



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF) C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

**ORDER TO SHOW CAUSE CONCERNING
RECEIVER'S VERIFIED PETITION FOR APPROVAL OF MERGER
OF CONSUMERS UNITED CAPITAL CORPORATION WITH AND
INTO CONSUMERS UNITED INSURANCE COMPANY IN LIQUIDATION,
APPROVAL OF THE FINAL REPORT OF THE RECEIVERSHIP,
AUTHORIZATION FOR UNCLAIMED PROPERTY DISTRIBUTIONS TO
STATE ESCHEATORS, AUTHORIZATION FOR DOCUMENT
DESTRUCTION, RELEASE AND DISCHARGE OF THE RECEIVER,
DEPUTY RECEIVER, AND ASSISTANTS, DISSOLUTION OF
CONSUMERS UNITED INSURANCE COMPANY IN LIQUIDATION
PURSUANT TO 18 DEL. C. §5911(B), AND FOR CLOSURE OF
THE ESTATE AND DISMISSAL OF THE ABOVE-CAPTIONED MATTER**

**PLEASE READ THIS ORDER CAREFULLY AS IT AFFECTS
YOUR RIGHTS, IF ANY, AGAINST CONSUMERS UNITED INSURANCE
COMPANY IN LIQUIDATION ("CUIC").**

The Receiver of CUIC has filed her "Receiver's Verified Petition for Approval of Merger of Consumers United Capital Corporation With and Into Consumers United Insurance Company in Liquidation, Approval of the Final Report of the Receivership, Authorization for Unclaimed Property Distributions to State Escheators, Authorization for Document Destruction, Release and Discharge of the Receiver, Deputy Receiver, and Assistants, Dissolution of Consumers United Insurance Company in Liquidation Pursuant to 18 Del. C. §5911(b), and for Closure of the Estate and Dismissal of the Above-Captioned Matter" (the "Petition").

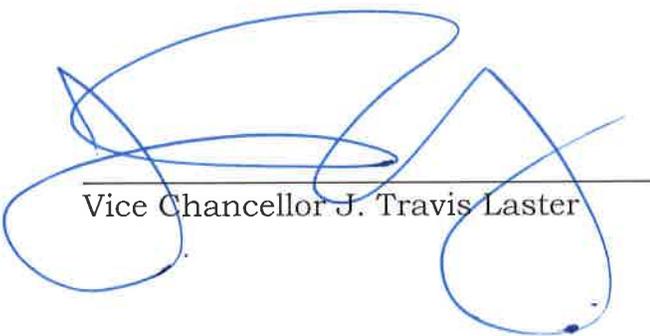
NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. A hearing on the Receiver's Petition has been scheduled before this Court for **Thursday, October 3, 2013, at 11:00 a.m.**, at the Court of Chancery, 500 King Street, Wilmington, Delaware. The hearing shall be for the purpose of determining whether the Court will grant the relief sought in the Receiver's Petition. Objecting parties will be required to attend the Hearing in order to present their objections.

2. Any interested party who objects to the relief sought in the Receiver's Petition and who fails to appear at the hearing to present their objections, will be deemed to have waived any right to object to the relief sought in the Receiver's Petition, and will be deemed to have abandoned any objection to the Receiver's Petition. Any interested party who does not have any objection to the relief sought in the Receiver's Petition does not need to take any further action in response to this Order to Show Cause. Absent any objections which show cause why the Petition should not be granted, the Court will grant the relief sought in the Petition and will authorize the Receiver to merge Consumers United Capital Corporation with and into CUIC, and to take the steps necessary to close the CUIC estate as set forth in the Petition.

3. Within three (3) business days of receipt of this signed Order to Show Cause, the Receiver shall serve, by U.S. first class mail, with proof of mailing by certified class mail with return receipt requested, copies of this Order to Show Cause, along with copies of the Petition and proposed form of final Order, upon the National Organization of Life and Health Insurance Guaranty Associations, the United States, through the United States Department of Justice, and the Pension Benefit Guaranty Corporation.

IT IS SO ORDERED.



