

IN THE SUPREME COURT OF THE STATE OF NEVADA

INDICATE FULL CAPTION:

UNITE HERE HEALTH, et al., Appellants
vs.
STATE OF NEVADA, ex rel.
COMMISSIONER OF INSURANCE et al.,
Respondents
(See Ex. 1 for the full caption)

No. 82467

Electronically Filed
Feb 16 2021 03:50 p.m.

Elizabeth A. Brown
Clerk of Supreme Court
DOCKETING STATEMENT
CIVIL APPEALS

GENERAL INFORMATION

Appellants must complete this docketing statement in compliance with NRAP 14(a). The purpose of the docketing statement is to assist the Supreme Court in screening jurisdiction, identifying issues on appeal, assessing presumptive assignment to the Court of Appeals under NRAP 17, scheduling cases for oral argument and settlement conferences, classifying cases for expedited treatment and assignment to the Court of Appeals, and compiling statistical information.

WARNING

This statement must be completed fully, accurately and on time. NRAP 14(c). The Supreme Court may impose sanctions on counsel or appellant if it appears that the information provided is incomplete or inaccurate. *Id.* Failure to fill out the statement completely or to file it in a timely manner constitutes grounds for the imposition of sanctions, including a fine and/or dismissal of the appeal.

A complete list of the documents that must be attached appears as Question 27 on this docketing statement. Failure to attach all required documents will result in the delay of your appeal and may result in the imposition of sanctions.

This court has noted that when attorneys do not take seriously their obligations under NRAP 14 to complete the docketing statement properly and conscientiously, they waste the valuable judicial resources of this court, making the imposition of sanctions appropriate. See KDI Sylvan Pools v. Workman, 107 Nev. 340, 344, 810 P.2d 1217, 1220 (1991). Please use tab dividers to separate any attached documents.

1. Judicial District Eighth Department XXI (reassigned from Dept. I)
County Clark Judge Tara Clark Newberry (Kenneth Cory)
District Ct. Case No. A-15-725244-C

2. Attorney filing this docketing statement:

Attorney See Ex. 2 for full list of attorneys Telephone 702-562-8820

Firm Bailey Kennedy

Address 8984 Spanish Ridge Avenue
Las Vegas, Nevada 89148-1302

Client(s) Unite Here Health; and Nevada Health Solutions, LLC

If this is a joint statement by multiple appellants, add the names and addresses of other counsel and the names of their clients on an additional sheet accompanied by a certification that they concur in the filing of this statement.

3. Attorney(s) representing respondents(s):

Attorney See Ex. 3 for full list of attorneys Telephone 702-792-3773

Firm Greenberg Traurig, LLP

Address 10845 Griffith Peak Drive, Suite 600
Las Vegas, Nevada 89135

Client(s) See Ex. 4 for a full list of clients in this matter

Attorney Michael P. McNamara Telephone 213-239-5100

Firm Jenner & Block, LLP

Address 633 West Fifth Street, Suite 3600
Los Angeles, California 90071-2054

Client(s) Greenberg Traurig, LLP (See Ex. 5 for additional attorneys/firms)

(List additional counsel on separate sheet if necessary)

4. Nature of disposition below (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Judgment after bench trial | <input type="checkbox"/> Dismissal: |
| <input type="checkbox"/> Judgment after jury verdict | <input type="checkbox"/> Lack of jurisdiction |
| <input type="checkbox"/> Summary judgment | <input type="checkbox"/> Failure to state a claim |
| <input type="checkbox"/> Default judgment | <input type="checkbox"/> Failure to prosecute |
| <input type="checkbox"/> Grant/Denial of NRCP 60(b) relief | <input type="checkbox"/> Other (specify): _____ |
| <input type="checkbox"/> Grant/Denial of injunction | <input type="checkbox"/> Divorce Decree: |
| <input type="checkbox"/> Grant/Denial of declaratory relief | <input type="checkbox"/> Original <input type="checkbox"/> Modification |
| <input type="checkbox"/> Review of agency determination | <input checked="" type="checkbox"/> Other disposition (specify): <u>See Ex 6</u> |

5. Does this appeal raise issues concerning any of the following?

- ☐ Child Custody
- ☐ Venue
- ☐ Termination of parental rights

6. Pending and prior proceedings in this court. List the case name and docket number of all appeals or original proceedings presently or previously pending before this court which are related to this appeal:

N/A

7. Pending and prior proceedings in other courts. List the case name, number and court of all pending and prior proceedings in other courts which are related to this appeal (e.g., bankruptcy, consolidated or bifurcated proceedings) and their dates of disposition:

See Ex. 7 for a list of prior proceedings in other courts.

See Ex. 8 for a list of pending proceedings in other courts.

8. Nature of the action. Briefly describe the nature of the action and the result below:

See Ex. 9 for the full description of the nature of the action.

9. Issues on appeal. State concisely the principal issue(s) in this appeal (attach separate sheets as necessary):

See Ex. 10. for a full list of the principal issues in this appeal.

10. Pending proceedings in this court raising the same or similar issues. If you are aware of any proceedings presently pending before this court which raises the same or similar issues raised in this appeal, list the case name and docket numbers and identify the same or similar issue raised:

N/A

11. Constitutional issues. If this appeal challenges the constitutionality of a statute, and the state, any state agency, or any officer or employee thereof is not a party to this appeal, have you notified the clerk of this court and the attorney general in accordance with NRAP 44 and NRS 30.130?

☒ N/A

☐ Yes

☐ No

If not, explain:

12. Other issues. Does this appeal involve any of the following issues?

☐ Reversal of well-settled Nevada precedent(identify the case(s))

☐ An issue arising under the United States and/or Nevada Constitutions

☒ A substantial issue of first impression

☒ An issue of public policy

☐ An issue where en banc consideration is necessary to maintain uniformity of this court's decisions

☐ A ballot question

If so, explain: This appeal involves the ethical obligations of fiduciaries (receivers, special deputy receivers, and their counsel) to disclose to the court in receivership actions, at the time of their appointment, actual and potential conflicts of interest. This important issue of public policy is an issue of first impression in Nevada. This appeal also involves whether attorneys with actual or potential conflicts of interest in receivership actions can be disqualified from representing clients in the receivership action due to such conflicts of interest. This is another issue of first impression in Nevada.

13. Assignment to the Court of Appeals or retention in the Supreme Court. Briefly set forth whether the matter is presumptively retained by the Supreme Court or assigned to the Court of Appeals under NRAP 17, and cite the subparagraph(s) of the Rule under which the matter falls. If appellant believes that the Supreme Court should retain the case despite its presumptive assignment to the Court of Appeals, identify the specific issue(s) or circumstance(s) that warrant retaining the case, and include an explanation of their importance or significance:

This matter is not presumptively assigned to the Court of Appeals. Appellants believe it should be retained by the Supreme Court pursuant to NRAP 17(a)(12), because principal issues in this matter raise questions of statewide public importance. Specifically, this appeal concerns the ethical obligations of fiduciaries (receivers, special deputy receivers, and their counsel) to disclose to the court in receivership actions, at the time of their appointment, actual and potential conflicts of interest. This appeal also involves whether attorneys with actual or potential conflicts of interest in receivership actions can be disqualified from representing clients in the receivership action. These issues concerning the ethical obligations of attorneys are issues of statewide public importance. They also present issues of first impression in Nevada.

14. Trial. If this action proceeded to trial, how many days did the trial last? _____

Was it a bench or jury trial? _____

15. Judicial Disqualification. Do you intend to file a motion to disqualify or have a justice recuse him/herself from participation in this appeal? If so, which Justice?

N/A

TIMELINESS OF NOTICE OF APPEAL

16. Date of entry of written judgment or order appealed from January 15, 2021

If no written judgment or order was filed in the district court, explain the basis for seeking appellate review:

17. Date written notice of entry of judgment or order was served January 15, 2021

Was service by:

☐ Delivery

☒ Mail/electronic/fax

18. If the time for filing the notice of appeal was tolled by a post-judgment motion (NRCP 50(b), 52(b), or 59)

(a) Specify the type of motion, the date and method of service of the motion, and the date of filing.

☐ NRCP 50(b) Date of filing _____

☐ NRCP 52(b) Date of filing _____

☐ NRCP 59 Date of filing _____

NOTE: Motions made pursuant to NRCP 60 or motions for rehearing or reconsideration may toll the time for filing a notice of appeal. See AA Primo Builders v. Washington, 126 Nev. ____, 245 P.3d 1190 (2010).

(b) Date of entry of written order resolving tolling motion _____

(c) Date written notice of entry of order resolving tolling motion was served _____

Was service by:

☐ Delivery

☐ Mail

19. Date notice of appeal filed February 8, 2021

If more than one party has appealed from the judgment or order, list the date each notice of appeal was filed and identify by name the party filing the notice of appeal:

20. Specify statute or rule governing the time limit for filing the notice of appeal, *e.g., NRAP 4(a) or other*

NRAP 4(a)

SUBSTANTIVE APPEALABILITY

21. Specify the statute or other authority granting this court jurisdiction to review the judgment or order appealed from:

(a)

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> NRAP 3A(b)(1) | <input type="checkbox"/> NRS 38.205 |
| <input type="checkbox"/> NRAP 3A(b)(2) | <input type="checkbox"/> NRS 233B.150 |
| <input type="checkbox"/> NRAP 3A(b)(3) | <input type="checkbox"/> NRS 703.376 |
| <input checked="" type="checkbox"/> Other (specify) <u>NRS 696B.190(5).</u> | |

(b) Explain how each authority provides a basis for appeal from the judgment or order:

This appeal arises from a delinquency proceeding, as defined in NRS 696B.060, as it was commenced against an insurer, Nevada Health CO-OP, for the purpose of rehabilitation or liquidation of the insurer. NRS 696B.190(5) allows an appeal to be taken from any order in a delinquency proceeding which has the character of a final order as to the particular portion of the proceedings embraced therein. The District Court's January 15, 2021 Order denying the Appellants' Motion to Disqualify Greenberg Traurig, LLP as counsel for the Receiver due to conflicts of interest has the character of a final order as to all proceedings regarding the propriety of Greenberg serving as counsel for the Receiver.

