

IN THE CIRCUIT COURT OF THE
SECOND JUDICIAL CIRCUIT,
IN AND FOR LEON COUNTY, FLORIDA

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CIRCUIT COURT
LEON COUNTY, FLORIDA

In Re: The Receivership of CHAMPION
HEALTHCARE, INC., a Florida corporation.

CASE NO.: 98-4098

**RECEIVER'S MOTION FOR ORDER APPROVING
FINAL CLAIMS REPORT, CLAIMS DISTRIBUTION REPORT AND DISTRIBUTION
ACCOUNTING AND AUTHORIZING DISTRIBUTION**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES as Receiver of
CHAMPION HEALTHCARE, INC., files herewith the Receiver's Final Claims Report, Claims
Distribution Report and Distribution Accounting and states:

1. Champion Healthcare, Inc. ("Champion") was a Florida corporation previously
authorized to transact insurance business in the State of Florida pursuant to Florida Statutes. On July
24, 1998, the Second Judicial Circuit Court in and for Leon County, Florida (the "Court") entered
its Order Appointing the Florida Department of Insurance as Receiver for Purposes of Liquidation,
Injunction and Notice of Automatic Stay. On January 7, 2003, the Florida Department of
Insurance became part of the Florida Department of Financial Services.

2. This Court has jurisdiction over the Champion Receivership and is authorized to
make all necessary or proper orders to carry out the purposes of the Florida Insurers Rehabilitation
and Liquidation Act. Section 631.021(1), Florida Statutes.

3. The Receiver's First Interim Claims Report was approved by this court on
January 11, 2010. The report reflected classification of all Class 1 through Class 6 filed claims
by priority in accordance with Section 631.271, Florida Statutes, and the claims filing deadline.

4. The Receiver has compiled a Final Claims Report dated November 9, 2010, which reflects the classification of filed claims by priority in accordance with Section 631.271, Florida Statutes, and the claims filing deadline. This report also incorporates the resolution of all timely filed objections and claimant information updates. Future claimant information updates resulting from the distribution process will be incorporated into the Receiver's database. For the Court's convenience, a paper copy of the summary totals from the Final Claims Report is attached as Exhibit "A."

5. With the approval of the Receiver's Final Claims Report, the Receiver is now in the position to make a partial distribution of receivership assets. Said assets will be distributed to claimants in classes 1-3 in accordance with the Claims Distribution Report dated November 9, 2010. For the Court's convenience, a paper copy of the summary totals from the Claims Distribution Report is attached as Exhibit "B." The Claims Distribution Report lists all claims where an approved amount has been recommended in the Final Claims Report and is in accord with Section 631.271, Florida Statutes.

6. The proposed distribution is limited to classes 1-3 due to the holding in Ruthardt v. United States, 303 F.3d 375 (1st Cir. 2002) where the court ruled that the federal government is exempt from state law deadlines for filing claims in insurance liquidation proceedings. The Receiver is exploring alternatives to resolve this issue in an effort to make a full distribution to all classes of claimants.

7. Based upon the Distribution Accounting projected as of December 2010, which is attached hereto as Exhibit "C," the Receiver is prepared to make a distribution of \$315,951.88 to all claimants in classes 1-3 based on a calculated distribution of 100% of the amount approved by

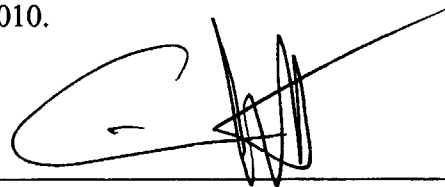
the Court. The final calculation and the amount distributed may have a slight variance due to rounding at the time of check processing.

8. The Receiver recommends that the Final Claims Report, Claims Distribution Report and Distribution Accounting be approved.

9. The Receiver recommends that the distribution amounts intended for the claimants who did not respond to the Receiver's inquiries, or where inadequate address information exists, be transferred to the Florida Department of Financial Services, Bureau of Unclaimed Property.