Vice Chancellor J. Travis Laster

Dated: September 18, 2013



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF) C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

**RECEIVER'S VERIFIED PETITION FOR APPROVAL OF
MERGER OF CONSUMERS UNITED CAPITAL CORPORATION
WITH AND INTO CONSUMERS UNITED INSURANCE COMPANY
IN LIQUIDATION, APPROVAL OF THE FINAL REPORT
OF THE RECEIVERSHIP, AUTHORIZATION FOR UNCLAIMED
PROPERTY DISTRIBUTIONS TO STATE ESCHEATORS,
AUTHORIZATION FOR DOCUMENT DESTRUCTION, RELEASE
AND DISCHARGE OF THE RECEIVER, DEPUTY RECEIVER,
AND ASSISTANTS, DISSOLUTION OF CONSUMERS UNITED
INSURANCE COMPANY IN LIQUIDATION PURSUANT TO
18 DEL. C. §5911(b), AND FOR CLOSURE OF THE
ESTATE AND DISMISSAL OF THE ABOVE-CAPTIONED MATTER**

The Honorable Karen Weldin Stewart, CIR-ML, Insurance Commissioner of the State of Delaware, in her capacity as the Receiver (herein "Receiver") of Consumers United Insurance Company in Liquidation (herein "CUIC"), by and through her undersigned counsel, hereby submits this "Receiver's Verified Petition for Approval of Merger of Consumers United Capital Corporation With and Into Consumers United Insurance Company in Liquidation, Approval of the Final Report of the Receivership, Authorization for Unclaimed Property Distributions to State Escheators, Authorization for Document Destruction, Release and Discharge of the Receiver, Deputy Receiver and Assistants,

Dissolution of Consumers United Insurance Company in Liquidation Pursuant to 18 Del. C. §5911(b), and for Closure of the Estate and Dismissal of the Above-Captioned Matter" (the "Petition"), pursuant to 18 DEL. C. §§ 5902 and 5911, and petitions this Honorable Court as follows:

I. Relief Requested:

Through her Petition, the Receiver of CUIC seeks the following relief:

(1) Approval of the merger of CUIC's wholly-owned subsidiary, Consumers United Capital Corporation ("CUCC"), a Delaware corporation, with and into Consumers United Capital Corporation for the purpose of dissolving both companies through dissolution of the surviving corporation, Consumers United Insurance Company, in Liquidation;

(2) Approval of the Final Report of the Receivership (the "Final Report"), submitted through this Petition and the Exhibit thereto;

(3) Authorization for the distribution of an aggregate amount of \$76,778.33 in unclaimed property from undeliverable distributions to Class III (certain policy claims) claimants with the thirty seven (37) states of such

claimants' last known residences, within ninety (90) days of entry of the Court's Order concerning the Petition;

(4) Authorization to destroy the estate's remaining records to avoid waste of the estate's assets;

(5) Release and discharge of the Receiver, her Deputy Receiver, Fredric Marro (the "Deputy Receiver"), their predecessors, and their assistants, employees, consultants, accountants, attorneys, and other authorized professionals and agents, including but not limited to employees of the Delaware Insurance Department who have assisted the Receiver concerning the receivership (the "Assistants") upon completion of the steps set forth herein to close the CUIC estate;

(6) After the merger of CUCC with and into CUIC, dissolution of the surviving corporation, Consumers United Insurance Company, in Liquidation, pursuant to 18 Del. C. §5911(b);

(7) Closure of the CUIC estate and dismissal of the above-captioned matter;

(8) Retention under seal of the sealed pleadings and exhibits in this matter, which contain confidential personal health and/or financial information of the claimants; and

(9) Such other relief relating to the termination of the Receivership as may be just, equitable, necessary, and proper.

In support of this Petition, the Receiver states the following:

II. Background of the Receivership

Prior to receivership CUIC, a Delaware domiciled insurance company, was licensed to issue life and health insurance policies in forty (40) states and the District of Columbia. This Court determined that CUIC was in hazardous financial condition and placed CUIC in rehabilitation proceedings by Stipulated Rehabilitation and Injunction Order dated February 9, 1993 ("Rehabilitation Order"; Conventional Dkt. No. 18). The Court appointed the Delaware Insurance Commissioner as the statutory receiver of CUIC. By Liquidation and Injunction Order dated May 5, 1994 ("Liquidation Order"; Conventional Dkt. No. 74), the Court declared CUIC insolvent and ordered that the Delaware Insurance Commissioner continue as Receiver and liquidate CUIC. By Order dated December 15, 1994 (Conventional Dkt. No. 124), the Court approved the Proposed Plan of Liquidation which provided for, among other things, notice to CUIC's creditors and other interested parties of the

liquidation proceedings and the claims process. The Court also established a Creditor Bar Date of March 1, 1995 (which was subsequently extended to December 1, 1995).

