

IN THE DISTRICT COURT OF LANCASTER COUNTY, NEBRASKA

STATE OF NEBRASKA, EX REL.,)
 BRUCE R. RAMGE, DIRECTOR OR)
 INSURANCE OF THE STATE OF)
 NEBRASKA,)
)
 PETITIONER,)
)
 vs.)
)
 OMNI DENTAL ASSOCIATES, INC.)
)
 RESPONDENT.)

Case No. CI 14 2486

**ORDER TERMINATING
 LIQUIDATION PROCEEDINGS
 AND DISCHARGING LIQUIDATOR**

THIS MATTER comes before the Court on the Application of Bruce R. Ramge, Nebraska Insurance Director, statutory Liquidator (the "Liquidator") of Omni Dental Associates, Inc., ("Omni"), for an Order terminating Omni's liquidation proceedings and discharging the Liquidator. The Liquidator's Application was filed pursuant to the Nebraska Insurers Supervision, Rehabilitation and Liquidation Act, Neb. Rev. Stat. §44-4801 et seq. ("Liquidation Act"), specifically Neb. Rev. Stat. §44-4846, which permits the Liquidator to terminate the liquidation proceedings and apply to the Court for discharge when all assets justifying the expense of the collection and distributions have been collected and distributed.

Hearing was held on the Liquidator's Application on July 30, 2015, pursuant to notice provided to interested parties. Present on behalf of the Liquidator were John Jelkin and Christine Neighbors. Michael J. FitzGibbons, the Special Deputy Liquidator, testified on behalf of the Liquidator. No one else appeared.

The Court has reviewed the Liquidator's Application and has considered the evidence adduced at the hearing. The Court finds as follows:

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 CLERK OF THE DISTRICT COURT
 LANCASTER COUNTY



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On

LIQUIDATION ORDER

1. On September 30, 2014, the Court determined that Omni was insolvent and entered an Order of Liquidation and Injunction ("Liquidation Order") as to Omni under the Liquidation Act.

ACTIONS TAKEN IN LIQUIDATION

2. Pursuant to the Liquidation Order and the Liquidation Act, the Liquidator took possession of the assets of Omni and administered them under the supervision of the Court. In particular, and without limitation:

a. The Liquidator gave or caused to be given notice of the Liquidation Order pursuant to Neb. Rev. Stat. §44-4822. The notice required all claimants to file with the Liquidator their claims together with proper proofs thereof pursuant to Neb. Rev. Stat. §44-4836 not later than 5:00 p.m., CST, on December 15, 2014.

b. The Liquidator identified, and collected and liquidated all assets of Omni which in the Liquidator's judgment justified the expense of collection and liquidation.

c. The Liquidator established a claims procedure meeting the requirement of the Liquidation Act, specifically Neb. Rev. Stat. §44-4836, and adjudicated and classified all claims filed thereunder.

d. The Liquidator mailed Notices of Determination pursuant to Neb. Rev. Stat. §44-4839 to all claimants on January 16, 2015, and no objections were received.

e. The Liquidator has performed numerous other administrative functions during the course of the liquidation proceedings.

FIRST AND FINAL CLAIM DISTRIBUTION

3. Pursuant to Neb. Rev. Stat. §44-4844, the Liquidator may pay distributions under the direction of the Court in a manner that will assure the proper recognition of priorities and a reasonable balance between the expeditious completion of the liquidation and the protection of the unliquidated and undetermined claims, including third party claims.

4. The Liquidator seeks Court approval to pay from its general assets a first and final distribution to Class 1 and Class 2 claims as outlined in Exhibit 1. The Liquidator has sufficient assets available to pay fifty-three point eight percent (53.8%) of Class 1 claims and fifty percent (50%) of Class 2 claims. The Liquidator made the decision to subordinate Class 1 Administrative expense claims to the benefit of Class 2 claims in order to allow payment to policyholder claimants. There are no assets available to pay any distributions on any claims in Class 5. No claims were filed in Classes 3, 4, 7, 8, and 9.

FINAL FEES AND EXPENSES

5. To permit the closing of Omni's liquidation proceedings, it is necessary to pay final fees and expenses incurred in terminating the liquidation, including fees and expenses which relate to matters which will occur after the liquidation proceedings are closed. The final fees and expense payments, including the distribution to claimants, are set forth in Exhibit 2.

6. Included in the fees and expenses of Omni are tax return preparation costs, fees of the Special Deputy Liquidator, and fees paid to the IRS for taxes and penalties all as set forth in Exhibit 2.

