

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

In Re: The Receivership of
CADUCEUS SELF INSURANCE
FUND, INC.

CASE NO. 2000-CA-000004

**DEPARTMENT’S MOTION FOR ORDER APPROVING FINAL CLAIMS REPORT,
CLAIMS DISTRIBUTION REPORT, DISTRIBUTION AND DISCHARGE
ACCOUNTING STATEMENT, DIRECTING FINAL DISCHARGE OF RECEIVER,
AUTHORIZING DESTRUCTION OF OBSOLETE RECORDS, AND DIRECTING
DISPOSITION OF REMAINING ASSETS AND CLOSING ESTATE**

THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES, as receiver for Caduceus Self Insurance Fund, Inc. (hereinafter “Department”), files this *Department’s Motion for Order Approving Final Claims Report, Claims Distribution Report, Distribution and Discharge Accounting Statement, Directing Final Discharge of Department, Authorizing Destruction of Obsolete Records, and Directing Disposition of Remaining Assets and Closing Estate* and in support of its motion states:

1. On January 3, 2000, this Court ordered Caduceus Self Insurance Fund, Inc. (“Caduceus”) into liquidation and appointed the Department of Financial Services of the State of Florida as Receiver (the “Department”). On January 7, 2003, the Florida Department of Insurance became the Florida Office of Insurance Regulation.

2. This Court has jurisdiction over the Caduceus 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. Pursuant to this Court’s *Order on Objection by Claimants Joel S. Mutnick and Fiske and Company* (“Claimants”) to *Receiver’s Recommendation to Deny Claim*, entered October 18, 2016, the Claimants are entitled to the payment of the remaining assets in the

Caduceus estate for distribution to its members, less (1) any amounts necessary to reimburse the Florida Insurance Regulatory Trust for contributed equity and (2) an amount to be held by the Department to satisfy any future expenses the Department may incur in complying with the terms of the Order and in winding up the affairs of the Caduceus estate.

4. As a result, the Department has compiled a Final Claims Report dated October 27, 2016, which reflects the classification of all filed claims in Classes 1 - 10 by priority in accordance with section 631.271, Florida Statutes. This Final Claims Report is extremely detailed and contains non-public personal information, including personally identifiable financial information, relating to the claimants. Pursuant to Federal Law, specifically the Gramm-Leach-Bliley Act, 15 USCS §6801 (hereinafter the “Act”), there is an obligation to protect the security and confidentiality of an individual’s non-public personal information.

5. In furtherance of the Act’s purpose, and in order to protect claimants of the Caduceus estate, the Department has not attached the full Final Claims Report for Classes 1 - 10 to this motion. Instead, the Department offers summary pages of the report that reflect the total amounts claimed and recommended by the Department. Upon this Court’s request, the Department would immediately provide a full copy of the Final Claims Report for Classes 1 - 10. The Department’s Final Claims Report for Classes 1 - 10, dated October 27, 2016, is broken down into two parts in its claims system. Part A is for non-guaranty association claimants, and Part B is for guaranty association claimants, of which there are none in this estate. The summary page of Part A is attached as **EXHIBIT A**. This report reflects classification of filed claims by priority in accordance with section 631.271, Florida Statutes. The total amount claimed in Part A of the Report is \$72,565,117.94. The total amount recommended by the Department in Part A

of the Report is \$17,258,680.81. The Final Claims Report for Classes 1 - 10 also incorporates the resolution of all timely filed objections and claimant information updates.

6. With the approval of the Department's Final Claims Report dated October 27, 2016, and pursuant to this Court's Order, the Department proposes a final distribution of Caduceus' assets. Said assets will be distributed to the Claimants in accordance with the Claims Distribution Report dated October 27, 2016. For the Court's convenience, a copy of the summary totals from the Claims Distribution Report is attached as **(EXHIBIT B)**.

7. The Department's Distribution and Discharge Accounting Statement – Projected as of December 31, 2016 (“Distribution and Discharge Accounting”) is attached hereto as **(EXHIBIT C)**.