III. Guaranty Association Coverage

The entry of the Liquidation Order terminated insurance coverage from CUIC and, at the same time, triggered certain coverage for many of CUIC's policyholders from life and health insurance guaranty associations in the states in which CUIC had been licensed to issue insurance. Each such state has enacted a statute establishing a life and health insurance guaranty association (the "Guaranty Association Claimant" or "Guaranty Association") to provide continuing coverage to resident policyholders of insolvent insurers, such as CUIC, subject to certain statutory limitations (the "Covered Obligations"). The portion of a policyholder, beneficiary, or other non-Guaranty Association claimant's claim which is not covered by a Guaranty Association as a "Covered Obligation" is referred to as that claimant's "Uncovered Claim" against the CUIC estate.

IV. Status of CUIC's Assets and Distributions

When CUIC was placed in receivership, CUIC's assets generally consisted of real property holdings, potential litigation recoveries relating to those real property holdings, stock in its subsidiary CUCC, and cash.

All of CUIC's real property holdings have been liquidated or have been abandoned as having no value or value exceeded by the cost to dispose of such assets. The larger asset sales were approved by this Court in prior petitions. All of the viable litigation recoveries have been collected. While the Receiver still has a significant judgment against a deceased attorney in Ohio, further collections against his estate have proven futile. The Receiver did recover funds from a property in Ohio connected with that litigation.

CUIC also holds all of the outstanding shares of stock of CUCC, which formerly operated as a small business administration lender. While CUCC has a small number of outstanding judgments or collections from unpaid loan balances which have proven difficult to collect, the amounts remaining to be collected are less than \$25,000 and no longer warrant keeping the estate open or keeping CUCC intact.

As of July 31, 2013, the CUIC estate held cash assets of approximately \$110,638.82, of which \$76,778.33 constituted unclaimed funds from the distribution to the Uncovered Class III claims. After payment of the Receiver's estimated expenses to close the estate, there will not be any funds available for any additional distribution to creditors.

V. Status of CUIC's Liabilities

A. Claim Reports

CUIC had approximately 1,600 proofs of claim filed in the liquidation proceedings. All of CUIC's policyholder claims and the Guaranty Association claims for which timely proofs of claim were filed have now been resolved by the Receiver. The Receiver filed ten claim recommendation reports concerning the proofs of claim.

The Receiver recommended the value of the Class II and Class III claims of the affected life and health insurance guaranty associations ("Guaranty Associations") to the Court in the Seventh Recommendation Report and Petition, filed on April 6, 2009, at File & ServeXpress Tr. No. 24537349. The Court adjudicated the priority class and valuation of all of the Class II and Class III claims of the Guaranty Associations, except the California Life and

Health Insurance Guarantee Association (the "California GA"), by Order dated May 28, 2009 (File & ServeXpress Tr. No. 25377718). The California GA and the Receiver entered into a Stipulation which resolved the priority class and value of the Class II and Class III claims of the California GA, which Stipulation the Court adopted as part of the Receiver's Tenth Recommendation Report and Petition. Petition filed May 24, 2010, at File & ServeXpress Tr. No. 31284601; Order dated July 15, 2010, at File & ServeXpress Tr. No. 32146515. The Class II claims of the Guaranty Associations were allowed in the aggregate amount of \$993,062.37, not including those Guaranty Association expenses satisfied through funds on deposit. The Class III claims of the Guaranty Associations have been allowed in the aggregate amount of \$15,646,493.60, net of premium collected by the Guaranty Associations. See, Order dated May 28, 2009, at File & ServeXpress Tr. No. 25377718; and Order dated July 15, 2010, at File & ServeXpress Tr. No. 32146515.

The other Class III claims ("Uncovered Class III Claims"), which consisted of CUIC's policy obligations not covered by the Guaranty Associations, have also all been

fully adjudicated in various Recommendation Reports. The Uncovered Class III Claims have been allowed in the aggregate amount of \$1,332,488.41.

Certain claims were disallowed by the Court as a result of satisfaction of those claims in part or in full from the Guaranty Associations or the Assuming Insurer, Unity Mutual, as noted in B. below. Certain other claims have been disallowed on other grounds.

B. Assumption Reinsurance Agreement

Many of the Covered Obligations of the Guaranty Associations were assumed by the Unity Mutual Life Insurance Company ("Unity Mutual") in the Unity Mutual Assumption Reinsurance Agreement among Unity Mutual, NOLHGA, and the Receiver of CUIC, which agreement was approved by this Court by Order dated January 30, 1995. The Guaranty Associations' payments associated with this transfer were included in the Guaranty Associations' Class III allowed claims.

C. Distributions to Class II and Class III Claimants

The Class II claims of the Guaranty Associations which totaled \$993,062.37 have been satisfied in full, primarily through early access payments pursuant to the Early Access Agreement approved by the Court.