WHEREFORE, the Receiver respectfully requests this Court grant its Motion and enter an Order approving the Final Claims Report, Claims Distribution Report and Distribution Accounting and directing the Receiver to make the above referenced distribution to claimants in this receivership.

DATED this 15th day of December 2010.



ERIC S. SCOTT, Senior Attorney
Florida Bar No. 0911496
Florida Department of Financial Services
Division of Rehabilitation and Liquidation
Post Office Box 110
Tallahassee, Florida 32302-0110
(850) 413-4513 – Telephone

FLORIDA DEPARTMENT OF FINANCIAL SERVICES - DIVISION OF REHABILITATION AND LIQUIDATION
 CHAMPION HEALTHCARE INC
 FINAL CLAIMS REPORT
 PART A - FOR NON GUARANTY ASSOCIATION CLAIMANTS

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY NON GUARANTY ASSOCIATION CLAIMANTS \$6,665,845.09
 TOTAL AMOUNT RECOMMENDED TO NON GUARANTY ASSOCIATION CLAIMANTS \$4,591,038.35
 TOTAL NUMBER 1,047

Secured Claims

COUNT OF SECURED CLAIMS : 0
 AMOUNT CLAIMED FOR SECURED CLAIMS BY NON GUARANTY ASSOCIATION \$0.00
 AMOUNT RECMD FOR SECURED CLAIMS TO NON GUARANTY ASSOCIATION

Unsecured Claims

COUNT OF CLASS 1 CLAIMS : 0 COUNT OF CLASS 6 CLAIMS : 794
 AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY NON GUARANTY ASSOCIATION \$0.00 AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY NON GUARANTY ASSOCIATION \$6,113,521.85
 AMOUNT RECMD FOR CLASS 1 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : \$4,560,691.73

COUNT OF CLASS 2 CLAIMS : 142 COUNT OF CLASS 7 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS \$103,919.66 AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY NON GUARANTY ASSOCIATION \$0.00
 AMOUNT RECMD FOR CLASS 2 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : \$25,614.62 AMOUNT RECMD FOR CLASS 7 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :

COUNT OF CLASS 3 CLAIMS : 1 COUNT OF CLASS 8 CLAIMS : 83
 AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY NON GUARANTY ASSOCIATION \$3,621.80 AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY NON GUARANTY ASSOCIATION \$290,867.06
 AMOUNT RECMD FOR CLASS 3 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : \$3,621.80 AMOUNT RECMD FOR CLASS 8 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :

COUNT OF CLASS 4 CLAIMS : 7 COUNT OF CLASS 9 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY NON GUARANTY ASSOCIATION \$114,479.53 AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY NON GUARANTY ASSOCIATION \$0.00
 AMOUNT RECMD FOR CLASS 4 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : \$1,110.00 AMOUNT RECMD FOR CLASS 9 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :

COUNT OF CLASS 5 CLAIMS : 20 COUNT OF CLASS 10 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY NON GUARANTY ASSOCIATION \$39,435.39 AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY NON GUARANTY ASSOCIATION CLAIMANTS : \$0.00
 AMOUNT RECMD FOR CLASS 5 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS : \$0.00 AMOUNT RECMD FOR CLASS 10 CLAIMS TO NON GUARANTY ASSOCIATION CLAIMANTS :

Note: If status is unevaluated, then dollar amounts have been suppressed

FLORIDA DEPARTMENT OF FINANCIAL SERVICES -DIVISION OF REHABILITATION AND LIQUIDATION
 CHAMPION HEALTHCARE INC
 FINAL CLAIMS REPORT
 PART B - FOR GUARANTY ASSOCIATION

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED BY GUARANTY ASSOCIATION	\$2,051,819.48
TOTAL AMOUNT RECOMMENDED TO GUARANTY ASSOCIATION	\$2,051,819.48
TOTAL NUMBER	3

