

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:) Chapter 11
)
US FIDELIS, INC.,) Hon. Charles E. Rendlen, III
)
Debtor.) Case No. 10-41902-705

**ORDER GRANTING MOTION OF THE STATES OF TEXAS, WASHINGTON, OHIO
AND MISSOURI SEEKING TO ALLOW ATTORNEYS GENERAL TO FILE CLASS
PROOFS OF CLAIM FOR VOTING PURPOSES ONLY**

This matter comes before the Court upon the Motion of the State of Texas, the State of Washington, the State of Ohio and the State of Missouri Seeking to Allow Attorneys General to File Class Proofs of Claim for Voting Purposes Only (Dkt. 1068) filed on May 1, 2012 (the “Motion”). This Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 1334 and 157. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b). Due, adequate and proper notice of the Motion and the hearing on the Motion was provided, and thus no other or further notice need be given.

The Court finds that there are over 600,000 Consumers holding Consumer Claims against the Debtor who have not yet received formal notice of this bankruptcy case and will only shortly receive notice of this case in connection with the notice and balloting on the First Amended Plan of Liquidation filed on June 5, 2012.¹

¹ The terms “Consumers”, “Consumer Claims”, and “State Attorneys General” shall have the same meaning in this Order as in the First Amended Plan of Liquidation filed on June 5, 2012.

The Court further finds that the State Attorneys General have throughout the pendency of this bankruptcy case been zealous advocates for consumers affected by the Debtor's prepetition conduct and it is therefore wholly appropriate that State Attorneys General should have the opportunity to cast ballots in favor of or opposed to the First Amended Plan of Liquidation on behalf of their respective constituents as requested in the Motion.

Accordingly after due deliberation and sufficient cause appearing therefore, the Court, having considered the Motion and the arguments of counsel at the hearing,

IT IS HEREBY ORDERED that the Motion is GRANTED.

IT IS FURTHER ORDERED that each State Attorneys General may file a class proof of claim and submit a ballot ("Class Claim/Ballot") on behalf of all Consumers holding Consumer Claims who resided in their respective state or territory at the time their respective Consumer Claims arose.

IT IS FURTHER ORDERED that the Class Claim/Ballot shall be allowed for voting purposes only in the amount of \$5,000 per Consumer in Class 6 of the First Amended Plan and \$2,000 per Consumer in Class 7 of the First Amended Plan, provided, however that if any individual Consumer files his or her own proof of claim ("Individual Proof of Claim") such Individual Proof of Claim shall be allowed for voting purposes only in Class 6 of the First Amended Plan in the lesser of the amount listed in such Individual Proof of Claim or \$5,000, and then such Individual Proof of Claim shall be subtracted from the Class Claim/Ballot filed by the applicable State Attorney General.²

² Solely by way of example, if the Missouri State Attorney General files a Class Claim/Ballot on behalf of 1,000 Consumers, the Class Claim/Ballot shall be allowed for voting purposes in the amount of \$5,000,000 for Class 6 of the Plan and \$2,000,000 in Class 7. If 100 Individual Proofs of Claim are filed by Missouri Consumers that total \$250,000, then Missouri's Class Claim/Ballot will be allowed for voting purposes in Class 6 in the amount of \$4,750,000 and for \$2,000,000 in Class 7.

IT IS FURTHER ORDERED that the Class Claim/Ballot in the form attached hereto as Exhibit A is approved and the Official Unsecured Creditors Committee is authorized and directed to include the Class Claim/Ballot in the package of materials disseminated to the State Attorneys General in connection with the balloting on the First Amended Plan.

DATED: June 5, 2012
St. Louis, Missouri 63102
mtc


CHARLES E. RENDLEN,
U.S. Bankruptcy Judge

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EXHIBIT A

Attorneys General Class Claim and Ballot

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:) Chapter 11
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US FIDELIS, INC.,) Hon. Charles E. Rendlen, III
)
Debtor.) Case No. 10-41902

**STATE ATTORNEY GENERAL PROOF OF CLAIM FOR VOTING PURPOSES ONLY
AND CLASS BALLOT**

**THE DEADLINE TO VOTE IS JULY 9, 2012 AT 4:00 P.M. (CENTRAL TIME).
YOUR PROOF OF CLAIM AND CLASS BALLOT MUST BE COMPLETED,
SIGNED AND RECEIVED BY THIS DEADLINE IN ORDER TO BE COUNTED**

PLEASE READ THESE INSTRUCTIONS BEFORE COMPLETING THE BALLOT

Pursuant to the Court's Order Granting Motion of the State of Texas, the State of Washington, the State of Ohio, and the State of Missouri Seeking to Allow Attorneys General to File Class Proofs of Claim for Voting Purposes Only dated June 5, 2012 (the "Consumer Class Proof of Claims Order") State Attorneys General are permitted to file class proofs of claim for voting purposes only, on behalf of consumers in their States. Pursuant to the Bankruptcy Code, a creditor who has filed a Proof of Claim (including a State Attorney General) is permitted to vote for or against the First Amended Plan of Liquidation dated June 5, 2012 (the "Plan"), which was filed with the United States Bankruptcy Court, Eastern District of Missouri, Case no. 10-41902 along with a Disclosure Statement.