22. List all parties involved in the action or consolidated actions in the district court:

(a) Parties:

See Ex. 11 for a full list of all parties in the district court action.

(b) If all parties in the district court are not parties to this appeal, explain in detail why those parties are not involved in this appeal, *e.g.*, formally dismissed, not served, or other:

This is an appeal pursuant to NRS 696B.190(5) and concerns an order having the character of a final order as to a particular portion of the proceedings. The Motion to Disqualify Greenberg Traurig, LLP is only relevant to the Plaintiff, Greenberg Traurig, LLP, Unite Here Health, and Nevada Health Solutions, LLC. Neither the Defendant nor any of the other creditors to the underlying action filed any briefs joining or opposing the Motion to Disqualify. Therefore, their participation in this appeal is not necessary.

23. Give a brief description (3 to 5 words) of each party's separate claims, counterclaims, cross-claims, or third-party claims and the date of formal disposition of each claim.

Petition for Insolvency and Liquidation of Insurer (granted on September 20, 2016).

24. Did the judgment or order appealed from adjudicate ALL the claims alleged below and the rights and liabilities of ALL the parties to the action or consolidated actions below?

☐ Yes

☒ No

25. If you answered "No" to question 24, complete the following:

(a) Specify the claims remaining pending below:

The receiver is still in the process of liquidating the estate of the delinquent insurer. This appeal arises from NRS 696B.190(5) and not NRAP 3A.

(b) Specify the parties remaining below:

All of the parties listed in Question 22 remain in the action.

(c) Did the district court certify the judgment or order appealed from as a final judgment pursuant to NRCP 54(b)?

☐ Yes

☒ No

(d) Did the district court make an express determination, pursuant to NRCP 54(b), that there is no just reason for delay and an express direction for the entry of judgment?

☐ Yes

☒ No

26. If you answered "No" to any part of question 25, explain the basis for seeking appellate review (e.g., order is independently appealable under NRAP 3A(b)):

See Ex. 12 for a complete explanation of the basis for seeking appellate review.

27. Attach file-stamped copies of the following documents:

The latest-filed complaint, counterclaims, cross-claims, and third-party claims

Any tolling motion(s) and order(s) resolving tolling motion(s)

Orders of NRCP 41(a) dismissals formally resolving each claim, counterclaims, cross-claims and/or third-party claims asserted in the action or consolidated action below, even if not at issue on appeal

Any other order challenged on appeal

Notices of entry for each attached order

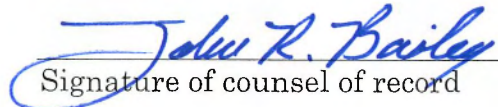
VERIFICATION

I declare under penalty of perjury that I have read this docketing statement, that the information provided in this docketing statement is true and complete to the best of my knowledge, information and belief, and that I have attached all required documents to this docketing statement.

See Ex. 13 for the names of appellants
Name of appellant

John R. Bailey
Name of counsel of record

February 16, 2021
Date


Signature of counsel of record

Nevada/Clark
State and county where signed

CERTIFICATE OF SERVICE

I certify that on the 16th day of February, 2021, I served a copy of this completed docketing statement upon all counsel of record:

- ☐ By personally serving it upon him/her; or
- ☒ By mailing it by first class mail with sufficient postage prepaid to the following address(es): (NOTE: If all names and addresses cannot fit below, please list names below and attach a separate sheet with the addresses.)

See Ex. 14 - Certificate of Service

Dated this 16th day of February, 2021

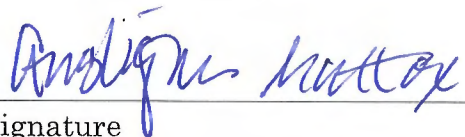

Signature

EXHIBIT 1

EXHIBIT 1

EXHIBIT 1 - FULL CAPTION

UNITE HERE HEALTH; and NEVADA HEALTH SOLUTIONS, LLC,

Appellants,

vs.

STATE OF NEVADA, EX REL. COMMISSIONER OF INSURANCE, BARBARA D. RICHARDSON, IN HER OFFICIAL CAPACITY AS STATUTORY RECEIVER FOR DELINQUENT DOMESTIC INSURER; and GREENBERG TRAURIG, LLP,

Respondents.

EXHIBIT 2

EXHIBIT 2

EXHIBIT 2 - ATTORNEYS FILING THIS DOCKETING STATEMENT

John R. Bailey

Nevada Bar No. 0137

Dennis L. Kennedy

Nevada Bar No. 1462

Sarah E. Harmon

Nevada Bar No. 8106

Joseph A. Liebman

Nevada Bar No. 10125

EXHIBIT 3

EXHIBIT 3

**EXHIBIT 3 - ATTORNEYS REPRESENTING RESPONDENT STATE OF NEVADA, EX
REL. COMMISSIONER OF INSURANCE, BARBARA D. RICHARDSON, IN HER
OFFICIAL CAPACITY AS STATUTORY RECEIVER FOR DELINQUENT DOMESTIC
INSURER**

Mark E. Ferrario
Nevada Bar No. 1625
Donald L. Prunty
Nevada Bar No. 8230
Tami D. Cowden
Nevada Bar No. 8994

EXHIBIT 4

EXHIBIT 4

EXHIBIT 4 - GREENBERG TRAURIG, LLP'S CLIENTS IN THIS ACTION

Respondents State of Nevada, ex rel. Commissioner of Insurance, Barbara D. Richardson, in her official capacity as Statutory Receiver for delinquent domestic insurer; and Greenberg Traurig, LLP

EXHIBIT 5

EXHIBIT 5

EXHIBIT 5 – FULL LIST OF ATTORNEYS/FIRMS FOR RESPONDENTS

Attorney: David Jimenez-Ekman **Telephone:** 312-222-9350

Firm: Jenner & Block LLP

Address: 353 North Clark Street, Suite 3900
Chicago, Illinois 60654

Client(s): Greenberg Traurig, LLP

EXHIBIT 6

EXHIBIT 6

EXHIBIT 6 – NATURE OF DISPOSITION BELOW

Order Denying Motion to Disqualify Greenberg Traurig, LLP as Counsel for Statutory Receiver of Nevada Health CO-OP and to Disgorge Attorney's Fees Paid by Nevada Health CO-OP to Greenberg Traurig, LLP

EXHIBIT 7

EXHIBIT 7

EXHIBIT 7 – PRIOR PROCEEDINGS IN OTHER COURTS

Basich, et al. v. State of Nevada ex rel. Silver State Health Insurance Exchange, et al., Case No. A-14-698567-C, Eighth Judicial District Court, Clark County, Nevada. Notice of Entry of Stipulation and Order for Dismissal filed on July 18, 2017.

Casale, et al. v. State of Nevada ex rel. Silver State Health Insurance Exchange, et al., Case No. A-14-706171-C, Eighth Judicial District Court, Clark County, Nevada. The action was consolidated with the *Basich* action, above, on September 1, 2016.

In the Matter of Xerox State Healthcare, LLC, Cause No. 17-0299, State of Nevada, Department of Business and Insurance, Division of Insurance. A Consent Order was entered on October 20, 2017.

Monument Consulting, LLC v. Xerox Corporation, et al., Case No. 3:17-cv-0298, United States District Court, Eastern District of Virginia. A Notice of Voluntary Dismissal With Prejudice was filed on November 14, 2017.

Clement v. Colvin, et al., Case No. 2:17-cv-2787-JCM-PAL, United States District Court, District of Nevada. An Order granting a Motion to Dismiss and a Judgment were entered on November 28, 2018.

Wu, et al. v. Nevada Health CO-OP, et al., Case No. A-17-766666-C, Eighth Judicial District Court, Clark County, Nevada. An Order of Dismissal was filed on January 29, 2019.

Wu, et al. v. Nevada Health CO-OP, et al., Case No. 17A001123, Las Vegas Justice Court. The case was transferred to the Eighth Judicial District Court, Clark County, Nevada, above, on December 15, 2017.

Barbara D. Richardson, in her capacity as Receiver for Nevada Health CO-OP v. United States Department of Health and Human Services, et al., Case No. 2:17-CV-775-JCM-PAL, United States District Court, District of Nevada. An Order granting Motion to Dismiss and a judgment were entered on March 30, 2018.

EXHIBIT 8

EXHIBIT 8

EXHIBIT 8 – PENDING PROCEEDINGS IN OTHER COURTS

State of Nevada ex rel. Commissioner of Insurance, Barbara D. Richardson, in her Official Capacity as Receiver for Nevada Health CO-OP v. Milliman, Inc., et al., Case No. A-17-760558-B, Eighth Judicial District Court, Clark County, Nevada. This pending action was commenced on August 25, 2017.

Barbara D. Richardson, in her capacity as Receiver of Nevada Health CO-OP v. United States, Case No. 1:18-cv-1731, United States Court of Federal Claims. This pending action was commenced on November 8, 2018.

State of Nevada ex rel. Commissioner of Insurance, Barbara D. Richardson, in her Official Capacity as Receiver for Nevada Health CO-OP v. Silver State Health Insurance Exchange, Case No. A-20-816161-C, Eighth Judicial District Court, Clark County, Nevada. This pending action was commenced on June 5, 2020.

State of Nevada ex rel. Commissioner of Insurance, Barbara D. Richardson, in her Official Capacity as Receiver for Nevada Health CO-OP v. WellHealth Medical Associates (Volker), PLLC d/b/a WellHealth Quality Care, et al., Case No. A-20-818118-C, Eighth Judicial District Court, Clark County, Nevada. This pending action was commenced on July 16, 2020.