The Guaranty Associations have received distributions on their Class III claims to date in the aggregate amount of \$5,088,515.17, or 32.52% in the aggregate. Most of the Guaranty Associations have received 32.5% of their Class III claims.

Pursuant to the Tenth Claim Recommendation Report, distributions were made in the amount of 35% of the Uncovered Class III claims. The distributions to those claims, which were allowed in the aggregate amount of \$1,332,488.41, at 35% totaled \$466,370.94. Of those distributions, \$76,778.33 remains unclaimed by the claimants. The relief sought by the Receiver includes authorization to escheat such funds to the State Escheator in each of the 37 states in which such claimants had their last known residence.

Funds were not available for distribution to holders of general creditor claims (Class VI) or any lower class of claims or stockholders of CUIC.

D. Release Agreement with Pension Benefit Guaranty Corporation

The Receiver and CUIC obtained a Release Agreement from the Pension Benefit Guaranty Corporation by Stipulated Order dated October 10, 2009 (File & ServeXpress Tr. No. 27505456).

E. Release Agreement with United States

The Receiver and CUIC also entered into a Release Agreement with the United States concerning any potential claims of the Federal Government except for federal tax, fraud, or criminal claims, which agreement was approved by the Court by Order dated May 13, 2011 (File & ServeXpress Tr. No. 37582047).

F. Federal Income Taxes

The Receiver has filed all Federal Income Tax returns for CUIC and CUCC for all of the receivership's tax years. The Receiver is preparing to file an amended tax return for the 2012 calendar year. The Receiver will file a final tax return for CUIC and CUCC for the final tax year of 2013 as part of the closing of the estate.

G. Delaware Franchise Taxes

The Receiver has filed the Delaware franchise annual report and paid the taxes for CUIC and CUCC through 2012 and will pay the outstanding 2013 franchise taxes as part of the dissolution of the merged corporation.

VI. CUIC's Current Financial Condition

As noted above, together CUIC and CUCC have cash on hand as of July 31, 2013, of \$110,638.82.

After payment of the Receiver's administrative expenses to close the estate, there will not be any additional funds available for distribution to the estate's creditors. There are no viable assets remaining for collection. Therefore, the Receiver submits that the appropriate steps at this time would be the merger of CUCC with and into CUIC and the closure of the surviving corporation, CUIC. If CUCC is not merged into CUIC at this time, CUCC would need a separate winding up period and proceeding, for which CUCC does not have sufficient funds.

The Delaware Insurance Code provides a separate provision for dissolving the corporate existence of an insolvent insurer. That statute, 18 Del. C. §5911, provides, in pertinent part:

Order of liquidation; domestic insurers;
insolvent insurer's assets

* * *

(b) The Commissioner may apply for and secure an order dissolving the corporate existence of a domestic insurer... upon the Commissioner's application for an order of liquidation of such insurer or at any time after such order has been granted. The court may order dissolution of the corporation upon petition by the Commissioner upon or after the granting of a liquidation order. If the dissolution has not previously been ordered, it shall be effected by operation of law upon the discharge of the liquidator if the insurer is insolvent. *However, dissolution may be ordered by the court upon the discharge of the liquidator if the insurer is under a liquidation order for some other reason...*

(Emphasis supplied). At this stage, the statute provides the most efficient mechanism to dissolve both CUCC and CUIC once the two companies are merged.

VII. Final Accounting

Contemporaneously with the filing of this Petition, the Receiver has filed the Final Accounting of the estate.

WHEREFORE, the undersigned attorney, on behalf of The Honorable Karen Weldin Stewart, CIR-ML, Insurance Commissioner of the State of Delaware, in her capacity as Receiver and on behalf of CUIC and its wholly owned subsidiary, CUCC, respectfully requests that this Honorable Court grant the Receiver's Petition and issue an Order substantially in the form of Order submitted with the Petition granting the relief sought in the Petition, and for such further relief as the Court deems as may be just, equitable, necessary, and proper.