COUNT OF CLASS 1 CLAIMS :	1	COUNT OF CLASS 6 CLAIMS :	1
AMOUNT CLAIMED FOR CLASS 1 CLAIMS BY GUARANTY ASSOCIATION :	\$276,972.98	AMOUNT CLAIMED FOR CLASS 6 CLAIMS BY GUARANTY ASSOCIATION :	\$1,765,104.22
AMOUNT RECMD FOR CLASS 1 CLAIMS TO GUARANTY ASSOCIATION :	\$276,972.98	AMOUNT RECMD FOR CLASS 6 CLAIMS TO GUARANTY ASSOCIATION :	\$1,765,104.22
COUNT OF CLASS 2 CLAIMS :	0	COUNT OF CLASS 7 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 2 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 7 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 2 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00	AMOUNT RECMD FOR CLASS 7 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00
COUNT OF CLASS 3 CLAIMS :	1	COUNT OF CLASS 8 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 3 CLAIMS BY GUARANTY ASSOCIATION :	\$9,742.27	AMOUNT CLAIMED FOR CLASS 8 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 3 CLAIMS TO GUARANTY ASSOCIATION :	\$9,742.27	AMOUNT RECMD FOR CLASS 8 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00
COUNT OF CLASS 4 CLAIMS :	0	COUNT OF CLASS 9 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 4 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 9 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 4 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00	AMOUNT RECMD FOR CLASS 9 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00
COUNT OF CLASS 5 CLAIMS :	0	COUNT OF CLASS 10 CLAIMS :	0
AMOUNT CLAIMED FOR CLASS 5 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00	AMOUNT CLAIMED FOR CLASS 10 CLAIMS BY GUARANTY ASSOCIATION :	\$0.00
AMOUNT RECMD FOR CLASS 5 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00	AMOUNT RECMD FOR CLASS 10 CLAIMS TO GUARANTY ASSOCIATION :	\$0.00

Note: If status is unevaluated, then dollar amounts have been suppressed

FLORIDA DEPARTMENT OF FINANCIAL SERVICES-DIVISION OF REHABILITATION AND LIQUIDATION
 CHAMPION HEALTHCARE INC
 CLAIMS DISTRIBUTION REPORT

SUMMARY TOTALS

TOTAL AMOUNT CLAIMED \$338,334.22
 TOTAL AMOUNT RECOMMENDED \$315,951.88
 TOTAL NUMBER 46

Secured Claims

COUNT OF SECURED CLAIMS : 0
 AMOUNT CLAIMED FOR SECURED CLAIMS :
 AMOUNT RECOMMENDED FOR SECURED CLAIMS :

Unsecured Claims

COUNT OF CLASS 1 CLAIMS : 1 COUNT OF CLASS 8 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 1 CLAIMS : \$276,972.99 AMOUNT CLAIMED FOR CLASS 8 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 1 CLAIMS : \$276,972.99 AMOUNT RECOMMENDED FOR CLASS 8 CLAIMS :

COUNT OF CLASS 2 CLAIMS : 43 COUNT OF CLASS 7 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 2 CLAIMS : \$47,997.16 AMOUNT CLAIMED FOR CLASS 7 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 2 CLAIMS : \$25,614.82 AMOUNT RECOMMENDED FOR CLASS 7 CLAIMS :

COUNT OF CLASS 3 CLAIMS : 2 COUNT OF CLASS 6 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 3 CLAIMS : \$13,364.07 AMOUNT CLAIMED FOR CLASS 6 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 3 CLAIMS : \$13,364.07 AMOUNT RECOMMENDED FOR CLASS 6 CLAIMS :

COUNT OF CLASS 4 CLAIMS : 0 COUNT OF CLASS 9 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 4 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 4 CLAIMS :
 AMOUNT CLAIMED FOR CLASS 9 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 9 CLAIMS :

