FILED
06/25/2024
Angie Sparks
CLERK
Lewis & Clark County District Cour
STATE OF MONTANA
By: Gabrielle Laramore
DV-25-2020-0001853-OC
McMahon, Michael F
31.00

MONTANA FIRST JUDICIAL DISTRICT COURT
LEWIS AND CLARK COUNTY

IN THE MATTER OF THE LIQUIDATION OF MONTANA NONPROFIT ASSOCIATION GROUP BENEFIT TRUST, a Self-Funded Multiple Employer Welfare Arrangement,

Respondent.

Case No. BDV-2020-1853

ORDER FOR PAYMENT OF ADMINISTRATIVE EXPENSES, PAYMENT TO CLASS 2 POLICYHOLDER CLAIMANTS, CLOSURE OF THE ESTATE, DISCHARGE OF THE LIQUIDATOR, AND INJUNCTIVE RELIEF

Before the Court is the Liquidator's Application to Approve the Recommendation for Payment of Final Administrative Expenses, Payment to Class 2 Policyholder Claimants, Closure of the Estate, Discharge of the Liquidator, and for Injunctive Relief (Application). The Application is filed pursuant to Mont. Code Ann. § 33-2-1375, which directs the Liquidator to apply to the Court for termination of the liquidation proceedings and for discharge when the assets justifying the expense of collection and distribution have been collected and distributed. The Liquidator indicates that all assets justifying collection have been collected, all claims have been received and adjudicated, and that the liquidation proceeding is ready to be closed. The Application asks this Court to make various other rulings in order to finalize and close the liquidation. Based on the representations of the Liquidator and supporting evidence, and good cause appearing, this Court makes the following determinations:

I. PRO FORMA CLOSING ACCOUNTING

The Liquidator has prepared a Pro Forma Closing accounting, which is attached to the Application as **Exhibit B** (Pro Forma). The Pro Forma sets forth the estimated accounting for the period ending May 31, 2024, and the Liquidator asks that this be set as the effective date of the termination of liquidation proceedings involving the Montana Nonprofit Association Group Benefit Trust (MNAGBT). The Pro Forma indicates that the funds remaining are sufficient to pay claims and effectuate the necessary residual closing proceedings, such as final federal filings, deposit of unclaimed property, if any, and record destruction and storage. Based on this Court's review of the Pro Forma, and it appearing that the financial affairs are in Order:

IT IS ORDERED that the effective date of the termination of these liquidation proceedings is hereby set as May 31, 2024.

II. FINAL FEES AND EXPENSES

In addition to the Pro Forma, the Liquidator has also attached to his Application **Exhibits A and C**, which set forth approved Class 2 claims and proposed distribution to each and the total Class 1 administrative expenses remaining to be paid respectively. Class 2 claimants will only receive a partial distribution for their approved claims. Therefore, there will be no payments made to any claimants subordinate to Class 2.

IT IS HEREBY ORDERED that the estimated final fees and expenses set forth in **Exhibit C** are approved as reasonable and necessary and shall be paid out of the remaining MNAGBT assets.

IT IS FURTHER ORDERED that the proposed Class 2 distribution amounts set forth in **Exhibit A** shall be paid promptly after service of this Order.

IT IS FURTHER ORDERED that the Liquidator, following actual payments to Class 1 and Class 2 claimants, file with this Court a final actual accounting which will evidence any variance in amounts set forth at **Exhibit B**, the Pro Forma Closing accounting.

III. APPROVAL OF UPDATED REPORT TO THE COURT

The Application includes an updated report by the Liquidator following completion of the Proof of Claim (POC) process, including resolution of claims previously filed by an MNAGBT insured which have now been withdrawn. Addressing the matters set forth in Mont. Code Ann. § 33-2-1360(1), the Liquidator recommends against imposition of an assessment.

IT IS HEREBY ORDERED that the Liquidator's updated report and recommendation that an assessment not be imposed are approved.