Respectfully submitted,

DIANE J. BARTELS, ESQUIRE

/s/ Diane J. Bartels

BY:

Diane J. Bartels
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Brandywine Village
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Wilmington, Delaware
19802-4810
Telephone: (302) 656-7207
Attorney for the
Honorable Karen Weldin
Stewart, CIR-ML, Insurance
Commissioner of the State
of Delaware, in her
capacity as Receiver of and
on behalf of Consumers
United Insurance Company in
Liquidation

Dated: September 10, 2013

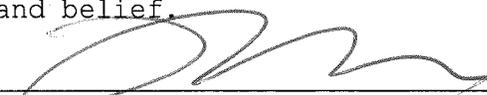


IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF) C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

**VERIFICATION OF FREDRIC MARRO,
IN HIS CAPACITY AS THE DEPUTY RECEIVER OF THE
CONSUMERS UNITED INSURANCE COMPANY IN LIQUIDATION**

I, Fredric Marro, in my capacity as the Deputy Receiver of Consumers United Insurance Company in Liquidation, having read the attached *Receiver's Verified Petition for Approval of Merger of Consumers United Capital Corporation With and Into Consumers United Insurance Company in Liquidation, Approval of the Final Report of the Receivership, Authorization for Unclaimed Property Distributions to State Escheators, Authorization for Document Destruction, Release and Discharge of the Receiver, Deputy Receiver, and Assistants, Dissolution of Consumers United Insurance Company in Liquidation Pursuant to 18 Del. C. §5911(b), and for Closure of the Estate and Dismissal of the Above-Captioned Matter* in the above-captioned matter, do hereby verify that the factual statements set forth therein are true and correct to the best of my knowledge, information and belief.



Fredric Marro, Deputy Receiver

SWORN TO AND SUBSCRIBED before me this 10th day of September, 2013.



Scott C. Riley, Esquire
New Jersey Attorney
Notarized pursuant to N.J.S.A.
41:2-1 and 46:14-6.1



EXHIBIT 1

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
CONSUMERS UNITED INSURANCE)
COMPANY IN LIQUIDATION) C.A. No. 12789 - VCL
)

**FINAL ACCOUNTING OF THE RECEIVER,
THE HONORABLE KAREN WELDIN STEWART, CIR-ML,
FOR THE PERIOD JANUARY 1, 2013, THROUGH JULY 31, 2013**

DIANE J. BARTELS, ESQUIRE

/s/ Diane J. Bartels

BY: _____

DIANE J. BARTELS
Delaware Bar No. 2530
Brandywine Village
1807 N. Market Street
Wilmington, Delaware 19802-4810
Tel. (302) 656-7207

Attorney for The Honorable Karen
Weldin Stewart, CIR-ML, Insurance
Commissioner of the State of
Delaware, in her capacity
as the Receiver of Consumers
United Insurance Company
in Liquidation

Dated: September 10, 2013

Consumers United Insurance Company in Liquidation

INTRODUCTION

This report represents the transactions for the period from January 1, 2013, through July 31, 2013. In addition, the principal balance of the estate is presented as of July 31, 2013.

The admitted assets of the Estate total \$33,861 as of July 31, 2013.

Consumers United Insurance Company in Liquidation

Summary of Receipts and Disbursements

	Page(s)	
Total Cash and Cash Equivalents - January 1, 2013	\$ 20,112	
Add: Receipts for period	24,055	
	<u>44,167</u>	
Less: Claim Distribution	0	
Less: Disbursements for period	10,306	(5)
Total Cash and Cash Equivalents - July 31, 2012 (Note 3)	\$ <u>33,861</u>	(4)

Consumers United Insurance Company in Liquidation

Composition of Net Balances

Principal

July 31, 2013

	<u>Ledger</u> <u>Assets</u>	Less <u>Non-Admitted</u> <u>Assets</u>	Net <u>Admitted</u> <u>Assets</u>
Cash and Cash Equivalents	\$33,861	0	\$ 33,861
	<u>\$ 33,861</u>	<u>\$ 0</u>	<u>\$ 33,861</u>

Consumers United Insurance Company in Liquidation

RECEIPTS

Cash receipts	\$ 24,055
Total Receipts	<u>\$ 24,055</u>

DISBURSEMENTS

Adjusting and Consulting Expenses (Note 1)	\$ 0
Compensation and Benefits	0
Claims paid	0
Accounting & Computing Expense	2,000
Rental Expense	0
Deputy Receiver Fees	0
Administrative Expenses	6,206
Bank Charges	<u>2,100</u>
Total Disbursements (Rounded)	<u>\$ 10,306</u>

Consumers United Insurance Company in Liquidation

NOTES

1. Adjusting and consulting expenses consisted of reconstructing records, analyzing various agreements, providing litigation support, and assisting in the implementation of the Court-approved Plan of Liquidation.