EXHIBIT 9

EXHIBIT 9

EXHIBIT 9 – NATURE OF THE ACTION

Nevada Health CO-OP (“NHC”) was a licensed Nevada health insurer formed under a provision of the federal Patient Protection and Affordable Care Act (“ACA”). NHC offered its health plans to Nevadans on the Nevada health benefit exchange (“Exchange”), which Xerox State Healthcare, LLC (“Xerox”) developed, administered, and managed. Xerox’s primary duties included ensuring that the Exchange promptly transferred consumer data and consumer premium payments to insurers and/or their vendors. However, Xerox failed at these duties, and the Exchange was, essentially, a disaster. Deloitte Consulting LLP was retained to evaluate the Exchange, and it identified over 1,500 defects, 500 of which were classified as “higher severity.” As a result, Xerox’s contract with the Exchange was terminated, and Nevada’s health benefit exchange ultimately became part of the federal health benefit exchange.

Xerox’s poor design and management of the Exchange negatively impacted NHC’s operations, such that at least 50 percent of its resources were committed to resolving Xerox-related issues. Thus, in August 2015, NHC’s Board of Directors voted to voluntarily cease operations after December 31, 2015. Consequently, on September 25, 2015, the Commissioner of the Nevada Department of Insurance filed a Petition for Appointment as Receiver. On October 1, 2015, the Commissioner was appointed as Temporary Receiver of NHC, and on October 14, 2015, the Commissioner became the Permanent Receiver. On September 20, 2016, the District Court adjudged NHC to be insolvent and authorized the Receiver to liquidate the business of NHC.

In January 2017, Greenberg Traurig, LLP (“Greenberg”) was appointed as counsel for the Receiver, in the place and stead of the Nevada Attorney General. However, Greenberg, the Receiver, and the Special Deputy Receiver failed to disclose to the District Court at the time of its appointment (or any time thereafter) that Greenberg was concurrently representing Valley Health System (“Valley”), one of the receivership estate’s most significant creditors in this action, as well as Xerox, a potential target defendant for recovery of assets for the receivership estate and its creditors. In August 2017, the Receiver, through Greenberg, filed a complaint in another action against several of NHC’s former vendors, directors, and officers, alleging that they were responsible for NHC’s failure. Notably, the Receiver, through Greenberg, failed to allege any claims against Xerox in this action (or in any subsequent, related actions), instead blaming NHC’s former vendors, directors, and officers for many of the failures that were actually caused by Xerox. It is likely that the statute of limitations on any such claims against Xerox has now expired. As a result, NHC’s creditors (including Appellant Unite Here Health) have been harmed by the Receiver’s failure to pursue this significant source of potential recovery, Greenberg’s egregious, undisclosed conflicts of interest and resulting inability to sue Xerox, and Greenberg’s receipt of over \$5 million in attorney’s fees which would have otherwise gone toward the payment of the creditors’ claims. Likewise, Appellants have been further harmed by being subjected to a lawsuit in which the sole counsel of record for the plaintiff — Greenberg — was maintaining an attorney-client relationship with Xerox, an entity alleged to have been one of the substantial causes of NHC’s failure.

After learning of Greenberg’s conflicts of interest through discovery, on October 8, 2020, Appellants Unite Here Health and Nevada Health Solutions, LLC — a creditor and interested parties of the receivership estate — filed a Motion to Disqualify Greenberg as counsel for the

Receiver and to disgorge approximately \$5 million in attorney's fees that Greenberg has collected for representing the Receiver (monies that would have otherwise gone to NHC's creditors, including, but not limited to, medical providers and insureds). On December 31, 2020, Judge Kenneth Cory (now retired) issued a Minute Order denying the Motion due to a lack of binding authority mandating that the Receiver or Greenberg disclose all possible conflicts of interest to the District Court. Judge Cory also found that there were no related matters where NHC was adverse to Xerox (which was not surprising given that Greenberg could not ethically sue Xerox), and that he was not in the best position to determine whether there were conflicts of interest in other actions brought by the Receiver. The Minute Order was memorialized in a written Order signed and entered by Judge Tara Clark Newberry on January 15, 2021. Notice of Entry of the Order was filed the same day.

EXHIBIT 10

EXHIBIT 10

EXHIBIT 10 – ISSUES ON APPEAL

- 1). Did the Receivership Court err when it ruled that fiduciaries, such as a receiver, a special deputy receiver, and/or their proposed counsel, have no obligation to disclose conflicts of interest to the Receivership Court at the time of their potential appointment?
- 2). Did the Receivership Court err in denying the Motion to Disqualify based on the Receiver's, Special Deputy Receiver's, and/or Greenberg Traurig, LLP's ("Greenberg") failure to disclose Greenberg's conflicts of interest?
- 3). Did the Receivership Court err when it ruled that Greenberg did not have a "clear and substantial enough possible conflict" because Xerox State Healthcare, LLC was not currently a named party in any of the lawsuits in which Greenberg is counsel of record?
- 4). Did the Receivership Court err when it failed to consider whether Greenberg's representation of Valley Health System, a significant creditor to the Receivership Estate, was another basis for Greenberg's disqualification?
- 5). Did the Receivership Court err in denying the Motion to Disqualify based on Greenberg's conflicts of interest?

EXHIBIT 11

EXHIBIT 11

EXHIBIT 11 – ALL PARTIES TO THE ACTION IN DISTRICT COURT

Plaintiff: State of Nevada, ex rel. Commissioner of Insurance,
Barbara D. Richardson, in her official capacity as statutory
receiver for delinquent domestic insurer

Defendant: Nevada Health CO-OP

Creditors/Interested Parties: Unite Here Health

Nevada Health Solutions, LLC

Valley Health System

WellHealth Medical Associates (Volker), PLLC, d/b/a
Wellhealth Quality Care

State of Nevada, ex rel. Silver State Health Insurance
Exchange

There are many other creditors/interested parties to this action, but they have not appeared in the action, as proofs of claim were submitted directly to the Receiver.

EXHIBIT 12

EXHIBIT 12

EXHIBIT 12 – EXPLANATION OF THE BASIS FOR SEEKING APPELLATE REVIEW

This appeal arises from a delinquency proceeding, as defined in NRS 696B.060, as it was commenced against an insurer, Nevada Health CO-OP, for the purpose of rehabilitation or liquidation of the insurer. NRS 696B.190(5) allows an appeal to be taken from any order in a delinquency proceeding which has the character of a final order as to the particular portion of the proceedings embraced therein. The District Court's January 15, 2021 Order denying the Appellants' Motion to Disqualify Greenberg Traurig, LLP as counsel for the Receiver due to conflicts of interest, has the character of a final order as to all proceedings regarding the propriety of Greenberg serving as counsel for the Receiver.

EXHIBIT 13

EXHIBIT 13

EXHIBIT 13 – NAMES OF APPELLANTS

Name of Appellants:

Unite Here Health and Nevada Health Solutions, LLC

EXHIBIT 14

EXHIBIT 14

EXHIBIT 14 – CERTIFICATE OF SERVICE

I certify that on the 16th day of February 2021, I served a copy of this completed docketing statement upon all counsel of record by electronic service through the Nevada Supreme Court's electronic filing system and/or by depositing a true and correct copy in the U.S. Mail, first class postage prepaid, and addressed to the following at their last known address:

MARK E. FERRARIO
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TAMI D. COWDEN
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10845 Griffith Peak Drive, Suite 600
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ferrariom@gtlaw.com
pruntyd@gtlaw.com
cowdent@gtlaw.com

Attorneys for Respondents State of Nevada, ex rel. Commissioner of Insurance, Barbara D. Richardson, in her official capacity as Receiver for Nevada Health CO-OP; and Greenberg Taurig, LLP

MICHAEL P. MCNAMARA
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mmcnamara@jenner.com

Attorneys for Respondent Greenberg Taurig, LLP

DAVID JIMENEZ-EKMAN
JENNER & BLOCK LLP
353 North Clark Street, Suite 3900
Chicago, Illinois 60654
djimenez-ekman@jenner.com

Attorneys for Respondent Greenberg Taurig, LLP

DATED this 16th day of February, 2021.

Angelique Mattox
Employee of Bailey Kennedy

EXHIBIT 15

EXHIBIT 15

DISTRICT COURT CIVIL COVER SHEET

A-15-725244-C

County, Nevada

I

Case No.