7. The "Future Billings" of the Special Deputy Liquidator, in the amount of \$3,000 June 1, 2015 to closing is for professional and administrative services incurred to date and which may be required following the termination of Omni's liquidation proceedings. In considering of such payment, which is nonrefundable, the Special Deputy Liquidator will render all future services to the Omni liquidation estate, regardless of whether the amount which would otherwise be due to him under his current compensation arrangement is more or less than the amount shown in Exhibit 2. The Liquidator has applied for approval to pay the final fees and expenses incident to the termination of Omni's liquidation proceedings.

FINAL TAX RETURN

8. Thomas and Thomas, a local CPA firm, has been engaged and paid to prepare and file the final 2015 Federal Tax Return. See Exhibit 2.

DISCHARGE OF LIQUIDATOR

9. The Liquidator has applied to the Court for discharge and exoneration of the Liquidator, Special Deputy Liquidator, and the employees, contractors, agents, assistants, clerks, attorneys, accountants and representatives who may have provided services in the liquidation of Omni ("discharged person"). The discharged persons would be exonerated from any and all further liability to Omni, its creditors, claimants, shareholders, policyholders, and the liquidation estate. Until filing of the final accounting, the Liquidator would, to the extent of assets remaining in Omni's liquidation estate, retain the fiduciary and statutory obligation to pay final administrative costs and make final distributions as anticipated in Exhibit 2, and would retain the fiduciary and statutory obligation to complete all post-closing tasks necessary or advisable to

complete the liquidation of Omni. Upon filing of the final accounting, the Liquidator has requested that the Court issue a final discharge of the discharged persons. Pursuant to the discharge, all persons would be enjoined from commencing or prosecuting, without leave of this Court, any action or proceeding against the discharged person in connection with or arising out of their status or service in Omni's liquidation proceedings, and the Court will retain jurisdiction for the purpose of enforcing its injunction. The injunction will be an extension of the injunction contained in the Liquidation Order and the Liquidator asserts that it is clearly contemplated under the purposes of the Liquidation Act as it would enhance the efficiency and economy of these liquidation proceedings, clarify the law, and minimize legal uncertainty and litigation. Neb. Rev. Stat. §44-4801(3). The Liquidator has represented that all actions by the discharged persons in connection with or arising out of Omni's liquidation proceedings have been conducted pursuant to the Liquidation Act and under the direction and supervision of the Court. The Liquidator has requested that termination of Omni's liquidation proceedings therefore not terminate the injunction contained in the Liquidation Order, and any person desiring to commence or prosecute an action against the Liquidator or any other discharged person should be enjoined from doing so absent leave of this Court.

NOTICE

10. The Court finds that all notices required by law have been given.

EFFECTIVE DATE

11. The Liquidator has set May 31, 2015, as the effective date of the termination of Omni's liquidation proceedings. The Special Deputy Liquidator testified that all

actions required of the Liquidator by the Liquidation Act, with the exception of final distributions and closing steps, were initiated on or before May 31, 2015, and that the remaining work is all related to distributions and closing.

ORDER

IT IS HEREBY ORDERED AND ADJUDGED:

1. Omni's liquidation proceedings are hereby terminated effective May 31, 2015 upon entry of this Order.
2. The Liquidator's Exhibit 2 is hereby approved. The Liquidator shall file a final closing accounting with the Court as soon as practicable following resolution of all matters in process.
3. The Liquidator's proposed payment of final fees and expenses for Omni's liquidation proceedings and the basis on which the Liquidator proposes to pay them are hereby approved. Such final fees and expenses are those detailed on the Liquidator's Exhibit 2.
4. Pursuant to Neb. Rev. Stat. §44-4844, the Liquidator is AUTHORIZED AND ORDERED to pay final distributions from Omni's remaining assets to the claimants as listed on Exhibit 2, submitted at the hearing of this application and subject to the finalization of the closing expenses which were estimated at the time of hearing.
5. The Liquidator, the Special Deputy Liquidator, and the employees, contractors, agents, assistants, clerks, attorneys, accountants and representatives providing services in the liquidation of Omni ("discharged persons"), are hereby discharged and exonerated from any and all further liability to Omni, its creditors, claimants, shareholders, policyholders, and the liquidation estate, provided that until filing of the

closing report with the Court, the Liquidator shall, to the extent of assets remaining in Omni's liquidation estate, retain the fiduciary and statutory obligation to complete all post-closing tasks necessary or advisable to complete the liquidation of Omni. Upon filing of the final closing report in form and substance satisfactory to the Court, the Liquidator has requested that the Court issue a final discharge of the discharged persons. All persons are hereby permanently enjoined from commencing or prosecuting, without leave of this Court, any action or proceeding against the discharged persons in connection with or arising out of their service in Omni's liquidation proceedings or their status as specified in this paragraph, and the Court will retain jurisdiction for the purpose of enforcing its injunction. The injunction is an extension of the injunction contained in the Liquidation Order.

BY THE COURT:

Date: 7/30/15



Robert R. Otte
District Judge

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