

Attorney Code #16819
PDW:cwj

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

IN THE MATTER OF THE LIQUIDATION OF)
MEDCARE, HMO, INC.) NO. 91 CH 12196

ORDER FIXING THE TIME AND PROCEDURE
FOR FILING CLAIMS AND FOR OTHER MATTERS

THIS CAUSE COMING TO BE HEARD upon the Petition of STEPHEN F. SELCKE, Director of Insurance of the State of Illinois (hereinafter "Liquidator"), in his capacity as Liquidator of MedCare HMO, Inc. (hereinafter "MedCare"), by and through one of his attorneys, for an Order Fixing Rights and Liabilities and for other matters; the Court having jurisdiction of the parties hereto and of the subject matter hereof, the Court having reviewed the pleadings filed herein and having heard counsel thereon, and then being otherwise fully advised in the premises;

THE COURT HEREBY FINDS:

That various persons, firms, corporations, and governmental entities have, claimed to have, or may have claims against MedCare and the property or assets thereof, and that in order to effectively and properly administer the affairs and assets of MedCare and to protect the interests of the policyholders/enrollees, creditors, and stockholders of MedCare, and of the general public, and in accordance with 125 ILCS 5/192, 5/194, 5/208, and 5/209 (1992), it is necessary that an Order be entered herein fixing the time after which no persons, firms, corporations or governmental entities having, or claiming to have, any claim or claims against MedCare, or the property or assets

thereof, shall participate in any distribution of such assets unless such claims are presented to, and filed with, the Liquidator of MedCare within the time to be fixed by said Order.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED;

A. That all rights, duties and liabilities of MedCare, and of its creditors, policyholders/enrollees, stockholders, and all other persons interested in its assets be and the same are hereby fixed as of January 4, 1993, subject to further Orders of this Court.

B. That the Liquidator be and the same shall notify all persons (including but not limited to individuals, aggregations of individuals, partnerships, corporations, associations, estates, trusts and governmental units), as is hereinafter set-forth in paragraphs C and D of this Order, which MedCare's books and records reveal have, or may have claims against MedCare, or its property or assets, to present to the Liquidator proper proofs of claim in the form hereafter set-forth, on or before 4:30 p.m., C.S.T., January 4, 1994. Said notice by the Liquidator to such person shall specify January 4, 1994 at 4:30 p.m., C.S.T., to be the last date for the presentation of such proofs of claim to the Liquidator at the offices designated by him in such notice.

C. That the Liquidator be and the same shall serve a written notice of the claims date upon those persons described in paragraph B above, which MedCare's books and records reveal presently have claim or claims against MedCare, or the property or assets of MedCare or against the insured, or policyholder/enrollee of MedCare, or who have, prior to the date of the entry of this Order, served notice upon MedCare or its Liquidator, that they have a claim or claims against MedCare, or the property or assets of MedCare, or against an insured, or policyholder/enrollee, and of

which such claim if allowed, in whole or in part, would be eligible to participate in any distribution of the assets of MedCare at a general creditor level or above in accordance with the provisions of Section 205 of the Illinois Insurance Code, supra, by the Liquidator depositing a copy of said notice, together with a proof of claim form, in the United States mail, enclosed in an envelope addressed to each such person at his, or her or its last known address as revealed by the books and records of MedCare, with first class postage prepaid.

D. That the Liquidator be and the same shall notify all other persons, including those who would, if their claim were allowed, in whole or in part, be entitled to participate in any distribution of the Company's assets below the general creditor priority level, in accordance with the provision of the aforesaid Section 205 of the Illinois Insurance Code, and all other persons other than those provided for in paragraph C above, by causing a notice to be published at least once each week for three consecutive weeks in a newspaper of general circulation published in the State of Illinois and in such newspapers or other periodicals of general circulation as the Liquidator may deem proper, and which said shall:

- (a) specify the last day for the presentation of claims against MedCare;
- (b) shall advise all such persons of the procedure by which all such persons may present their claims to the Liquidator;
- (c) shall advise all such persons of the address of the Liquidator's office wherein they may present claims; and

(d) shall advise all such persons of their rights to present their claim or claims to the Liquidator.

E. That any and all persons, firms, corporations, organizations or otherwise, having, or claiming to have any, accounts, debts, claims or demands against MedCare, its assets, insureds, and policyholders/enrollees covered under insurance policies and/or insurance contracts issued by MedCare, or claiming any right, title, or interest in or to any funds or property in the possession of the Liquidator, be and the same are hereby ordered and directed to present to the Liquidator, at his office designated in the above described notice, on or before 4:30 p.m., C.S.T., on January 4, 1994, a properly completed proof of claim. Each proof of claim must consist of a statement, under oath, in writing, signed by the claimant, setting forth the claim, the consideration therefore, and whether any, and if so what, securities are held thereon, and whether any, and if so what, payment has been made thereon, and that the sum claimed is justly owing from MedCare to the claimant. Whenever the claim is found upon an instrument in writing, such instrument, unless lost or destroyed, shall be provided with a proof of claim and if such instrument is lost or destroyed, a statement of such fact and the circumstances of loss or destruction shall be provided under oath with the claim.

F. That no person having, or claiming to have any claim or claims against MedCare or its assets, shall participate in any distribution of the assets of MedCare unless such claim is presented and received in accordance with, and within the time limits established by this Order, subject to the provisions for the late filing of claims contained in Section 208 (2) of the Illinois Insurance Code (125 ILCS 5/208(2), 1992).

G. That the Liquidator be and the same shall examine, review, and evaluate such claims as filed with him and report to

the Court his recommendation for allowance or disallowance, as the case may be. Upon the filing of such report and objections thereto, if any, the Court shall thereupon take such further as justice may require.

H. That the Liquidator be and the same shall not pay the claims of creditors, policyholders/enrollees, or insureds, or other claimants of MedCare, who are required hereby to file proofs of claim with the Liquidator, until all such claims have been filed and allowed or disallowed in accordance with this Order and subsequent Orders of this Court, unless payment of such claim is hereafter authorized or allowed by this Court.

ENTERED: _____

JUDGE EDWIN M. BERMAN

FEB 03 1993

Circuit Court-153

JUDGE PRESIDING

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