The Plan is a proposal by the Official Committee of Unsecured Creditors of US Fidelis, Inc. (the "Debtor") and explains how creditor claims will be paid or not paid. The Disclosure Statement is a document that provides background information on US Fidelis, its bankruptcy filing, and the mechanism by which both consumer and non-consumer claims will be paid. This information is to assist you in voting your ballot. A complete set of the Plan-related documents that were filed with the Bankruptcy Court may be obtained at www.usfbankruptcy.com. In addition, this website contains a set of Frequently Asked Questions and Answers ("FAQs") that was approved by the Bankruptcy Court. A copy of the Disclosure Statement also may be obtained by writing to David A. Warfield, Thompson Coburn LLP, One US Bank Plaza, Suite 2600, St. Louis, MO 63101.

You should review the Disclosure Statement and Plan before you vote. A hearing on confirmation (approval) of the Plan is set on July 16, 2012 at 10:00 a.m. The Plan can be made binding upon you and all creditors if certain requirements of the Bankruptcy Code are met. Under the Bankruptcy Code, the Bankruptcy Court may still confirm the Plan even if certain classes of creditors vote against it.

For a State Attorney General to have its class ballot counted, it must complete, sign and return this State Attorney General Proof of Claim for Voting Purposes Only and Class Ballot (the "Ballot") either (i) by first class mail to the following address: US Fidelis Case Administration, c/o GCG, P.O. Box 9865, Dublin, OH 43017-5765; (ii) by overnight or hand delivery to US Fidelis Case Administration, c/o GCG, 5151 Blazer Parkway, Suite A, Dublin, OH 43017; or (iii) by facsimile to (614) 289-5433. **Regardless of the method of delivery, the completed Ballot must be received no later than July 9, 2012 at 4:00 p.m. (Central Time).**

(DO NOT RETURN YOUR BALLOT TO THE BANKRUPTCY COURT)

PLEASE COMPLETE ITEMS 1, 2 AND 3 BELOW. IF THIS PROOF OF CLAIM AND CLASS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES, IT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

Item 1. Claim. The State of _____ ("State") is entitled to seek restitution on behalf of _____ [number of] consumers in the State who did business with the Debtor and civil fines and penalties pursuant to _____ [statutory citation to your State's applicable consumer protection law]. Pursuant to the Consumer Class Proof of Claims Order, dated _____, 2012 the State is entitled to an allowed claim for voting purposes only in the amount of \$5,000 per each consumer in the State who did business with the Debtor for restitution (Class 6) and \$2,000 per consumer for civil fines and penalties (Class 7).

Accordingly, the State asserts claims in the following amounts for voting purposes only:

Class 6: \$ _____ (# of consumers x \$5,000)

Class 7: \$ _____ (# of consumers x \$2,000)

Item 2. Ballot for Voting on Plan.

With respect to both its Class 6 and Class 7 claims, the undersigned State Attorney General's Office votes to (check one):

ACCEPT (vote FOR) the Plan which, *inter alia*, establishes a Consumer Restitution Fund, funded in the initial amount of \$14,100,000.00.

REJECT (vote AGAINST) the Plan and against the establishment of this Consumer Restitution Fund.

Item 3. Acknowledgments Concerning Ballot. By signing this Ballot, I acknowledge that the Disclosure Statement, Plan and the other relevant materials were sent to me and have further been made available to me at www.usfbankruptcy.com. I certify that I am an authorized agent with the power and authority to vote to accept or reject the Plan. I understand that an otherwise properly completed, executed and timely returned Ballot that fails to indicate whether the Plan is accepted or rejected, or that indicates that the Plan is both accepted and rejected will be counted

as a vote to accept the Plan. I also acknowledge that votes will be tabulated subject to all of the terms and conditions set forth in the Disclosure Statement.

Signature

Name and Title

State Attorney General's Office

Street Address

City, State, Zip Code

Telephone Number

Date Completed

AFTER COMPLETING THE BALLOT IN ACCORDANCE WITH THE INSTRUCTIONS,
PLEASE RETURN PROMPTLY TO:

by first class mail

US Fidelis Case Administration
c/o GCG
P.O. Box 9865
Dublin, OH 43017-5765

or by overnight or hand delivery

US Fidelis Case Administration
c/o GCG
5151 Blazer Parkway, Suite A,
Dublin, OH 43017.

Ballots may also submitted by facsimile. The fax number is (614) 289-5433.

BALLOTS MUST BE RECEIVED ON OR BEFORE JULY 9, 2012 AT 4:00 P.M. (CENTRAL TIME). IF YOUR BALLOT IS NOT RECEIVED BY THE VOTING DEADLINE, YOUR VOTE WILL NOT BE COUNTED.

(DO NOT RETURN YOUR BALLOT TO THE BANKRUPTCY COURT)