COUNT OF CLASS 5 CLAIMS : 0 COUNT OF CLASS 10 CLAIMS : 0
 AMOUNT CLAIMED FOR CLASS 5 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 5 CLAIMS :
 AMOUNT CLAIMED FOR CLASS 10 CLAIMS :
 AMOUNT RECOMMENDED FOR CLASS 10 CLAIMS :

Champion Healthcare
Available Cash Projection
Projected for December 2010 Distribution

	Cash Bal. as of September 30, 2010	Oct-10	Nov-10
Beginning Pooled Cash Balance		\$ 1,348,356.74	\$ 1,346,623.68
Direct Receiver Expenses (Actual or Estimated)			
Rent-Storage & Utilities		150.00	150.00
Sub-total		<u>150.00</u>	<u>150.00</u>
Allocated Receiver Expenses (Estimated)			
Labor & Benefits		2,902.00 ¹	2,902.00 ¹
Indirect Expenses		155.00 ²	155.00 ²
Sub-total		<u>3,057.00</u>	<u>3,057.00</u>
Cash Balance Before Interest Earnings		<u>1,345,149.74</u>	<u>1,343,416.68</u>
Interest Earnings			
Pooled Cash:			
Actual SPIA Earnings from September to be credited on October 1, 2010.		1,473.94	
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D).			3,000.00
Ending Pooled Cash Balance	<u>\$ 1,348,356.74</u>	<u>\$ 1,346,623.68</u>	<u>\$ 1,346,416.68</u>

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average. Doubled for increased activity leading up to distribution.

June Actual	\$ 2,152.07
July Actual	1,679.17
August Actual	1,542.21
Sept Actual	429.82
Sub-total	<u>5,803.27</u>
4 mth. actual average (rounded)	<u>1,451.00</u>
Doubled for increased activity level	<u>\$ 2,902.00</u>

² Indirect Expenses: This estimate is Champion's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on Champion's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	0.10%
Estimated Total for the Receiver	\$ 155,000.00
Estimated Expense (rounded)	<u>\$ 155.00</u>

Champion Healthcare
Estimated Funds to be Retained by the Receiver for Discharge of the Estate
Estimated from 12/2010 through the Projected Discharge Date of December 2012

	November	December	Jan-Dec 2011	Jan-Dec 2012	Retainage Calculation
Beginning Cash Balance	\$ 1,346,416.68	\$ 1,348,416.68	\$ 1,027,157.80	\$ 1,006,885.80	
Direct Receiver Expenses					
Rent - Storage		250.00	3,000.00	3,000.00	
Sub-total		250.00	3,000.00	3,000.00	\$ 6,250.00
Allocated Receiver Expenses					
Labor & Benefits		2,902.00 ¹	17,412.00 ¹	17,412.00 ¹	
Indirect Expenses		155.00 ²	1,860.00 ²	1,860.00 ²	
Sub-total		3,057.00	19,272.00	19,272.00	\$ 41,601.00
Claims Distribution (Approx.)		\$ 315,951.88			
Cash Balance Before Interest Earnings		1,027,157.80	1,004,885.80	984,613.80	
Interest Earnings					
Estimate based on assumed SPIA APR on the previous month's average Pooled Cash balance (See Schedule D).			2,000.00	25,440.00	\$ 27,440.00 ³
Projected Ending Cash Balance	\$ 1,346,416.68	\$ 1,027,157.80	\$ 1,006,885.80	\$ 1,010,053.80	\$ 20,411.00

Assumptions for Allocated Receiver Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average doubled for increased labor through distribution. Subsequent to distribution the monthly average is assumed.

