


SO ORDERED: December 15, 2021.



  
James M. Carr  
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

IN RE: )  
 )  
ITT EDUCATIONAL SERVICES, INC., *et al.*<sup>1</sup> ) Case No. 16-07207-JMC-7A  
 )  
Debtors. ) Jointly Administered

**ORDER GRANTING TRUSTEE’S AGREED MOTION TO SET OFF  
A PORTION OF CIGNA HEALTH AND LIFE INSURANCE COMPANY’S  
PREPETITION CLAIM AGAINST FUNDS HELD IN ITT’S PLAN ACCOUNT**

This matter came before the Court on the *Trustee’s Agreed Motion to Set Off a Portion of Cigna Health and Life Insurance Company’s Prepetition Claim Against Funds Held in ITT’s Plan Account* (the “Motion”)<sup>2</sup> [Doc 4526], filed by Deborah J. Caruso, the chapter 7 trustee in this case (the “Trustee”). In the Motion, the Trustee requests entry of an order, pursuant to sections 105(a), 506(a), and 553 of the Bankruptcy Code, authorizing the Trustee and Cigna to set off a portion of Cigna’s prepetition claim against funds held in the Plan Account and directing Cigna to cause the transfer of the remaining balance in the Plan Account to the Trustee.

<sup>1</sup> The debtors in these cases, along with the last four digits of their respective federal tax identification numbers are ITT Educational Services, Inc. [1311]; ESI Service Corp. [2117]; and Daniel Webster College, Inc. [5980].

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings used in the Motion.

The Court, having considered the Motion and having convened a hearing on December 15, 2021, and being otherwise duly advised in the premises, determines that the Motion should be, and hereby is, GRANTED. Accordingly,

IT IS THEREFORE ORDERED as follows:

1. The Motion is GRANTED in its entirety.
2. The Trustee and Cigna are authorized to set off the secured portion of the Cigna POC in the amount of \$70,181.80 against the fund held in the Plan Account.
3. Cigna is authorized and directed to cause the transfer of the remaining balance in the Plan Account in the approximate amount of \$126,620.63 (the "Transfer") to the Trustee following the setoff of the secured portion of the Cigna POC. The Transfer shall be property of the ITT bankruptcy estate and shall be deposited by the Trustee into the ITT bankruptcy estate's bank accounts.
4. The Trustee and Cigna are authorized and directed to cause the Plan Account to be closed following the Transfer.
5. Cigna is authorized and directed to amend the Cigna POC to assert only an unsecured priority claim pursuant to section 507(a)(5) of the Bankruptcy Code in the amount of \$13,954.26.

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