



**GRANTED**

**EFiled: Jul 27 2009 10:19AM EDT  
Transaction ID 26290666  
Case No. 12789-VCL**



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 CONCERNING RECEIVER’S EIGHTH  
CLAIM RECOMMENDATION REPORT AND  
PETITION SEEKING HEARING ON ZERO VALUE CLAIMS**

WHEREAS, pursuant to 18 Del. C. § 5917(c), the Receiver (the “Receiver”) of Consumers United Insurance Company in Liquidation (“CUIC”) filed the Receiver’s Eighth Claim Recommendation Report and Petition Seeking Hearing on Zero Value Claims (the “Petition”) pertaining to numerous Proofs of Claim for certain policyholder level claims listed on Exhibit 1 to the Petition. The Receiver has taken the position that the policyholder level claims listed on Exhibit 1 to the Petition were either already satisfied or were otherwise not valid claims against the CUIC estate.

WHEREAS, this Court entered an Order to Show Cause dated June 15, 2009, which set July 27, 2009, at 10 a.m., as the date and time for the hearing on the Receiver’s recommendation that all of the claims on Exhibit 1 to the Petition should be classified as Class 3 policyholder level claims, valued at \$0, and disallowed in their entirety.

The Order to Show Cause further required each Claimant listed on Exhibit 1 to the Petition to notify the Court in writing of his or her intent to appear at the hearing by July 17, 2009, or his or her claim would be considered abandoned and the Receiver’s recommendation to disallow such claim in its entirety would be adopted by the Court;

WHEREAS, the notice by the Receiver to eight Claimants was returned undeliverable or delivery could not be verified and the Receiver now has more current addresses available so the Receiver has removed those eight Claimants claims' from the Final Order on this Petition, to be rescheduled for a subsequent petition by the Receiver upon notice to the more current addresses;

WHEREAS, one of the Claimants, Paul B. Smith, timely sought Court review of the Receiver's recommendation as to his claim, the Receiver has removed his claim from the Final Order on this Petition, and Mr. Smith's claim will be rescheduled to be heard based on a subsequent petition by the Receiver on the merits of Mr. Smith's claim; and

WHEREAS, the Receiver has filed proof that each Claimant whose claim remains in this Final Order was sent a copy of the Order to Show Cause, which afforded notice of the hearing date and the requirement to notify the Court of his or her intent to appear, to such Claimant's last known address;

WHEREAS, the remaining Claimants, which are those listed in this Final Order, either failed to keep the Receiver apprised of their current address or did not file a timely response to the Order to Show Cause;

NOW, THEREFORE, the Court finds that the Claimants listed in Paragraph 1 below have either accepted the Receiver's recommendation as to their claim or have abandoned their objection to the Receiver's recommendation as to the classification and \$0 value to be assigned to their claim and to the disallowance in its entirety of such claim;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Receiver's recommendation that the claims listed in this Paragraph 1 be assigned to the Class 3 policyholder level class, valued at \$0, and disallowed in their entirety is hereby adopted by the Court, and EACH OF THE FOLLOWING CLAIMS IS HEREBY CLASSIFIED AS A CLASS 3 POLICYHOLDER LEVEL CLASS CLAIM, VALUED AT \$0, AND DISALLOWED IN ITS ENTIRETY pursuant to 18 Del. C. § 5917(d):

PROOF OF CLAIM NO.	CLAIMANT NAME	SECOND NAME	GUAR. ASSOC. STATE	PRIORITY CLASS	RECEIVER'S RECOMMENDED CLAIM AMOUNT
4	Edwin M. Reynolds	Estate of George Hudson	FL	3	0.00
5	Amanda K. Boone	Estate of George Hudson	FL	3	0.00
6	Valerie N. Fusco	Estate of George Hudson	FL	3	0.00
50	Livia J. Kent	Charles Kent	DE	3	0.00
101	Janet L. Easter	---	FL	3	0.00
109	Frances A. Leonard	---	FL	3	0.00
117	Nicholas T. Lutsch	---	VA	3	0.00
132	Howard Shtulman, D.C.	Re: Agatha Gotthelf	FL	3	0.00
219	Lee Walkling	---	WA	3	0.00
277	Brian L. James	Leon R. Hight	IA	3	0.00

PROOF OF CLAIM NO.	CLAIMANT NAME	SECOND NAME	GUAR. ASSOC. STATE	PRIORITY CLASS	RECEIVER'S RECOMMENDED CLAIM AMOUNT
335	Margaret M. Warden	---	SC	3	0.00
392	Barbara Nardo	---	PA	3	0.00
420	Adrienne Kane	Estate of Ronald Kane	MI	3	0.00
421	Christine Ponko	---	NM	3	0.00
489	Chris Moore	---	CA	3	0.00
525	Levine & Singer Kirsch	Joseph A. Singer, M.D.	FL	3	0.00
552	Maxine Achtner	Andrew Achtner	WI	3	0.00
553	Maxine H. Achtner	Angela A. Achtner	WI	3	0.00
567	Joseph A. Shaffner	---	DE	3	0.00
606	Aruilla Toms	---	WA	3	0.00
626	Philomena Florio	---	FL	3	0.00
676	Beverly Jo Kirschmann	David M. Kirschmann	FL	3	0.00
685	John W. Deroy, D.C.	Blair Conklin	CA	3	0.00
709	Lois I. Atkinson	---	FL	3	0.00
755	Judith Eldridge	---	NH	3	0.00
800	Anna M. Watkins	---	TX	3	0.00
813	Ruth J. Wright	---	AL	3	0.00
823	Adrian K. Britton	L.G. Hoppenjans	DE	3	0.00
832	Mrs. James Fielder	Deneen Fielder	WA	3	0.00
858	Mary Lou Bryant	---	NH	3	0.00
891	Suzanne Onufrey	---	NH	3	0.00
898	Susanne D. Green	Garrett J. Green	FL	3	0.00
901	Marion L. Blatch	---	ID	3	0.00
931	Nancy C. Kupersmid	---	CA	3	0.00

