



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)

**FINAL ORDER AND JUDGMENT
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**

WHEREAS, 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;

WHEREAS, this Court issued an Order to Show Cause dated September 18, 2013 (File & ServeXpress Transaction No. 54211722) directed to the interested parties to show cause why the Receiver's

Petition should not be granted;

WHEREAS, the Receiver has submitted evidence that the Order to Show Cause and the Petition were served upon counsel for the interested parties affected by the Petition - the National Organization of Life and Health Insurance Guaranty Associations, the United States, and the Pension Benefit Guaranty Corporation; and

WHEREAS, in support of the Petition 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 Receiver's expenses and expense 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 of a transcript or certificate authenticating this Order or the Certificate of Merger.

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 of a transcript or certificate authenticating this Order or the Certificate of Dissolution.

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.

10. Upon the filing of the Notice of Completion, the CUIC estate

shall be closed, without further notice or further application to this Court, and this proceeding shall be dismissed.

11. 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.

12. 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 to the extent that they contain personal health and financial information of claimants. The Court further finds that it would be overly burdensome to require the Receiver to file redacted versions of all such pleadings at this time. Therefore, all pleadings and related documents filed in the above-captioned matter under seal shall remain sealed and the Order retaining such documents under seal shall not expire three years after the final disposition of this action; *provided, however*, that any person may seek access to any filing using the notice procedure set forth in Rule 5.1 or as provided in any successor rule or decision. If any person seeks access, then the Court shall consider at that time whether a public version of the document shall be filed and whether and to what extent the Receiver or

counsel should be re-appointed and authorized to act for that purpose.

13. Within three (3) business days of receipt of this Order, the Receiver's counsel shall serve a copy of this Order by United States first class certified mail, postage prepaid, return receipt requested, upon counsel for NOLHGA, the United States, and the PBGC.

14. The Court anticipates and intends that this Order is the Court's final act in this matter. Upon the filing of the Notice of Completion, the Register in Chancery shall close the case.



Vice Chancellor
Dated: October 3, 2013