(Assigned by Clerk's Office)

I. Party Information (provide both home and mailing addresses if different)

Plaintiff(s) (name/address/phone): State of Nevada, ex rel Commissioner of Insurance, in her Official Capacity as Statutory Receiver for Delinquent Domestic Insurer	Defendant(s) (name/address/phone): Nevada Health CO-OP
Attorney (name/address/phone): Joanna N. Grigoriev, SDAG Office of the Attorney General 555 E. Washington Ave., #3900 Las Vegas, NV 89101 702-486-3101	Attorney (name/address/phone):

II. Nature of Controversy (please select the one most applicable filing type below)**Civil Case Filing Types**

Real Property Landlord/Tenant <input type="checkbox"/> Unlawful Detainer <input type="checkbox"/> Other Landlord/Tenant Title to Property <input type="checkbox"/> Judicial Foreclosure <input type="checkbox"/> Other Title to Property Other Real Property <input type="checkbox"/> Condemnation/Eminent Domain <input type="checkbox"/> Other Real Property	Negligence <input type="checkbox"/> Auto <input type="checkbox"/> Premises Liability <input type="checkbox"/> Other Negligence Malpractice <input type="checkbox"/> Medical/Dental <input type="checkbox"/> Legal <input type="checkbox"/> Accounting <input type="checkbox"/> Other Malpractice	Torts Other Torts <input type="checkbox"/> Product Liability <input type="checkbox"/> Intentional Misconduct <input type="checkbox"/> Employment Tort <input type="checkbox"/> Insurance Tort <input type="checkbox"/> Other Tort
Probate Probate (select case type and estate value) <input type="checkbox"/> Summary Administration <input type="checkbox"/> General Administration <input type="checkbox"/> Special Administration <input type="checkbox"/> Set Aside <input type="checkbox"/> Trust/Conservatorship <input type="checkbox"/> Other Probate Estate Value <input type="checkbox"/> Over \$200,000 <input type="checkbox"/> Between \$100,000 and \$200,000 <input type="checkbox"/> Under \$100,000 or Unknown <input type="checkbox"/> Under \$2,500	Construction Defect & Contract Construction Defect <input type="checkbox"/> Chapter 40 <input type="checkbox"/> Other Construction Defect Contract Case <input type="checkbox"/> Uniform Commercial Code <input type="checkbox"/> Building and Construction <input type="checkbox"/> Insurance Carrier <input type="checkbox"/> Commercial Instrument <input type="checkbox"/> Collection of Accounts <input type="checkbox"/> Employment Contract <input type="checkbox"/> Other Contract	Judicial Review/Appeal Judicial Review <input type="checkbox"/> Foreclosure Mediation Case <input type="checkbox"/> Petition to Seal Records <input type="checkbox"/> Mental Competency Nevada State Agency Appeal <input type="checkbox"/> Department of Motor Vehicle <input type="checkbox"/> Worker's Compensation <input type="checkbox"/> Other Nevada State Agency Appeal Other <input type="checkbox"/> Appeal from Lower Court <input type="checkbox"/> Other Judicial Review/Appeal
Civil Writ Civil Writ <input type="checkbox"/> Writ of Habeas Corpus <input type="checkbox"/> Writ of Mandamus <input type="checkbox"/> Writ of Quo Warrant <input type="checkbox"/> Writ of Prohibition <input type="checkbox"/> Other Civil Writ	Other Civil Filing Other Civil Filing <input type="checkbox"/> Compromise of Minor's Claim <input type="checkbox"/> Foreign Judgment <input checked="" type="checkbox"/> Other Civil Matters	

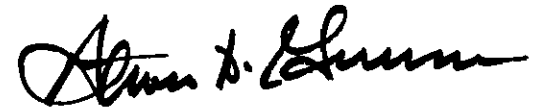
Business Court filings should be filed using the Business Court civil coversheet.

09/25/2015

Date

Signature of initiating party or representative

See other side for family-related case filings.



CLERK OF THE COURT

PET
ADAM PAUL LAXALT
Attorney General
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
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Attorney for the Division of Insurance

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

CLARK COUNTY, NEVADA

A-15-725244-C

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

vs.

NEVADA HEALTH CO-OP,

Defendant.

Case No.

I

Dept. No.

**PETITION FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND OTHER
PERMANENT RELIEF; REQUEST FOR TEMPORARY INJUNCTION
PURSUANT TO NRS 696B.270(1)**

COMES NOW Plaintiff State of Nevada, ex rel. Acting Commissioner of Insurance, Amy L. Parks ("Commissioner"), pursuant to Nevada Revised Statute ("NRS") 696B.250, and petitions this Honorable Court, which has original jurisdiction of delinquency proceedings pursuant to NRS 696B.190(1), to appoint the Commissioner as Receiver of the NEVADA HEALTH CO-OP ("CO-OP"), Company ID No. 119733 and NAIC ID No. 15132, for the purpose of conservation/rehabilitation and to grant permanent injunctive and other relief authorized by Chapter 696B of the NRS and other applicable law, in order to finally ascertain

1 the CO-OP's true and current state of affairs, to conserve its assets, and protect the
2 policyholders and public from the dangers inherent to the delinquency of this entity. To that
3 end, it is respectfully requested that the Court issue an order directing the CO-OP to appear in
4 Court on the day fixed in the order and show cause why the Petition should not be granted.

5 The Commissioner further respectfully requests that the Court issue the following
6 interim orders for injunctive relief pending the show cause hearing and further orders by the
7 Court, on the grounds set forth in this Petition and as permitted in NRS 696B.270(1):

8 1. Pursuant to NRS 696B.210(2), on the grounds that the insurer is in unsound
9 condition, and pursuant to NRS 696B.210(14), on the grounds that the majority of its directors
10 consented to conservation/rehabilitation, to appoint the Commissioner as Temporary Receiver
11 pending further orders by the Court, to enter the business and immediately oversee the
12 operation and conservation/ rehabilitation of the business.

13 2. Pursuant to NRS 696B.270, pending further orders by the Court, to immediately
14 enjoin the CO-OP, the officers, directors, stockholders, members, subscribers, agents,
15 employees, and all other persons from transacting any further business on behalf of the CO-
16 OP unless otherwise directed by the Receiver, or from wasting or disposing of any assets or
17 property of the CO-OP.

18 3. Pursuant to NRS 696B.340, pending further orders by the Court, to immediately
19 enjoin any and all persons from the commencement or prosecution of any actions by or on
20 behalf of the CO-OP, or against the CO-OP. Further, all persons should be restrained from
21 obtaining any preferences, judgments, attachments, or other liens as to any property of the
22 CO-OP, or making any levy against the CO-OP or against their assets or any part thereof.

23 4. Pursuant to NRS 696B.270, pending further orders by the Court, to enjoin all
24 persons other than the Receiver, or as directed by the Receiver, from withdrawal of any funds
25 from the CO-OP's accounts, or removal of other property from the CO-OP.

26 5. Authorizing the Commissioner as Temporary Receiver to impose such partial or
27 full lien or moratoria on any disbursements for such time and under such terms as she deems
28 necessary and appropriate for the protection of members and creditors, provided that such

1 lien or moratoria shall apply in the same manner to all similarly situated persons and providing
2 that under no circumstances shall the Receiver or her representatives be liable to any person
3 for a good faith decision to impose, or refrain from imposing, such lien or moratorium.

4 6. Authorizing the Commissioner as Temporary Receiver to make such
5 arrangements for the replacement or continuation of health care coverage provided by the
6 CO-OP as she deems appropriate and in the interest of the CO-OP's members and to enter
7 into such as agreements as she deems necessary for that purpose.

8 7. Authorizing the Commissioner as Temporary Receiver to appoint, without prior
9 notice to or prior approval by the Court, such Special Deputy Receiver and consultants as she
10 deems necessary for the conduct of the CO-OP's receivership; such Special Deputy Receiver
11 thereby being vested with all the rights, duties, and authority of the Temporary Receiver
12 subject to the supervision of the Commissioner as Temporary Receiver and of the Court.

13 8. Authorizing the Commissioner as Temporary Receiver to issue such Directives
14 as she deems appropriate to memorialize and provide notice of the exercise of her authority
15 under the Court's Orders and applicable law.

16 The Commissioner requests that, following the hearing to show cause, the Court issue
17 orders to:

18 1. Pursuant to NRS 696B.210, appoint the Commissioner as Permanent Receiver
19 to enter the business and immediately oversee the operation and conservation/rehabilitation
20 of the business;

21 2. Pursuant to NRS 696B.255(1) and NRS 696B.290(6), authorize the
22 Commissioner as Receiver to employ special deputies, counsel, assistants, employees,
23 accountants, actuaries, investment counselors, asset managers, consultants, assistants, and
24 other personnel as she considers necessary, without prior notice to or prior approval by the
25 Court.

26 3. Pursuant to NRS 696B.255(1), authorize the Receiver to fix the compensation of
27 special deputies, counsels, clerks and assistants with the approval of the Court and thereafter,
28 without prior notice or prior approval of the Court, to pay compensation at such approved rate,

1 in addition to any other administrative expenses of taking possession of, conserving,
2 collecting, or otherwise dealing with, the business and property of CO-OP: all actions to be
3 subsequently included in Receiver's quarterly reports and subject to the Court's review, as
4 provided in NRS 696B.290(7).

5 4. Pursuant to NRS 696B.270, permanently enjoin the CO-OP, the officers,
6 directors, stockholders, members, subscribers, agents, employees, and all other persons from
7 transacting any further business on behalf of the CO-OP unless otherwise directed by the
8 Receiver, or from wasting or disposing of any assets or property of the CO-OP;

9 5. Pursuant to NRS 696B.340, permanently enjoin any and all persons from the
10 commencement or prosecution of any actions by or on behalf of the CO-OP, or against the
11 CO-OP. Further, all persons should be restrained from obtaining any preferences, judgments,
12 attachments, or other liens as to any property of the CO-OP, or making any levy against the
13 CO-OP or against their assets or any part thereof;

14 6. Pursuant to NRS 696B.270, permanently enjoin all persons other than the
15 Receiver, or as directed by the Receiver, from withdrawal of any funds from the CO-OP's
16 accounts, or removal of other property from the CO-OP;

17 7. Pursuant to NRS 696B.290 and 696B.270, vest the Commissioner as Receiver
18 with the title to all of the CO-OP's real and personal property of every kind whatsoever and
19 take possession of the assets wherever located, whether in the possession of the CO-OP or
20 its officers, directors, employees, consultants, attorneys, agents, managers, parents,
21 subsidiaries, affiliated corporations, or those acting in concert with any of these persons, and
22 any other persons, including, but not limited to, all property, offices maintained or utilized by
23 the CO-OP, books, papers, contracts, deposits, stocks, securities, rights of action, accounts,
24 documents, data records, papers, evidences of debt, bonds, debentures, mortgages, furniture,
25 fixtures, office supplies, safe deposit boxes, legal/litigation files, and all books and records of
26 insurers, and administer them under the general supervision of the Court;

27 ///

28 ///

9. Authorize the Commissioner as Receiver to take any and all actions that she deems advisable in connection with conservation/rehabilitation of the CO-OP, and as provided in Chapter 696B of the NRS and any other applicable law.