2. The Receiver reported disbursements of \$519,547 in the "Accounting of the Receiver, The Honorable Karen Weldin Stewart, CIR-ML, for the Period January 1, 2010, Through December 31, 2010." That amount was comprised of (1) a partial distribution of \$436,526 in the aggregate to all allowed Class III uncovered claimants, which was thirty-five percent (35%) of their allowed Class III claims; and (2) a partial distribution of \$83,021 in the aggregate to the State Life and Health Insurance Guaranty Associations with Class III claims, which resulted in the associations

receiving at least thirty-two (32%) of their allowed Class III claims. Certain of the uncovered claimants have failed to keep the Receiver informed of their current address. Therefore, \$76,778.33 of the uncovered distributions from this distribution have remained unclaimed. However, as these amounts were already reported as disbursements on an earlier Accounting, that amount is not included in the disbursements in this Accounting. Contemporaneously with the filing of this Final Accounting, the Receiver is seeking authorization from the Court to escheat these funds as set forth in that Petition.

3. The remaining cash balance of \$33,861 will be disbursed by the Receiver for various filing fees and expenses to close the Estate.

Consumers United Insurance Company in Liquidation

STATE OF NEW JERSEY :
: SS
COUNTY OF CAMDEN :

VERIFICATION

I, Fredric Marro, being duly sworn according to law, depose and say that the attached Final Accounting of Consumers United Insurance Company in Liquidation, for the period from January 1, 2013, through July 31, 2013, is true and correct to the best of my knowledge and belief.



Fredric Marro
Deputy Receiver

SWORN TO AND SUBSCRIBED before me this 10th day of
September, 2013.



Scott C. Riley
New Jersey Attorney
Notarized pursuant to
N.J.S.A. 41:2-1 and
46:14-6.1



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF) C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

ORDER GRANTING THE RECEIVER'S VERIFIED PETITION FOR APPROVAL OF MERGER OF CONSUMERS UNITED CAPITAL CORPORATION WITH AND INTO CONSUMERS UNITED INSURANCE COMPANY IN LIQUIDATION, APPROVAL OF THE FINAL REPORT OF THE RECEIVERSHIP, AUTHORIZATION FOR UNCLAIMED PROPERTY DISTRIBUTIONS TO STATE ESCHEATORS, AUTHORIZATION FOR DOCUMENT DESTRUCTION, RELEASE AND DISCHARGE OF THE RECEIVER, DEPUTY RECEIVER, AND ASSISTANTS, DISSOLUTION OF CONSUMERS UNITED INSURANCE COMPANY IN LIQUIDATION PURSUANT TO 18 DEL. C. §5911(b), AND FOR CLOSURE OF THE ESTATE AND DISMISSAL OF THE ABOVE-CAPTIONED MATTER

The Honorable Karen Weldin Stewart, CIR-ML, in her capacity as the Receiver of Consumers United Insurance Company in Liquidation ("CUIC"), has petitioned the Court for an Order (1) approving the merger of CUIC's wholly-owned subsidiary, Consumers United Capital Corporation ("CUCC"), a Delaware corporation, with and into Consumers United Capital Corporation for the purpose of dissolving both companies through dissolution of the surviving corporation, Consumers United Insurance Company, in Liquidation; (2) approving the Final Report of the Receivership (the "Final Report") submitted through the Petition and the Final Accounting; (3) authorizing the distribution of an aggregate amount of \$76,778.33 in unclaimed property from undeliverable distributions to Class III (certain policy claims) claimants with the thirty seven (37) states or jurisdictions of such claimants' last known residences, within ninety

(90) days of entry of the Court's Order concerning the Petition; (4) authorizing the destruction of the estate's remaining records to avoid waste of the estate's assets; (5) releasing and discharging the Receiver, her Deputy Receiver, Fredric Marro (the "Deputy Receiver"), their predecessors, and their assistants, employees, consultants, accountants, attorneys, and other authorized professionals and agents, including but not limited to employees of the Delaware Insurance Department who have assisted the Receiver concerning the receivership (the "Assistants") upon completion of the steps set forth herein to close the CUIC estate; (6) approving the dissolution of CUIC after the merger with CUCC, pursuant to 18 *Del. C.* §5911(b); (7) authorizing closure of the CUIC estate and dismissing the above-captioned matter upon completion of the steps set forth in the Petition; (8) authorizing retention under seal of the sealed pleadings and exhibits in this matter, which contain confidential personal health and/or financial information of the claimants; and (9) granting such other relief relating to the termination of the Receivership as may be just, equitable, necessary, and proper.

