions of the Amended Plan, as were those members who previously paid the full amount of their assessments. Additional details regarding the outcome of the Amended Plan provisions with respect to the members can be found in Exhibit A, attached

2. Creditors' Acceptances and Disbursements. The Amended Plan provided an opportunity for creditors to accept a lower percent of their claim in exchange for the possibility of an earlier payment. Pursuant to the Plan, the Rehabilitator sent a letter dated May 31, 2006 offering each general creditor their respective compromise amounts. Of 517 remaining general creditors offered the possibility of prompt payment if they accepted a compromise of 70 percent of their claims as calculated by the Rehabilitator, 245 creditors (about 47 percent) accepted timely. Those creditors represented \$1,032,706.92 in claims, and utilizing the funds collected from accepting members, the Rehabilitator was able to discharge that amount of claims against BCEBAT for just over \$722,000. Additional details regarding the outcome of the Amended Plan provisions with respect to the general creditors can be found in Exhibit A, attached.

After the compromise of the claims referenced above, BCEBAT's remaining obligations are in excess of \$922,000 in unpaid creditors, as well as the additional expenses of collecting assessments to pay such creditors. (One creditor disputed his determined claim and the resolution of that matter is pending.) Furthermore, BCEBAT continues to accrue litigation expenses

relating to the appeal of the Amended Plan and there will be additional litigation expenses relating to the assessment litigation against the remaining members who did not accept the settlement offered in the Amended Plan.

3. Appeal of the Amended Plan. R.B. Thomas Electric Company, Inc. ("R.B. Thomas"), filed a notice of appeal to this Court's approval of the Amended Plan. R.B. Thomas submitted its appellant brief to the 10<sup>th</sup> District Court of Appeals on July 28, 2006. The Rehabilitator filed her appellee brief on September 6, 2006. No date for oral argument has been set.

Respectfully submitted,

JIM PETRO  
Attorney General, State of Ohio

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Insurance, as Rehabilitator for Builders and  
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**Builders & Contractors Employee Benefit Association Trust  
Summary of First Amended Plan of Rehabilitation**

**Assessments**

\$ 2,299,388.43				Total Unpaid Assessments Due From Members As Of May 31, 2006
\$ 2,047,671.70				Settlement Amounts Offered To Members As Of May 31, 2006
	110	of	276	or 39.86% Of Members Accepted Settlement Offer
	106	of	276	or 38.41% Of Members Paid Settlement Offer
\$ 1,051,164.00		of	\$ 2,047,671.70	or 51.33% Of Offered Settlements Amounts Accepted
\$ 942,551.01		of	\$ 2,047,671.70	or 46.03% Of Offered Settlements Amounts Paid

**Creditors**

1,775,592.15				Determined Amount Of Creditor Claims As Of May 31, 2006 -- including general creditors
1,242,884.03				Settlement Amount Offered To Creditors As Of May 31, 2006
			70%	Settlement Percent Offered To Creditors
	245	of	517	or 47.39% Of Creditors Timely Accepted Compromise Offer
722,561.97		of	1,242,884.03	or 58.14% Of Offered Compromise Amounts Were Timely Accepted
1,032,706.92		of	1,775,592.15	or 58.16% Of Determined Claim Amounts Were Timely Accepted

**EXHIBIT A**