ADAM PAUL LAXALT
Attorney General

By: /s/ Joanna N. Grigoriev
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
Attorney for the Division of Insurance

I. Introduction

Pursuant to the provisions of Chapter 696B of the Nevada Revised Statutes ("NRS"), the Commissioner seeks to commence a delinquency proceeding against the CO-OP on the grounds that, without intervention of a Receiver for conservation/rehabilitation purposes, it is in such an unsound condition as to render its further transaction of insurance presently or prospectively hazardous to its policyholders, or creditors, or the public, as set forth in NRS 696B.210(2). See Ex. A and B (with supporting documents), *Affidavit of Insurance Examiner, Kathleen Lace*; *Affidavit of Lead Actuary, Annette James*, respectively. On August 17, 2015, the CO-OP's Board of Directors authorized and approved a voluntary suspension of the company's certificate of authority and, therefore, the cessation of the selling or marketing of any new business for 2016 as well as during the remainder of 2015. *Id.* On August 21, 2015, the Commissioner issued an Order of Voluntary Suspension. See Ex C. The CO-OP subsequently provided a proposed wind-down plan to the Division for review.

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II. Facts

NEVADA HEALTH CO-OP ("CO-OP"), Company ID No. 119733 and NAIC ID No. 15132, is incorporated as a nonprofit, non-stock cooperative corporation pursuant to NRS 81.410 - .540, inclusive, and operates as a health maintenance organization ("HMO") chartered in Nevada, with a certificate of authority issued on January 2, 2013. It operates as an HMO under the authority of NRS Chapter 695C.

The Patient Protection and Affordable Care Act ("ACA") established health insurance exchanges in order to provide individuals and small businesses another option through which to shop for health insurance and possibly receive certain tax credits. To expand the number of health insurance plans that could be made available on the exchanges, the ACA also provided for the creation of the Consumer Operated and Oriented Plan program ("Program"). This Program is overseen by the Centers for Medicare and Medicaid Services' ("CMS").

In order to assist in the creation of co-ops through the Program, CMS made two types of loans to qualified applicants including the CO-OP: Startup Loans which were intended to assist co-op applicants with approved costs for beginning operations; and Solvency Loans that were intended to assist applicants with meeting the capital reserve requirement of the State in which they intended to be domiciled. Subsequent to receipt of the Startup and Solvency Loans from CMS, no additional Federal funds are forthcoming for the capitalization of the CO-OP.

The CO-OP, which was created through the Program, is a private, nonprofit, member-owned insurance company subject to State insurance laws and certain Federal statutes, rules, regulations, and terms. For example, the CO-OP cannot offer equity interests to private investors. Additionally, because the CO-OP is organized as an HMO, there is no guaranty fund association protection available to its policyholders. NRS 686C.100.

The CO-OP's most recent financial statement filed as of June 30, 2015, pursuant to NRS 680A.270, reported total admitted assets of \$ 47,923,084, total liabilities of \$ 40,788,422 and capital & surplus in the amount of \$7,134,662. As of June 30, 2015, the CO-OP reported a net loss of (\$30,422,301).

1 On August 21, 2015, the CO-OP was allowed a limited one-time permitted practice to
2 report the CMS Startup funds as surplus rather than as a liability in accordance with SSAP
3 No. 15 – Debt and Holding Company Obligations. This permitted practice was limited to the
4 CO-OP's second quarter reporting period which ended on June 30, 2015.

5 According to the analysis by Division of Insurance Examiner, Kathleen Lace, (Ex. A),
6 there has been significant, materially-adverse loss development, such that the CO-OP is now
7 unsound pursuant to NRS 696B.210(2):

- 8 • The CO-OP's operating loss in the most previous 6-month period, is greater than
9 50 percent of the insurer's surplus which is in excess of the statutory minimum
10 surplus required for HMOs pursuant to Nevada Administrative Code ("NAC")
11 695C.130.
- 12 • Upon expiration of the permitted practice, the CO-OP's capital & surplus will
13 likely show that it is below the statutory minimum requirement pursuant to NAC
14 695C.130.
- 15 • The CO-OP does not have access to additional sources of capital to improve its
16 financial outlook.

17 Additional evidence supporting the conclusion that the CO-OP is in unsound condition
18 is provided and further explained in the Affidavit of Division of Insurance Lead Actuary,
19 Annette James (Ex. B), and is summarized as follows:

- 20 • The CO-OP's claims unpaid reserve has increased significantly over the first six
21 months of 2015.
- 22 • Continued losses over the first six months of 2015 resulted in the immediate
23 recognition of a large premium deficiency reserve as of June 30, 2015.
- 24 • The collectability of the CO-OP's accounts receivable from the Federal Risk
25 Corridor program in the amount of \$16,200,240 as of June 30, 2015, is
26 uncertain.

27 An unsound/hazardous condition serves as grounds for receivership pursuant to
28 NRS 696B.210(2). Additionally, the consent of the board of directors also serves as grounds
for said receivership pursuant to NRS 696B.210(14) (Ex. D). The foregoing facts constitute
grounds to place the CO-OP in a receivership pursuant to NRS 696B.210 and 696B.290.
These facts also support an order of injunction as provided in NRS 696B.270(1).

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III. Analysis

A. Receivership

Chapter 696B of the NRS governs delinquency proceedings, including by conservation, rehabilitation, or liquidation, against all persons and entities defined in NRS 696B.020. Nevada has adopted the Uniform Insurers Liquidation Act ("UILA"). See NRS 696B.280, 696B.030 - .180 and NRS 696B.290 - .340. The UILA serves the purpose to "make uniform the laws of those states which enact it," NRS 696B.280(3), and to provide for a uniform and orderly method of making claims against an insolvent insurer and distributing an insolvent insurer's assets. It prevents local creditors from seizing the assets of an insurer while liquidation proceedings are administered, thus ensuring that all creditors of the insolvent company, regardless of their geographical location, are treated equally. See *Ace Grain Co. v. Rhode Island Ins. Co.*, 107 F. Supp. 80 (S.D.N.Y. 1952), *aff'd*, 199 F. 2d. 758 (2d Cir. 1953).

In the State of Nevada, where this delinquent insurer is domiciled, the Commissioner is the proper authority to be appointed as the Receiver for proceedings to administer the CO-OP's assets. See NRS 696B.290. Under the statutory scheme patterned after UILA, the Receiver takes possession and control of the insurer's property and "steps into the shoes" of the insurer and proceeds to administer the receivership. *Am Jur. Receivers* § 116. Her powers are derived from the governing statutes, and not from the court. See *State ex. Rel. Sizemore v. United Physicians Ins. Risk Retention*, 56 S.W. 3d 557, 563 (Tenn. Ct. App. 2001) (citations omitted). The receiver is afforded great deference, as evidenced by the language of NRS 696B.290(7): "the court shall not withhold approval or disapprove any such action unless found by the court after a hearing thereon in open court to be unlawful, arbitrary or capricious." *Id.*

Unsound condition is grounds for receivership. NRS 696B.210(2). Additionally, the consent of the board of directors provides grounds under NRS 696B.210(14). The Commissioner, as Receiver in the state of domicile, is vested with title to all of the company's property and has the sole right to receive the books, records, and assets of the delinquent

1 company, wherever located, to satisfy the claims of policyholders and creditors in this state
2 and elsewhere, pursuant to NRS 696B.290. Claims against the insurer, including any claims
3 of Nevada residents, are reviewed pursuant to the provisions of NRS Chapter 696B. These
4 provisions apply broadly to all corporations, firms, associations, societies, entities or
5 individuals doing insurance business in Nevada. The Commissioner as Receiver is
6 responsible for the proper administration of assets.

7 The Petition filed in this case seeks an order appointing the Commissioner
8 as the Receiver as to the assets and special deposits of the CO-OP located within this state
9 and elsewhere. NRS 696B.250 sets forth the proper procedure as follows:

10 1. The Commissioner shall commence a delinquency proceeding
11 authorized under this chapter, the Attorney General representing
12 the Commissioner, by filing a petition in a court of proper
jurisdiction praying for appointment of the Commissioner as
receiver of the insurer.

13 2. Upon the filing of the petition the court shall issue an order
14 directing the insurer to appear in court on the day fixed in the order
15 and show cause why the petition should not be granted. Unless
16 good cause is shown for a shorter period, the order shall require
the insurer so to show cause not less than 15 days nor more than
30 days from the date of the order.

17 3. The order to show cause and service thereof on the insurer
18 shall constitute due and legal process and shall be in lieu of any
19 other process otherwise provided by law or court rule.

20 The District Court has original jurisdiction of delinquency proceedings under
21 NRS 696B.010 - .565 and "may make all necessary or proper orders to carry out the purposes
22 of those sections." See NRS 696B.190(1). In this case, as indicated in Ex. A and B and the
23 supporting documents, the CO-OP is unsound as provided in NRS 696B.210(2). As such,
24 proceeding with this receivership is appropriate.

25 **B. Injunctions**

26 The Commissioner is under a duty to act for the protection of subscribers, members,
27 and policyholders and conserve the available assets. To this end, the Commissioner
28 may seek an injunction to stay the commencement or prosecution of actions and the procuring
of judgment against the insurer, restrain the consummation of business transactions, prohibit
interference with the delinquency proceedings, or prevent waste of the assets. See NRS

696B.270 and NRS 696B.340. "The UILA authorizes the court in which a delinquency proceeding was instituted to enjoin all claims against the insurer...." *Integrity Ins. Co. v. Martin*, 105 Nev. 16, 18, 769 P.2d 69, 70 (1989). This Court may issue such injunctions in this matter without notice upon the commencement of these delinquency proceedings as provided in NRS 696B.270:

1. Upon application by the Commissioner for such an order to show cause, or at any time thereafter, **the court may without notice issue an injunction** restraining the insurer, its officers, directors, stockholders, members, subscribers, agents and all other persons from the transaction of its business or the waste or disposition of its property until the further order of the court. . . .