In support thereof the Receiver has supplied the Court with information supporting the conclusion that the relief sought in the Petition is in the best interests of the estate, the policyholders, other creditors, the stockholder, and the public. Having considered the matter and concluding that the relief sought in

the Petition is in the best interests of the estate, the policyholders, other creditors, the sole stockholder, and the public,

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Petition is hereby GRANTED;
2. The Final Report in the Petition is hereby APPROVED in its entirety;
3. The Final Accounting of the Receiver attached as Exhibit 1 to the Petition and all prior accountings filed by the Receiver in the liquidation proceedings are hereby approved and the expenses and reserves set forth therein are allowed as Class I administrative expenses of the estate.
4. The Court adopts the Receiver's finding that there are insufficient assets and potential asset recoveries remaining for any additional distributions to creditors and that, therefore, closure of the estate is appropriate at this point.
5. Within ninety (90) days of the docketing of this Order, the Receiver shall remit the unclaimed funds from the uncovered Class III distributions to the unclaimed funds administrator or state escheator in each of the following states in the total amount set forth below for each state, less any distribution which is claimed by a claimant prior to the remittance of such funds:

Alaska	\$ 3.79
Arkansas	\$ 134.76
Arizona	\$ 39.58
California	\$ 36,066.41
Colorado	\$ 138.05

Connecticut	\$ 1,395.85
District of Columbia	\$ 603.58
Delaware & FPO	\$ 36.34
Florida	\$ 1,443.07
Georgia	\$ 26.48
Hawaii	\$ 144.42
Iowa	\$ 58.08
Illinois	\$ 1,030.58
Kansas	\$ 656.46
Louisiana	\$ 11,182.19
Massachusetts	\$ 1,347.03
Maryland	\$ 322.59
Michigan	\$ 854.06
Minnesota	\$ 189.05
Missouri	\$ 1,315.13
Mississippi	\$ 39.43
Nebraska	\$ 131.96
New Jersey	\$ 1,029.50
Nevada	\$ 402.74
New York	\$ 246.73
North Carolina	\$ 8,696.63
Ohio	\$ 613.21
Oklahoma	\$ 1,547.58
Oregon	\$ 2,703.88
Pennsylvania	\$ 1,818.95
Tennessee	\$ 9.41
Texas	\$ 1,426.68
Utah	\$ 11.46
Virginia	\$ 194.81
Washington	\$ 585.96
Wisconsin	\$ 265.39
West Virginia	\$ <u>66.51</u>
Total	\$ 76,778.33

6. The Receiver is authorized to pay from her expense reserve of \$33,861 the administrative expenses associated with the termination of the estate.

7. The proposed merger of CUCC with and into CUIC is hereby APPROVED, with CUIC as the surviving corporation. The Receiver shall file a Certificate of Merger with the Delaware Secretary of State to effectuate such merger. A copy of this Order shall be filed by the Receiver with the Delaware Secretary of State along with the Certificate of Merger of CUCC with and into CUIC. Pursuant to 18 Del. C. §5922, the Receiver is exempt from and shall not be required to pay any fee to the Delaware Secretary of State for the filing, recording, or issuing a transcript or certificate authenticating this Order.

8. Upon completion of the merger of CUCC with and into CUIC, the Receiver shall file a Certificate of Dissolution of the corporate charter of CUIC with the Delaware Secretary of State pursuant to 18 *Del. C.* §5911(b). A copy of this Order shall be filed by the Receiver with the Delaware Secretary of State along with the Certificate of Dissolution of CUIC. Pursuant to 18 Del. C. §5922, the Receiver is exempt from and shall not be required to pay any fee to the Delaware Secretary of State for the filing, recording, or issuing a transcript or certificate authenticating this Order.

9. Upon completion of the steps outlined herein, the Receiver shall file a Notice of Completion of all acts directed or authorized by this Order, and upon filing such Notice of Completion, the Honorable Karen Weldin Stewart, CIR-ML, Insurance Commissioner of the State of Delaware, in her capacity as Receiver, Fredric Marro, in his capacity as Deputy Receiver, their predecessors, and their

assistants, employees, consultants, accountants, attorneys, and other authorized professionals and agents, including but not limited to employees of the Delaware Insurance Department who have assisted the Receiver concerning the receivership, shall be RELEASED and DISCHARGED from any and all claims, demands, duties, and obligations relating in any way to the above-captioned proceeding. Furthermore, upon the filing of such Notice of Completion, this proceeding shall be dismissed, and the CUIIC estate shall be closed, without further notice or further application to this Court.

10. The Receiver is hereby authorized to destroy the records of the estate, provided, however, that in her discretion the Receiver may retain such records as she deems necessary to support tax returns or unclaimed funds filings or to implement this Order.