June Actual	\$ 2,152.07
July Actual	1,679.17
August Actual	1,542.21
Sept Actual	429.82
Sub-total	5,803.27
4 mth. actual average (rounded)	1,451.00
Doubled for increased distribution activity	\$ 2,902.00

² Indirect Expenses: This estimate is Champion's estimated pro rata share of the Receiver's estimated total indirect expenses. The pro rata share calculation is based on Champion's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	0.10%
Estimated Total for the Receiver	\$ 155,000.00
Estimated Expense (rounded)	\$ 155.00

Champion Healthcare
Allocated State Funds Expensed
 Estimated from December 2010 through the Projected Discharge Date of December 2012
THIS STATEMENT INCLUDED FOR INFORMATION PURPOSES ONLY - AMOUNTS NOT PART OF DISTRIBUTION CALCULATION

	Dec-10	Jan-Dec 2011	Jan-Dec 2012	Totals
Accrued Allocated State of Florida Expenses (Estimated)				
Labor & Benefits	\$ 400.00 ¹	\$ 4,800.00 ¹	\$ 4,800.00 ¹	\$ 10,000.00
Indirect Expenses	160.00 ²	1,920.00 ²	1,920.00 ²	4,000.00
Total	\$ 560.00	\$ 6,720.00	\$ 6,720.00	\$ 14,000.00 ³

Assumptions for Allocated State of Florida Expenses:

¹ Labor & Benefits: This estimate is based on a four month actual average doubled for increased labor activity during the distribution period.

June Actual	225.27
July Actual	760.58
August Actual	99.99
Sept Actual	511.18
Sub-total	1,597.02
4 mth. actual average (rounded)	\$ 400.00

² Indirect Expenses: This estimate is Champion's estimated pro rata share of the State's estimated total indirect expenses. The pro rata share calculation is based on Champion's estimated total assets divided by the Receiver's estimated total assets for all receiverships.

Estimated Total Asset %	0.10%
Estimated Total for the State	\$ 155,000.00
Estimated Expense (rounded)	\$ 160.00

³ Per current Receiver policies and procedures, these accumulated amounts are recorded as contributions to equity.

Champion Healthcare
Interest Earnings Projection - Pooled Cash
Projected for December 2010 Distribution

Interest accrued for October

Beginning cash balance at 10/01/2010	\$	1,348,356.74
Ending cash balance at 10/31/2010		1,346,623.68
Average cash balance for October		1,347,490.21
Assumed SPIA interest rate (Annualized)		2.50%
Subtotal (Annualized)		33,687.26
Accrual for October (Rounded)	\$	<u>3,000.00</u>

Interest accrued for November

Beginning cash balance at 11/01/2010	\$	1,346,623.68
Ending cash balance at 11/30/2010		1,346,416.68
Average cash balance for November		1,346,520.18
Assumed SPIA interest rate (Annualized)		2.50%
Subtotal (Annualized)		33,663.00
Accrual for November (Rounded)	\$	<u>3,000.00</u>

Interest accrued for December

Beginning cash balance at 12/01/2010		1,346,416.68
Ending cash balance at 12/31/2010		1,027,157.80
Average cash balance for December		1,186,787.24
Assumed SPIA interest rate (Annualized)		2.50%
Subtotal (Annualized)		29,669.68
Accrual for December (Rounded)	\$	<u>2,000.00</u>

Interest accrued for January-December 2011

Beginning cash balance at 01/01/2011		1,027,157.80
Ending cash balance at 12/31/2011		1,006,885.80
Average cash balance for January		1,017,021.80
Assumed SPIA interest rate (Annualized)		2.50%
Subtotal (Annualized)		25,425.55
Accrual for Jan-Dec 2011 (Rounded)	\$	<u>25,440.00</u>

Interest accrued for January-December 2012

Beginning cash balance at 01/01/2012		1,006,885.80
Ending cash balance at 12/31/2012		1,010,053.80
Average cash balance for February		1,008,469.80
Assumed SPIA interest rate (Annualized)		2.50%
Subtotal (Annualized)		25,211.75
Accrual for Jan-Dec 2012 (Rounded)	\$	<u>25,200.00</u>

**Champion Healthcare
Receiver Discharge Expenses
Projected for December 2010 Distribution**

Discharge Expenses (Projected for Post 12/31/12)
Records Storage, Records Destruction, Labor
& 2010, 2011 & 2012 Final Tax Return Preparation
Total

\$	4,500.00
\$	<u>4,500.00</u>