2. **The court may at any time during a proceeding** under NRS 696B.010 to 696B.565, inclusive, **issue such other injunctions** or orders as may be deemed necessary to prevent interference with the Commissioner or the proceeding, or waste of the assets of the insurer, or the commencement or prosecution of any actions, or the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against the insurer or against its assets or any part thereof.

3. No bond may be required of the Commissioner as a prerequisite for the issuance of any injunction or restraining order pursuant to this section. (Emphasis added).

The Commissioner seeks to preserve the status quo and to enforce the purposes of NRS 696B.270, and to protect policyholders of the CO-OP from the wasting of assets, as well as potential collection actions pending payment of claims. The CO-OP is in unsound condition and has been subject to such methods and practices in the conduct of its business as to render its further transaction of insurance, without formal conservation/rehabilitation receivership efforts by the Commissioner, presently or prospectively hazardous to the policyholders, creditors and the public. As evident from Exhibits A and B attached hereto, an order of an immediate injunction pending further orders of the Court is essential to preserve the assets, the status quo, to enforce the purposes of NRS 696B.270, and to protect insureds and creditors of the CO-OP from collection actions pending payment of claims.

IV. Conclusion

Based on the foregoing, the Commissioner respectfully requests that the Court issue an Order to Show Cause directing the CO-OP to appear and show cause why the Petition to Appoint Commissioner as Receiver and Associated Relief should not be granted. The

1 Commissioner further requests that the Court issue interim orders of injunction as set forth
2 herein, pending the show cause hearing and further orders of the Court as set forth herein.
3 The statutory immunity of NRS 696B.565 extends to deputy receivers as officers or agents of
4 the Receiver.

5 The Commissioner respectfully requests further that the Court grant the Petition for
6 Appointment of Commissioner as Receiver, along with the associated permanent relief and
7 injunctions.

8 DATED this 25th day of September, 2015.

9
10 ADAM PAUL LAXALT
Attorney General

11 By: /s/ Joanna N. Grigoriev
12 JOANNA N. GRIGORIEV
13 Senior Deputy Attorney General
14 *Attorney for the Division of Insurance*
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EXHIBIT A

TO

**PETITION FOR APPOINTMENT OF COMMISSIONER AS
RECEIVER AND OTHER PERMANENT RELIEF; REQUEST
FOR TEMPORARY INJUNCTION PURSUANT TO NRS
696B.270(1)**

STATE OF NEVADA
DEPARTEMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION FOR
APPOINTMENT OF COMMISSIONER AS RECEIVER AND OTHER PERMANENT
RELIEF; REQUEST FOR TEMPORARY INJUNCTION PURSUANT TO
NRS 696B.270(1)**

STATE OF NEVADA)
) ss:
COUNTY OF CARSON CITY)

I, Kathleen Lace, being duly sworn, on oath, depose and say that:

1. I am an Insurance Examiner I in the Corporate and Financial Affairs Section for the State of Nevada, Department of Business and Industry, Division of Insurance ("Division").

2. I have a Bachelor of Science in Health Ecology, a four-year undergraduate degree from the University of Nevada, Reno, secured in 1999. I have a Masters Degree in Business Administration ("MBA") with a concentration in Accounting and Finance obtained from the University of Nevada, Reno in 2005. I received the Associate Professional in Insurance Regulation ("APIR") designation awarded by the National Association of Insurance Commissioners in 2014.

3. From December 2014 to August 2015, I was the financial analyst assigned at the Division to review the financial information and related documents filed with the Division by the Nevada Health CO-OP ("CO-OP" or "Company"). I am providing this Affidavit in my capacity and responsibility as the assigned analyst during that period.

4. Attachment 1 is the Certificate of Authority granted to the CO-OP as a Health Maintenance Organization ("HMO") on January 2, 2013, and as amended on July 3, 2013. As an HMO, the CO-OP is subject to Nevada law in Chapter 695C and, pursuant to Nevada Revised Statute ("NRS") 686C.100, the CO-OP is not eligible to participate in the Nevada Life and Health Insurance Guaranty Association. The CO-OP is incorporated as a Nevada nonprofit cooperative corporation without stock, pursuant

1 to NRS 81.410 - .540, inclusive.

2 5. Pursuant to NRS 695C.210(1), the CO-OP was required to file a full and
3 true statement of its financial condition, transactions and affairs; and an accurate
4 statement of its financial condition, in accordance with the NAIC Annual Statement
5 Instructions and NAIC Accounting Practices and Procedures Manual. NRS
6 695C.210(1). Attachment 2 includes pages 1-5 of the CO-OP's 2014 Health Annual
7 Statement (financial) submitted on March 3, 2015.

8 6. Nevada Administrative Code ("NAC") 695C.130 requires that health
9 companies, such as the CO-OP, maintain a minimum capital and surplus balance of
10 \$1,500,000.

11 7. Pages 1-5 of the CO-OP's most recent Quarterly Statement (financial), as
12 of June 30, 2015, are attached as Attachment 3.

13 8. The CO-OP's June 30, 2015 financial statement reflects total admitted
14 assets of \$47,923,084 and total liabilities of \$40,788,422, resulting in capital and
15 surplus of \$7,134,662.

16 9. The CO-OP reported a net loss as of June, 30, 2015, of (\$30,422,301).
17 For the 2014 calendar year, the CO-OP reported a net loss of (\$15,295,456).

18 10. On June 30, 2015, the policyholders' surplus of \$7,134,662 was
19 comprised of \$48,820,349 of surplus notes, \$151,601 of aggregate write-ins for special
20 surplus funds, and \$17,080,047 of aggregate write-ins for other than special surplus
21 funds, less (\$58,917,335) in unassigned funds from operating losses since the CO-
22 OP's inception.

23 11. On August 21, 2015, the Division approved a temporary, limited one-time
24 permitted practice to allow the CMS Startup loan, in the amount of \$17,080,047, to be
25 reported as surplus rather than a liability in accordance with SSAP No. 15 – Debt and
26 Holding Company Obligations. The time period during which the permitted practice
27 was allowed was limited to the June 30, 2015 Quarterly Statement. A copy of the
28 permitted practice is attached as Attachment 4.

1 12. Due to the significant losses experienced since its inception, along with
2 the lack of new sources of capital, the CO-OP is unsound pursuant to NRS
3 696B.210(2).

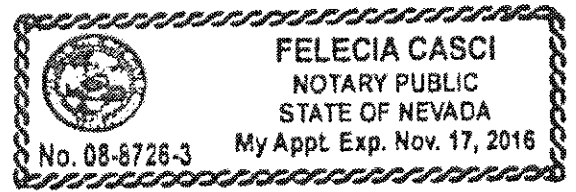
4 13. I declare under penalty of perjury that the foregoing is true and correct
5 based on my personal knowledge.

6
7 

8 Kathleen Lace
9 Insurance Examiner I

10
11 SUBSCRIBED and SWORN to
12 before me this 25 day of September, 2015.

13
14 
15 NOTARY PUBLIC



ATTACHMENT 1

TO

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION
FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND
OTHER PERMANENT RELIEF; REQUEST FOR TEMPORARY
INJUNCTION PURSUANT TO NRS 696B.270(1)**

Certificate of Authority

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE
Carson City, Nevada

Nevada ID #: **119733**

THE **NEVADA HEALTH CO-OP**

Incorporated in the State of **NEVADA**

Home office at **LAS VEGAS, NEVADA**

having duly qualified, is hereby licensed to transact:

**** HEALTH MAINTENANCE ORGANIZATION (NRS 695C) ****

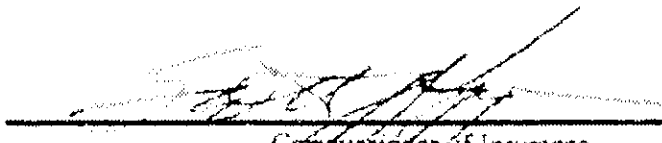
(Service Area by Counties and zip codes): Clark – All zip codes

*insurance business within the State of Nevada until terminated at the request of the insurer or suspended or
revoked by the Commissioner of Insurance.*



Original Certificate Dated at Carson City,

Nevada this 2nd day of January, 2013



Commissioner of Insurance

Amended Certificate of Authority

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE
Carson City, Nevada

Nevada ID: 119733
THE NEVADA HEALTH CO-OP
Incorporated in the State of NEVADA
Home office at LAS VEGAS, NEVADA
having duly qualified is hereby licensed to transact:

**** HEALTH MAINTENANCE ORGANIZATION (NRS 695C) ****
(Service Area: All zip codes in Nevada)


*insurance business within the State of Nevada until terminated at the request of the insurer or suspended or
revoked by the Commissioner of Insurance.*



Original Certificate Dated at Carson City, Nevada

this 2nd day of January, 2013

Amended this 3rd day of July, 2013



Commissioner of Insurance

ATTACHMENT 2

TO

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION
FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND
OTHER PERMANENT RELIEF; REQUEST FOR TEMPORARY
INJUNCTION PURSUANT TO NRS 696B.270(1)**



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE

Nevada Health CO-OP

NAIC Group Code 0000 0000 NAIC Company Code 15132 Employer's ID Number 90-0917673
(Current) (Prior)
Organized under the Laws of Nevada State of Domicile or Port of Entry NV
Country of Domicile United States of America
Licensed as business type Health Maintenance Organization
Is HMO Federally Qualified? Yes [] No [X]
Incorporated/Organized 10/30/2012 Commenced Business 01/01/2014
Statutory Home Office 3900 Meadows Lane Suite 214 Las Vegas, NV, US 89107
(Street and Number) (City or Town, State, Country and Zip Code)
Main Administrative Office 3900 Meadows Lane Suite 214
(Street and Number) Las Vegas, NV, US 89107 702-802-4600
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Mail Address 3900 Meadows Lane Suite 214 Las Vegas, NV, US 89107
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)
Primary Location of Books and Records 3900 Meadows Lane Suite 214
(Street and Number) Las Vegas, NV, US 89107 702-802-4600
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
Internet Website Address nevadahealthcoop.org
Statutory Statement Contact Bas, Charles D base 702-802-4600
(Name) (Area Code) (Telephone Number)
cdibase@nevadahealthcoop.org 702-805-4601
(E-mail Address) (FAX Number)

OFFICERS

Chief Executive Officer Pamela Lynn Egan
Secretary Bobbette Adele Bond

OTHER

DIRECTORS OR TRUSTEES

Danny Lynn Thompson Christine Joy Carlisle Donald Ray Taylor Jr.