IV. DISCHARGE OF LIQUIDATOR

The Liquidator has applied for discharge and release of the Liquidator, Special Deputy Liquidator, Special Referee and the employees, contractors, agents, assistants, clerks, attorneys, accountants, and representatives that provided services during the Liquidation. The Liquidator represents in the Application that the Liquidator will retain the fiduciary and statutory obligation to complete all post-effective date tasks necessary or advisable to properly close the liquidation of MNAGBT. As soon as practical, the Liquidator will file with the Court a final closing accounting, after which time the Court will enter a final discharge order closing the Liquidation.

IT IS HEREBY ORDERED that the persons set forth above are discharged from their duties and obligations in this Liquidation, effective on the date the final closing accounting is filed and approved. The Liquidator shall file the final closing accounting as soon as practicable.

V. THE COURT'S INJUNCTION

In addition to a final discharge order discharging the individuals and entities described above, the Liquidator has also applied for an injunction continuing, modifying, and in certain respects making permanent the injunctive relief set forth in the Order Commencing and Appointing Liquidator ("Liquidation Order"). This Court has determined that the requested injunctive relief is reasonable and necessary, therefore:

IT IS HEREBY ORDERED that:

a. All actions and proceedings against the Respondent are permanently enjoined, and full faith and credit be given by the courts, whether in this state or elsewhere, to the Court's Order. Further, that no action at law or equity may be brought against the Respondent, CSI, any special deputy, or any of their agents or contractors, within this state or elsewhere.

b. This Court's Order assumes that all property, assets, or records having significant value to the liquidation estate have been accounted for and that proceedings to reopen will not be required under Mont. Code Ann. § 33-2-1376. To maintain that status quo and to effectuate final closing, the Court continues the following injunctions in its Liquidation Order for a period of one year from the date of its final order closing the estate:

(i) Respondent, its trustees, officers, directors, agents, and employees, and all other persons and entities having notice of these proceedings are prohibited from transacting any business of the Respondent or selling, transferring, destroying, wasting, encumbering, or disposing of any property or assets of the Respondent. (Liquidation Order.)

(ii) All banks, brokerage houses, agents, reinsurers, or other companies or persons having in their possession assets or records that are or may be the property of the Respondent are prohibited from disposing of, selling, wasting, encumbering, transferring, or destroying any such assets, property, or records of the Respondent. This prohibition would include, without limitation, property, books, or records pertaining to any transaction between the Respondent and any of the said parties. (Liquidation Order.)

c. All claims, actions, or proceedings pending, or which may be pending, against Respondent or any Respondent health plan, policyholder, subscriber, insured, or member, including any covered dependent, for unpaid claims or the unpaid portion of any claim or claims, are permanently stayed and enjoined.

d. All persons and entities are permanently enjoined from pursuing any claims whatsoever, imposing any liens, or commencing any actions or proceedings at law or equity against Respondent or any Respondent health plan, policyholder, subscriber, insured, or member, including any covered dependents, for unpaid claims or any portion of unpaid claims.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction to enforce this Order and over any disputes arising after the final closing order, subject to a properly filed petition to reopen the Liquidation filed pursuant to Mont. Code Ann. § 33-2-1376.

VI. AUTHORIZATION OF CLOSING AND POST-CLOSING TASKS

The Liquidator sets forth various closing post-closing tasks necessary to be completed to affect the final closing of this Liquidation, including final filings, payment of final fees and expenses, final claim distributions, and the escheat of any remaining assets to the state treasurer pursuant to Mont. Code Ann. § 33-2-1374. The closing and post-closing tasks set forth in the Application are reasonable and necessary to complete the liquidation. Therefore:

IT IS HEREBY ORDERED that the closing and post-closing tasks set forth in the Application are hereby authorized, and the Liquidator shall proceed accordingly.

ELECTRONICALLY SIGNED AND DATED BELOW

Electronically Signed By:
Hon. Judge Michael McMahon
Tue, Jun 25 2024 01:05:03 PM