

**STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY**

KEN ROSS, ACTING COMMISSIONER,
OFFICE OF FINANCIAL AND INSURANCE
SERVICES,

Petitioner

No. File No. 07-1211-CR

v

Hon. Joyce Draganchuk

NATIONAL FOOT CARE PROGRAM,
INC.,

Respondent

William A. Chenoweth (P27622)
Attorney for Petitioner
Michigan Department of Attorney General
Insurance and Banking Division
P. O. Box 30754
Lansing, MI 48909
(517) 373-1160

ORDER APPROVING THE LIQUIDATOR'S PLAN OF DISTRIBUTION

At a session of the Court held in the Circuit Courtrooms
for the County of Ingham, State of Michigan
on the 9th day of January, 2009

PRESENT: HON. JOYCE DRAGANCHUK
CIRCUIT JUDGE

The Liquidator filed a Plan for Distribution and a petition for approval of the Plan. Notice of the petition was filed on Ford, Chrysler, as well as on the escrow agents, LaSalle Bank, and Independent Bank. The court has carefully considered the Liquidator's petition and other arguments.

It is hereby ORDERED that:

1. The Liquidator's Plan of Distribution attached to this order is approved.

2. Ford and Chrysler shall instruct their respective escrow agents to pay the total escrow funds to the Liquidator for distribution as provided in this plan. The escrow agents are discharged from any further liability under the Escrow Agreements upon transfer of the escrow funds to the Liquidator.

3. The Liquidator shall use the Ford escrow account to pay only approved Ford claims and the Chrysler escrow account to pay only approved Chrysler claims. Notwithstanding the claims process and priorities under the Escrow Agreements, the Liquidator shall apply the claims process and claims priorities under Chapter 81 of the Insurance Code. The Liquidator is authorized to distribute pro rata the Ford funds available for distribution after payment of the administrative costs to all Class 2 Ford claimants with approved claims who filed timely claims in accordance with Chapter 81 and this Court's December 14, 2007 liquidation order. Likewise, the Liquidator is authorized to distribute pro rata the Chrysler funds available for distribution after payment of the administrative costs to all Class 2 Chrysler claimants with approved claims who filed timely claims in accordance with Chapter 81 and this Court's December 14, 2007 liquidation order. No claims that were not timely filed under the liquidation order shall receive a distribution even though they may have been entitled to payment under the Escrow Agreements. The costs of administration shall be paid pro rata from the Chrysler and Ford escrow accounts based on the relative percentage of premium paid by Ford and Chrysler. Chrysler's share is 66% of the administrative costs and Ford's share is 34%.

4. All creditor claims against National Foot Care Program, Inc., as well as Ford, Chrysler and their respective escrow agents, are within the jurisdiction of this Court and will be determined, resolved, paid and/or discharged, in whole or in part, according to the terms and conditions approved by the Court.

5. If the Liquidator anticipates that its administrative costs will exceed \$30,000 per month, or those administrative costs will continue to be incurred beyond April 30, 2009, the Liquidator must obtain approval from the Court for the additional costs and/or expenses; provided, however, that the approval process shall be expedited, meaning that the Liquidator's counsel shall contact counsel for Ford and Chrysler no fewer than three (3) business days in advance of seeking Court approval with notice of the request. The parties anticipate and agree that the Court will consider any such request by the Liquidator on an expedited basis, given the financial condition of the liquidation estate.

JOYCE DRAGANCHUK

Honorable Joyce Draganchuk
Circuit Court Judge