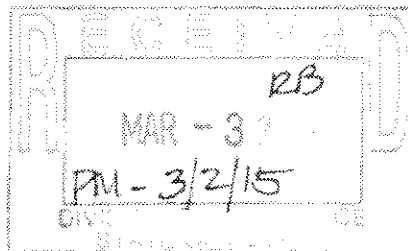
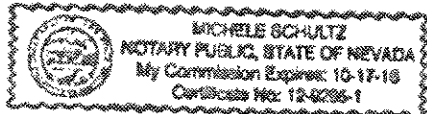
State of Nevada SS:
County of Clark

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Pamela Lynn Egan Bas, Charles D base
CEO CFO

Subscribed and sworn to before me this 28th day of February 2015
Michelle Schultz
Michelle Schultz
CEO Executive Assistant
October 17, 2016

- a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached



ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Nevada Health CO-OP

ASSETS

	Current Year		Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)
1 Bonds (Schedule D)	23,855,511		23,855,511
2 Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3 Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4 Real estate (Schedule A):			
4.1 Properties occupied by the company (less \$ encumbrances)			0
4.2 Properties held for the production of income (less \$ encumbrances)			0
4.3 Properties held for sale (less \$ encumbrances)			0
5 Cash (\$ 3,808,157 , Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 36,343 , Schedule DA)	3,845,501		3,845,501
6 Contract loans, (including \$ premium notes)			0
7 Derivatives (Schedule DB)			0
8 Other invested assets (Schedule BA)			0
9 Receivables for securities			0
10 Securities lending reinvested collateral assets (Schedule DL)			0
11 Aggregate write-ins for invested assets	0	0	0
12 Subtotals, cash and invested assets (Lines 1 to 11)	27,701,012	0	27,701,012
13 Title plants less \$ charged off (for Title insurers only)			0
14 Investment income due and accrued	67,052		67,052
15 Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,479,646	1,256,702	222,944
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0
15.3 Accrued retrospective premiums	4,391,073		4,391,073
16 Reinsurance:			
16.1 Amounts recoverable from reinsurers	7,092,348		7,092,348
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts	323,405		323,405
17 Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19 Guaranty funds receivable or on deposit			0
20 Electronic data processing equipment and software	737,002		737,002
21 Furniture and equipment, including health care delivery assets (\$)	362,958	362,958	0
22 Net adjustment in assets and liabilities due to foreign exchange rates			0
23 Receivables from parent, subsidiaries and affiliates			0
24 Health care (\$ 151,507) and other amounts receivable	238,900	147,299	151,507
25 Aggregate write-ins for other than invested assets	3,152,275	316,948	3,152,275
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	45,822,626	2,083,907	43,738,719
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28 Total (Lines 26 and 27)	45,822,626	2,083,907	43,738,719
DETAILS OF WRITE-INS			
1101			
1102			
1103			
1198 Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199 Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501 Solvency Loan Receivable	3,152,275		3,152,275
2502 Accrued Receivable	70,560	70,560	0
2503 Prepaid Assets	103,765	103,765	0
2598 Summary of remaining write-ins for Line 25 from overflow page	142,623	142,623	0
2599 Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,469,223	316,948	3,152,275

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Nevada Health CO-OP

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 2,092,232 reinsurance ceded)	5,538,001		5,538,001	0
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	233,000		233,000	0
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	1,964,034		1,964,034	381,716
9. General expenses due or accrued	2,259,374		2,259,374	842,080
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	569,730		569,730	0
12. Amounts withheld or retained for the account of others			0	0
13. Reinsurance and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	15,980,047		15,980,047	15,962,245
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	27,514,186	0	27,514,186	18,186,051
25. Aggregate write-ins for special surplus funds	XXX	XXX	83,199	0
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid-in and contributed surplus	XXX	XXX		
29. Surplus notes	XXX	XXX	42,965,583	18,680,047
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(26,924,350)	(10,720,947)
32. Less treasury stock, at cost				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	18,124,532	7,959,100
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	43,738,718	26,145,151
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2399. Summary of remaining write-ins for Line 23 from overview page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2399)(Line 23 above)	0	0	0	0
2501. 5010 ACA Assessment	XXX	XXX	83,199	
2502.	XXX	XXX		
2503.	XXX	XXX		
2599. Summary of remaining write-ins for Line 25 from overview page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2599)(Line 25 above)	XXX	XXX	83,199	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3099. Summary of remaining write-ins for Line 30 from overview page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3099)(Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Nevada Health CO-OP

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	xxx	162,632	0
2. Net premium income (including \$ non-health premium income)	xxx	51,526,023	
3. Change in unearned premium reserves and reserve for rate credits	xxx	0	
4. Post-ior-service (net of \$ medical expenses)	xxx	0	
5. Risk revenue	xxx	0	
6. Aggregate write-ins for other health care related revenues	xxx	0	0
7. Aggregate write-ins for other non-health revenues	xxx	0	15,000
8. Total revenues (Lines 2 to 7)	xxx	51,526,023	15,000
Hospital and Medical:			
9. Hospital/medical benefits		40,240,031	
10. Other professional services		9,937	
11. Outside referrals		0	
12. Emergency room and out-of-area		0	
13. Prescription drugs		12,331,645	
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		0	
16. Subtotal (Lines 9 to 15)	0	52,580,613	0
Less:			
17. Net reinsurance recoveries		9,184,580	
18. Total hospital and medical (Lines 16 minus 17)	0	43,396,033	0
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 1,174,626 cost containment expenses		4,409,031	0
21. General administrative expenses		19,041,284	7,928,516
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	66,867,248	7,928,516
24. Net underwriting gain or (loss) (Lines 8 minus 23)	xxx	(15,341,225)	(7,943,516)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		44,807	5,113
26. Net realized capital gains (losses) less capital gains tax of \$		962	
27. Net investment gains (losses) (Lines 25 plus 26)	0	45,769	5,113
28. Net gain or (loss) from agents' or premium balances charged off (Amount recovered \$) (amount charged off \$)			
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	xxx	(15,295,456)	(7,908,403)
31. Federal and foreign income taxes incurred	xxx		
32. Net income (loss) (Lines 30 minus 31)	xxx	(15,295,456)	(7,908,403)
DETAILS OF WRITE-INS			
0601.	xxx		
0602.	xxx		
0603.	xxx		
0698. Summary of remaining write-ins for Line 6 from overflow page	xxx	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	xxx	0	0
0701. Unrestricted Marketing Funds	xxx		15,000
0702.	xxx		
0703.	xxx		
0798. Summary of remaining write-ins for Line 7 from overflow page	xxx	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	xxx	0	15,000
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	7,959,100	(1,125,614)
34. Net income or (loss) from Line 32	(13,295,456)	(7,908,403)
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	(396,377)	(1,686,930)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	24,285,636	18,680,047
43. Cumulative effect of changes in accounting principles		
44. Capital Changes		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	(427,770)	0
48. Net change in capital and surplus (Lines 34 to 47)	8,169,433	9,084,714
49. Capital and surplus end of reporting period (Line 33 plus 48)	16,124,533	7,959,100
DETAILS OF WRITE-INS		
4701. Prior Period Adjustment	(427,770)	
4702.		
4703.		
4796. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4796)(Line 47 above)	(427,770)	0

ATTACHMENT 3

TO

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION
FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND
OTHER PERMANENT RELIEF; REQUEST FOR TEMPORARY
INJUNCTION PURSUANT TO NRS 696B.270(1)**



QUARTERLY STATEMENT
AS OF JUNE 30, 2015
OF THE CONDITION AND AFFAIRS OF THE
NEVADA HEALTH CO-OP

NAHC Group Code	8900 (Current Period)	9900 (Prior Period)	NAHC Company Code	15132	Employer's ID Number	80-0917673
Organized under the Laws of	Nevada	State of Domicile or Port of Entry	Nevada			
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [] Dental Service Corporation [] Other []	Property/Casualty [] Vision Service Corporation [] Is HMO Federally Qualified? Yes [] No [X] N/A []	Hospital, Medical & Dental Service or Indemnity [] Health Maintenance Organization [X]			
Incorporated/Organized	10/30/2012	Commenced Business	01/01/2014			
Statutory Home Office	3900 MEADOWS LANE SUITE 214 (Street and Number)	LAS VEGAS, NV, US 89107 (City or Town, State, Country and Zip Code)				
Main Administrative Office	3900 MEADOWS LANE SUITE 214 (Street and Number)	LAS VEGAS, NV, US 89107 (City or Town, State, Country and Zip Code)				
Mail Address	3900 MEADOWS LANE SUITE 214 (Street and Number or P.O. Box)	LAS VEGAS, NV, US 89107 (City or Town, State, Country and Zip Code)				
Primary Location of Books and Records	3900 MEADOWS LANE SUITE 214 (Street and Number)	LAS VEGAS, NV, US 89107 (City or Town, State, Country and Zip Code)				
Internet Web Site Address	NEVADAEALTHCOOP.ORG					
Statutory Statement Contact	BASIL CHARLES DIBSIE (Name)	702/802-4600 (Area Code) (Telephone Number)				
	BDIBSIE@NEVADAEALTHCOOP.ORG (E-Mail Address)	702/802-4601 (Area Code) (Telephone Number) (Extension)				
		702/802-4600 (Area Code) (Telephone Number)				

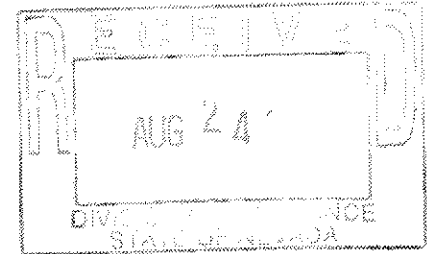
OFFICERS

Name	Title
PAMELA LYNN EGAN	CHIEF EXECUTIVE OFFICER
LINDA IRENE MATTON	CHIEF OPERATING OFFICER
BASIL CHARLES DIBSIE	CHIEF FINANCIAL OFFICER
NICOLE RENEE FLORAND	CHIEF MEDICAL OFFICER

OTHERS

DIRECTORS OR TRUSTEES

DANNY LYNN THOMPSON CHRISTINE JOY CARAFELLI
RONALD RAY TAYLOR JR.



