

IN THE CIRCUIT COURT OF COLE COUNTY
STATE OF MISSOURI

CHLORA LINDLEY-MYERS, DIRECTOR)	
MISSOURI DEPARTMENT OF COMMERCE)	
AND INSURANCE,)	
)	
)	
)	
Plaintiff,)	
v.)	Case No.: 15AC-CC00224
)	
)	
LUMBERMEN’S UNDERWRITING ALLIANCE,)	
)	
)	
Defendant.)	

MOTION FOR APPROVAL OF
ARIZONA SPECIAL DEPOSIT RELEASE AGREEMENT

COMES NOW plaintiff Chlora Lindley-Myers, Director, Missouri Department of Commerce and Insurance, in her capacity as Liquidator (“Liquidator”) of Lumbermen’s Underwriting Alliance (“LUA” or the “Estate”), and respectfully requests that this Court enter an Order approving the Arizona Special Deposit Release Agreement (“Agreement”) entered into by and between Hon. Barbara D. Richardson, Director of the Arizona Department of Insurance and Financial Institutions (“Director”), and the Liquidator, and attached hereto as Exhibit A.

In support of her motion, the Liquidator states the following:

1. On May 23, 2016, this Court entered a Judgment, Decree and Order of Liquidation with Finding of Insolvency (the “Liquidation Order”) against LUA and placed LUA into liquidation.

2. Pursuant to the Liquidation Order and the Insurers Supervision, Rehabilitation and Liquidation Act, Mo. Rev. Stat. §§ 375.1150 *et seq.* (the “Liquidation Act”), the Liquidator acts for and on behalf of LUA and is vested by operation of law with title to all of the property, contracts, rights of action, books and records of LUA, and is administering them under the general

supervision of the Court. The Liquidation Order and the Liquidation Act also direct the Liquidator to (a) identify, marshal and liquidate the assets of the Estate; (b) process and evaluate claims to determine the liabilities of the Estate; and (c) distribute assets to claimants of the Estate in accordance with Mo. Rev. Stat. § 375.1218.

3. Prior to the Liquidation Order, LUA made a special deposit in trust for the benefit of policyholders and creditors pursuant to Arizona Law. The special deposit is currently being held in the approximate amount of \$8,994,491 (the “Special Deposit”).

4. The Liquidator states that the only known Arizona claims are those of the Arizona Property & Casualty Insurance Guaranty Fund (“Fund”), and that there are no other known Arizona liabilities or creditors of LUA of any priority class.

5. The Liquidator and the Director entered into the Agreement for the purposes of (1) releasing a portion of the Special Deposit proceeds to reimburse the Fund for claims payments made by the Fund, (2) releasing a portion of the Special Deposit in the amount of the reserves established by the Fund for the payment of all remaining claims of the Insurer’s Arizona policyholders and claimants, that portion to be held by the Fund, and (3) disbursing the remaining balance to the Liquidator.

6. The Liquidator believes the release of the Special Deposit and disposition of the funds as set forth in the Agreement is in the best interests of all policyholders and creditors of LUA.

Notice of Motion

7. The Liquidator shall post a copy of this Motion on its website: www.lumbermensunderwriting.com.

8. The Liquidator shall provide a copy of this Motion to the National Conference of Insurance Guaranty Funds for distribution to all state insurance guaranty associations.

WHEREFORE, the Liquidator requests that the Court grant this Motion and issue an Order as follows:

- a) Approving the Arizona Special Deposit Release Agreement; and
- b) Affirming and approving in all respects the conduct of the Liquidator, her employees, agents and counsel in connection with the Agreement.

Respectfully submitted,

NORTON ROSE FULBRIGHT US LLP

/s/ Jodi M. Adolf

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CERTIFICATE OF SERVICE

Pursuant to Missouri Rule of Civil Procedure 55.03(a), I hereby certify that I personally caused the signature to the original of the foregoing which was filed this 31st day of May, 2023, using the Court's electronic filing system, which sends notification of filings to counsel of record.

/s/ Jodi Adolf
Attorneys for Plaintiff