11. The Receiver has filed numerous pleadings, exhibits, and related documents with the Court under seal to protect the confidentiality of personal health and financial information of claimants. The Court finds that good cause exists to retain such pleadings under seal due to the sensitive nature of that information. Therefore, all pleadings and related documents filed in the above-captioned matter under seal which contain personal health or financial information of claimants shall remain sealed and the Order retaining such documents under seal shall not expire three years after the final disposition of this action as the Court expressly finds that the interests of the claimants in

having their personal health or financial information sealed does not warrant the expiration of the Order retaining that information under seal pursuant to Rule 5(g)(8). Pursuant to Rule 5(g)(7), within thirty (30) days after entry of this Order without any appeal having been taken therefrom, the Register in Chancery shall serve the required notice to all parties who have filed documents under seal in this matter, and the Receiver and such other parties seeking to have such documents remain under seal shall make application as required by Rule 5(g)(7).

12. This Court shall retain jurisdiction in this cause for the purpose of granting such other and further relief as this cause and the interests of CUIC's policyholders, CUIC's creditors, CUIC's stockholder, and the public may require.

13. There is no just reason for delay, and this Order, pursuant to Chancery Court Rule 54(b), is entered as a final judgment.

IT IS SO ORDERED as of the date this Order is docketed in the above-captioned matter.

Vice Chancellor



DIANE J. BARTELS, ESQUIRE

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September 10, 2013

The Honorable J. Travis Laster
Court of Chancery of the State of Delaware
500 North King Street, Suite 11400
Wilmington, Delaware 19801

By Hand

Re: In the Matter of the Liquidation of
Consumers United Insurance Company
Civil Action No. 12789-VCL

Dear Vice Chancellor Laster:

Enclosed please find courtesy copies of the following pleadings electronically filed today in the above-referenced matter:

Receiver's Verified Petition for Approval of Merger of Consumers United Capital Corporation With and Into Consumers United Insurance Company in Liquidation, Approval of the Final Report of the Receivership, Authorization for Unclaimed Property Distributions to State Escheators, Authorization for Document Destruction, Release and Discharge of the Receiver, Deputy Receiver, and Assistants, Dissolution of Consumers United Insurance Company in Liquidation Pursuant to 18 Del. C. §5911(b), and for Closure of the Estate and Dismissal of the Above-Captioned Matter (the "Petition"), and the Deputy Receiver's Verification in support thereof;

The Honorable J. Travis Laster
Re: Civil Action No. 12789-VCL
September 10, 2013
Page 2

Exhibit 1: Final Accounting of the Receiver, The Honorable Karen Weldin Stewart, CIR-ML, for the Period January 1, 2013, Through July 31, 2013;

Proposed form of Order granting the Petition; and

the Notice of Electronic Filing.

The Receiver submits that a hearing on the Petition is not necessary as all of the claim adjudications, distributions, and settlements were the subject of prior Petitions upon notice and an opportunity for a hearing, and the remaining assets of the estate are minimal.

The Receiver, the Deputy Receiver, and the undersigned are available should Your Honor have any questions concerning the Petition or form of Order.

Respectfully submitted,

/s/ Diane J. Bartels
Diane J. Bartels
Del. Bar No. 2530

DJB/db

Enclosures

cc: Fredric Marro, Esquire
William D. Johnston, Esquire (By EFile)
Scott M. Kosnoff, Esquire
Sharon C. Williams, Trial Attorney,
U.S. Department of Justice
Nathaniel Rayle, Pension Benefit Guaranty Corp.



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN THE MATTER OF)
THE LIQUIDATION OF)C.A. No. 12789-VCL
CONSUMERS UNITED INSURANCE COMPANY)

CERTIFICATE OF SERVICE

I, Diane J. Bartels, Esquire, hereby certify that on September 10, 2013, true and correct copies of the "Receiver's Verified Petition for Approval of Merger of Consumers United Capital Corporation With and Into Consumers United Insurance Company in Liquidation, Approval of the Final Report of the Receivership, Authorization for Unclaimed Property Distributions to State Escheators, Authorization for Document Destruction, Release and Discharge of the Receiver, Deputy Receiver, and Assistants, Dissolution of Consumers United Insurance Company in Liquidation Pursuant to 18 Del. C. §5911(b), and for Closure of the Estate and Dismissal of the Above-Captioned Matter" (the "Petition"), the Deputy Receiver's Verification and Exhibit 1 in support thereof, and the proposed form of Order thereto were served on the following counsel and/or parties in the following manner:

Electronic Service through
File & ServeXpress, and Email

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/s/ Diane J. Bartels

By: _____

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Dated: September 10, 2013