

IN THE COURT OF COMMON PLEAS  
FRANKLIN COUNTY, OHIO

MARY TAYLOR,	:	
Superintendent of Insurance	:	CASE NO. 08CVH07-10725
in her Capacity as Liquidator of	:	
The Guarantee Title and Trust Company,:	:	
	:	JUDGE GUY L. REECE, II
Plaintiff,	:	
	:	
vs.	:	
	:	
The Guarantee Title and Trust Company,:	:	
	:	
Defendant.	:	

**MOTION FOR APPROVAL OF LIQUIDATOR’S FINAL REPORT OF INDEPENDENT AUDITORS FOR THE PERIODS ENDED SEPTEMBER 30, 2011 AND JUNE 30, 2011**

Mary Taylor, Ohio Superintendent of Insurance, in her capacity as Liquidator (“Liquidator”) of The Guarantee Title and Trust Company (“GTT”), requests this Court for an order approving the Final Report of Independent Auditors for the periods ended September 30, 2011 and June 30, 2011 attached as Exhibit A. A Memorandum in Support is attached.

Respectfully submitted,

MIKE DE WINE  
Attorney General State of Ohio

By Special Counsel:  
KOHRMAN, JACKSON & KRANTZ, LLP

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Department of Insurance, in her Capacity as  
Liquidator of The Guarantee Title and Trust Company

**MEMORANDUM IN SUPPORT**

On September 27, 2011, this Court entered a Final Closing Order terminating the GTT liquidation proceedings, discharging the Liquidator, closing GTT bank accounts and closing this liquidation estate (the "Closing Order"). Pursuant to R.C. 3903.46(A), the Closing Order requires the Liquidator to file for post-closure approval of a final audit report. This Motion requests approval of the Final Report of Independent Auditors for the periods ended September 30, 2011 and June 30, 2011 (the "Report"). The Report is attached as Exhibit A and is incorporated herein by reference.

Pursuant to the Liquidation Order entered in this case on October 27, 2008, GTT was ordered liquidated pursuant to R.C. Chapter 3903. Further, the Liquidator Order appointed the Ohio Superintendent of Insurance as GTT's Liquidator and empowered, authorized and directed the Liquidator to liquidate GTT's property and assets in accordance with the laws of Ohio and under the continuing jurisdiction of this Court.

One of the Liquidator's primary responsibilities is the marshaling of assets of the GTT liquidation estate for ultimate distribution to the estate's policyholders and creditors pursuant to R.C. Chapter 3903. The Liquidator therefore undertook to collect debts and moneys due to GTT, and made payment of necessary expenses pursuant to the Liquidation Order and R.C. Chapter 3903. In the process of marshaling GTT's assets, the Liquidator routinely received and deposited cash and purchases, and she sold various investment securities. In order to record this activity, the Liquidator built an internal accounting department capable of tracking costs and recoveries and generating basic financial reports. As required by R.C. 3903.18(E) and paragraph 25 of the Liquidation Order, the Liquidator filed Periodic Accountings of this activity semi-annually with the Court in the form of a statement of receipts and disbursements throughout the pendency of GTT's liquidation proceedings. In this case, this Court approved each of the Liquidator's Periodic Accountings.

In July of 1991, the Liquidator determined that it was in the best interests of all of the Ohio liquidation estates to hire an independent auditing firm to perform an annual audit of the Liquidator's cash receipts and disbursements and the purchase and sale of investment securities in order to ensure the integrity of the Liquidator's accounting system. Pursuant to the Administrative Operating Procedure Updated Effective January 1, 2011, which was approved in this case on January 11, 2011, the retention of independent auditors is reassessed no less frequently than every five years, and modified based on upon responses to requests for proposals (RFPs). The last RFP was issued in 2011. As a result of the responses received from several public accounting firms, the Liquidator engaged Maloney & Novotny LLC to perform the audit. The Liquidator requested the auditing firm to render an opinion in its audit report as to the propriety of the information presented in the Periodic Accountings, as it was the Liquidator's intention to file the report with this Court to demonstrate the integrity of the Periodic Accountings.

Maloney & Novotny LLC has completed its final audit of the statements of cash and invested assets of GTT as of September 30, 2011 and June 30, 2011 and the related statements of cash receipts and cash disbursements for the periods ended September 30, 2011 and June 30, 2011. Maloney & Novotny LLC issued the Report containing its audit findings which opine that the Liquidator's financial statements present fairly, in all material respects, both the cash and invested assets of GTT at September 30, 2011 and June 30, 2011 and cash receipts and cash disbursements for the periods ended September 30, 2011 and June 30, 2011.

By this Motion, the Liquidator seeks this Court's approval of the Final Report of Independent Auditors for the periods ended September 30, 2011 and June 30, 2011 (the "Report"), attached hereto as Exhibit A.

Respectfully submitted,

MIKE DE WINE  
Attorney General State of Ohio

By Special Counsel:  
KOHMAN, JACKSON & KRANTZ, LLP

/s/Valoria C. Hoover

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Attorneys for Mary Taylor, Superintendent, Ohio  
Department of Insurance, in her Capacity as  
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**CERTIFICATE OF SERVICE**

I certify that in accordance with paragraph 41 of the Liquidation Order, a true and accurate copy of the foregoing Motion for the Approval of Liquidator's Final Report of Independent Auditors was posted on the Liquidator's website ([www.ohliq.com](http://www.ohliq.com)) substantially contemporaneous with the filing of this Motion.

/s/Valoria C. Hoover

Valoria C. Hoover (0059596)