8. As shown in the Distribution and Discharge Accounting, the estimated value of all assets remaining in the Caduceus estate is projected to be \$6,814,991.51 as of December 31, 2016 **(EXHIBIT C, Summary Page)**.

9. The Department receives an annual budget from the Florida Insurance Regulatory Trust Fund (“Regulatory Trust Fund”), which funds a portion of the Department's costs and expenses of administration. The Department funds the majority and remainder of its budget from the open receiverships it supervises. Previously, the Regulatory Trust Fund funded several state positions within the Department which included their direct labor and a portion of the Department's overhead. Each receivership is charged a portion of these state funded costs and expenses based on certain allocation formulas. It is the Department's policy to record these state funded expenditures as “Contributed Equity” on each receivership financial statement. If the Department determines that there are sufficient assets available at the end of the receivership, it is the policy of the Department to reimburse the Regulatory Trust Fund for Contributed Equity as

the Department's costs and expenses of administration, as well as the claims of state and local governments pursuant to section 631.271, Florida Statutes. The Contributed Equity for Caduceus projected as of December 31, 2016 is estimated to be \$278,076.20 (see **EXHIBIT C, Schedule E**).

10. The Department requests authority to retain \$6,000.00 as a reserve for "wind up" expenses of the receivership (**EXHIBIT C, Schedule D**). The Department requests authorization to transfer any surplus expense funds remaining after discharge and the balance of the estate's assets to the Claimants for distribution.

11. Upon approval of the Department's request for final discharge, the records of the Caduceus estate will no longer be needed, and it will be necessary to dispose of the obsolete company records. Prior to the actual destruction of these records, the Department will obtain a "Disposal Authorization Certificate" from the Division of Archives, History and Records Management of the Florida Department of State.

12. All mortgages, notes, or other liens in favor of Caduceus recorded with the Clerks of the Circuit Courts in the State of Florida, upon property located in the State of Florida, not sold, transferred, or assigned, by the Department should be assigned to the Claimants.

13. The Department requests an Order authorizing the Division of Rehabilitation and Liquidation to remit to Claimants any assets which may be recovered following the discharge of this receivership if, in the Department's sole discretion, the value of the recovered assets does not justify the reopening of this receivership estate.

14. The Department requests an Order that it shall be fully and finally discharged of its responsibilities in this receivership estate as of 12:01 a.m. on December 31, 2016.

WHEREFORE, the Department respectfully requests this Court grant the Department's motion and enter an Order:

- A. Approving and adopting the Department's Final Claims Report;
- B. Approving and adopting the Department's Claims Distribution Report;
- C. Approving and adopting the Department's Distribution and Discharge Accounting;
- D. Authorizing the Department to reimburse the Florida Regulatory Trust Fund in the projected amount of \$278,076.20 for contributed equity in the Caduceus estate;
- E. Authorizing and directing the Department to retain \$6,000.00 as a reserve for "wind up" expenses of the Department. Any surplus remaining from the \$6,000.00 and the balance of the estate's assets shall be paid to the Claimants for distribution;
- F. Authorizing the Department, after final discharge, to destroy any obsolete records in the Department's possession;
- G. Authorizing the Division of Rehabilitation and Liquidation to remit to the Claimants any assets which may be recovered following the discharge of this receivership if, in the Department's sole discretion, the value of the recovered assets does not justify the reopening of this receivership;
- H. Assigning all mortgages, notes, or other liens, on property located in Florida, in favor of Caduceus to the Claimants for distribution; and
- I. Directing, without further Order of this Court, the final discharge of the Department of its responsibilities in the Caduceus estate as of 12:01 a.m. on December 31, 2016.

SUBMITTED this 1st day of November, 2016.

/s/ Steven G. Brangaccio
STEVEN G. BRANGACCIO

CERTIFICATE OF SERVICE

I HERBY CERTIFY that a true and correct copy of the foregoing has been furnished to
Daniel C. Brown, dbrown@carltonfields.com, 1st day of November, 2016.

/s/ Steven G. Brangaccio
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