PROOF OF CLAIM NO.	CLAIMANT NAME	SECOND NAME	GUAR. ASSOC. STATE	PRIORITY CLASS	RECEIVER'S RECOMMENDED CLAIM AMOUNT
945	Edward H. Nyberg	---	VA	3	0.00
974	Donna Paul Bessken	---	OH	3	0.00
999	Manuel J. DeSousa	---	DE	3	0.00
1000	Ines Resendes	---	DE	3	0.00
1015	L.J. Hoisington	---	VA	3	0.00
1032	Jamila S. Hassan	---	VA	3	0.00
1224	Kathryn Miley	Jacob Miley	FL	3	0.00
1252	Dorothy G. Johnson	Christopher A. Bain	FL	3	0.00
1272	David L. Tucker	Tiffany L. Tucker	MO	3	0.00
1292	Ralph Johns	Kevin Johns	OK	3	0.00
1293	Bradly M. Wheatley	Chester H. Wheatley	DE	3	0.00
1294	Erik R. Hoefgen	---	MO	3	0.00
1300	Wesley Lawson	Christopher McKenzie	FL	3	0.00
1304	Darren M. Hoefgen	---	MO	3	0.00
1347	Associated Chiropractic Services	---	DE	3	0.00
1350	Joyce A. Woods	---	VA	3	0.00
1375	Sarah A. Ellis	---	VA	3	0.00
1383	New Jersey Life & Health Insurance Guaranty Association	---	NJ	3	0.00
1399	Curt B. Byle	Harry G. Byle	WA	3	0.00

PROOF OF CLAIM NO.	CLAIMANT NAME	SECOND NAME	GUAR. ASSOC. STATE	PRIORITY CLASS	RECEIVER'S RECOMMENDED CLAIM AMOUNT
1452	Drs. Groover Christie and Merritt	Re: Vivian Buitjen	CA	3	0.00
1521	Rhonda Feiman	---	DE	3	0.00
1530	Missa K. Keikian	---	DE	3	0.00
1531	Betty L. Dohrman	---	DE	3	0.00
1559	Darren Morrison	Howard Dillenback C.	WY	3	0.00
1586	Catherine Hillenbrand	---	WA	3	0.00

2. This disallowance of the claims listed in paragraph 1 above shall not affect any amounts which may already have been paid to or on behalf of such Claimants by the applicable state life and health insurance guaranty association or any other benefits, if any, received by such Claimants from the guaranty association directly or through an assuming insurer.

3. Within five (5) business days of receipt of this Order, the Receiver's counsel shall serve, by United States first class mail, postage prepaid, with United States Postal Service proof of mailing, which may be a bulk proof of mailing, to the Claimants' last known address in the Receiver's file, a copy of this Order on the Claimants.

4. There is no just reason for delay, and this Order, pursuant to Chancery Court Rule 54(b), is entered as a final judgment. This Order shall be deemed a separate Order with respect to each disputed claim listed in paragraph 1 above. THE CLAIMANTS WHOSE CLAIMS LISTED IN PARAGRAPH 1 ABOVE HAVE BEEN DISALLOWED IN THEIR ENTIRETY OR IN PART MUST FILE ANY APPEAL OF THIS ORDER TO THE SUPREME COURT OF THE STATE OF DELAWARE, SUBJECT TO THE RECEIVER'S RIGHT TO OBJECT OR OTHERWISE RESPOND TO SUCH APPEAL. ANY SUCH APPEAL MUST BE FILED WITH (RECEIVED BY) THE CLERK OF THE DELAWARE SUPREME COURT WITHIN THIRTY (30) DAYS OF THE DATE OF THIS ORDER. FOR EACH INDIVIDUAL CLAIM, FAILURE TO FILE A TIMELY APPEAL SHALL RESULT IN THE COURT'S DECISION AS TO THAT CLAIM BECOMING FINAL. ANY APPEAL WHICH IS FILED SHALL RELATE SOLELY TO THE CLAIM FOR WHICH SUCH APPEAL HAS BEEN FILED BY THE CLAIMANT WHICH FILED SUCH CLAIM AND SHALL NOT AFFECT THE OTHER CLAIMS SUBJECT TO THIS ORDER. Any stay of this Order pending appeal by any of the Claimants whose claims are subject to this Order shall apply only to such claim and shall not act to stay the applicability and/or finality of this Order with respect to any other Claim in Paragraph 1 above.

5. This Court shall retain jurisdiction over any matters relating to the implementation of this Order.

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Vice-Chancellor

Dated:

This document constitutes a ruling of the court and should be treated as such.

**Court:** DE Court of Chancery Civil Action

**Judge:** Stephen P Lamb

**File & Serve**

**Transaction ID:** 26277544

**Current Date:** Jul 27, 2009

**Case Number:** 12789-VCL

**Case Name:** In re: Matter of the Liquidation of Consumers United Insurance

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/s/ **Judge Stephen P Lamb**