State of Nevada
County of Clark ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAHC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAHC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

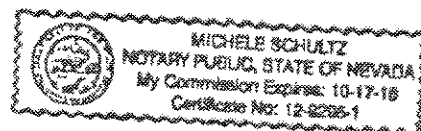
 (Signature) PAMELA LYNN EGAN (Printed Name) 1 CHIEF EXECUTIVE OFFICER (Title)	 (Signature) BASIL CHARLES DIBSIE (Printed Name) 2 CHIEF FINANCIAL OFFICER (Title)	 (Signature) (Printed Name) 3 (Title)
--	--	---

Subscribed and sworn to before me this
21 day of August 2015

(Notary Public Signature)

a. Is this an original filing?
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[X] No []



ASSETS

		Current Statement Date			4
		1	2	3	December 31 Prior Year Net Admitted Assets
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols 1 - 2)	
1	Bonds	857,410		857,410	23,855,511
2	Stocks				
2.1	Preferred stocks				
2.2	Common stocks				
3	Mortgage loans on real estate				
3.1	First liens				
3.2	Other than first liens				
4	Real estate				
4.1	Properties occupied by the company (less \$ 0 encumbrances)				
4.2	Properties held for the production of income (less \$ 0 encumbrances)				
4.3	Properties held for sale (less \$ 0 encumbrances)				
5	Cash (\$ 7,818,076), cash equivalents (\$ 0) and short-term investments (\$ 4,196,316)	12,014,392		12,014,392	3,845,501
6	Contract loans (including \$ 0 premium notes)				
7	Derivatives				
8	Other invested assets				
9	Receivables for securities				
10	Securities lending reinvested collateral assets				
11	Aggregate write-ins for invested assets				
12	Subtotals, cash and invested assets (Lines 1 to 11)	12,871,802		12,871,802	27,701,012
13	Title plants less \$ 0 charged off (for Title insurers only)				
14	Investment income due and accrued	1,884		1,884	67,052
15	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	6,254,851	1,222,263	5,032,588	222,944
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums	16,200,240		16,200,240	4,291,073
16	Reinsurance:				
16.1	Amounts recoverable from reinsurers	12,670,001		12,670,001	7,092,348
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts	323,405		323,405	323,405
17	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19	Guaranty funds receivable or on deposit				
20	Electronic data processing equipment and software	571,686		571,686	737,002
21	Furniture and equipment, including health care delivery assets (\$ 0)	422,953	422,953		
22	Net adjustments in assets and liabilities due to foreign exchange rates				
23	Receivables from parent, subsidiaries and affiliates				
24	Health care (\$ 251,477) and other amounts receivable	582,628	331,151	251,477	151,507
25	Aggregate write-ins for other than invested assets	406,117	406,117		3,152,275
26	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	50,305,567	2,382,483	47,923,084	43,738,718
27	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28	TOTAL (Lines 26 and 27)	50,305,567	2,382,483	47,923,084	43,738,718
DETAILS OF WRITE-INS					
1101				
1102				
1103				
1198	Summary of remaining write-ins for Line 11 from overflow page				
1199	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501	SOLVENCY LOAN RECEIVABLE				3,152,275
2502	ACCRUED RECEIVABLE	174,493	174,493		
2503	PREPAID ASSETS	89,001	89,001		
2598	Summary of remaining write-ins for Line 25 from overflow page	142,623	142,623		
2599	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	406,117	406,117		3,152,275

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1 Claims unpaid (less \$ 0 reinsurance ceded)	15,027,286		15,027,286	5,608,001
2 Accrued medical incentive pool and bonus amounts				
3 Unpaid claims adjustment expenses	869,612		869,612	233,000
4 Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act	19,529,890		19,529,890	
5 Aggregate life policy reserves				
6 Property/casualty unearned premium reserve				
7 Aggregate health claim reserves				
8 Premiums received in advance	2,115,524		2,115,524	1,964,034
9 General expenses due or accrued	2,611,506		2,611,506	2,299,374
10 1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10 2 Net deferred tax liability				
11 Ceded reinsurance premiums payable	634,421		634,421	569,730
12 Amounts withheld or retained for the account of others				
13 Remittances and items not allocated				
14 Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				16,980,047
15 Amounts due to parent, subsidiaries and affiliates				
16 Derivatives				
17 Payable for securities	182		182	
18 Payable for securities lending				
19 Funds held under reinsurance treaties with (\$ 0 authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)				
20 Reinsurance in unauthorized and certified (\$ 0) companies				
21 Net adjustments in assets and liabilities due to foreign exchange rates				
22 Liability for amounts held under uninsured plans				
23 Aggregate write-ins for other liabilities (including \$ 0 current)				
24 Total liabilities (Lines 1 to 23)	40,788,422		40,788,422	27,614,186
25 Aggregate write-ins for special surplus funds	X X X	X X X	151,601	83,199
26 Common capital stock	X X X	X X X		
27 Preferred capital stock	X X X	X X X		
28 Gross paid in and contributed surplus	X X X	X X X		
29 Surplus notes	X X X	X X X	48,870,349	42,965,683
30 Aggregate write-ins for other than special surplus funds	X X X	X X X	17,080,047	
31 Unassigned funds (surplus)	X X X	X X X	(58,917,335)	(26,924,350)
32 Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0)	X X X	X X X		
32.2 0 shares preferred (value included in Line 27 \$ 0)	X X X	X X X		
33 Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	7,134,662	16,124,532
34 Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	47,923,084	43,738,718
DETAILS OF WRITE-INS				
2301				
2302				
2303				
2398 Summary of remaining write-ins for Line 23 from overflow page				
2399 TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501 9010 ACA ASSESSMENT	X X X	X X X	151,601	83,199
2502	X X X	X X X		
2503	X X X	X X X		
2598 Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599 TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	151,601	83,199
3001 CMS Start-up Loans	X X X	X X X	17,080,047	
3002	X X X	X X X		
3003	X X X	X X X		
3098 Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099 TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X	17,080,047	

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1	2	3	4
	Uncovered	Total	Total	Total
1 Member Months	X X X	124,054		162,632
2 Net premium income (including \$ 0 non-health premium income)	X X X	47,877,767	7,087,249	51,528,023
3 Change in unearned premium reserves and reserves for rate credits	X X X			
4 Fee-for-service (net of \$ 0 medical expenses)	X X X			
5 Risk revenue	X X X			
6 Aggregate write-ins for other health care related revenues	X X X			
7 Aggregate write-ins for other non-health revenues	X X X			
8 Total revenues (Lines 2 to 7)	X X X	47,877,767	7,087,249	51,528,023
Hospital and Medical:				
9 Hospital/medical benefits		35,303,149	3,581,631	40,240,031
10 Other professional services		9,294	1,118,007	8,837
11 Outside referrals				
12 Emergency room and out-of-area				
13 Prescription drugs		14,523,726	1,063,453	12,331,645
14 Aggregate write-ins for other hospital and medical				
15 Incentive pool, withhold adjustments and bonus amounts				
16 Subtotal (Lines 9 to 15)		49,836,170	5,763,091	52,580,613
Less:				
17 Net reinsurance recoveries		4,068,071		9,184,580
18 Total hospital and medical (Lines 16 minus 17)		45,770,100	5,763,091	43,398,633
19 Non-health claims (net)				
20 Claims adjustment expenses, including \$ 677,311 cost containment expenses		3,161,436		4,429,931
21 General administrative expenses		13,348,683	5,010,309	19,041,284
22 Increase in reserve for life and accident and health contracts (including \$ 0 increase in reserves for life only)		15,900,000		
23 Total underwriting deductions (Lines 18 through 22)		78,179,819	10,773,400	68,867,248
24 Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(30,301,050)	(3,686,151)	(15,341,225)
25 Net investment income earned		(124,449)	4,826	44,807
26 Net realized capital gains (losses) less capital gains tax of \$ 0		3,936		962
27 Net investment gains or (losses) (Lines 25 plus 26)		(120,451)	4,826	45,769
28 Net gain or (loss) from agents' or premium balances charged off ((amount recovered \$ 0) (amount charged off \$ 0))				
29 Aggregate write-ins for other income or expenses				
30 Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(30,422,301)	(3,681,525)	(15,295,456)
31 Federal and foreign income taxes incurred	X X X			
32 Net income (loss) (Lines 30 minus 31)	X X X	(30,422,301)	(3,681,525)	(15,295,456)
DETAILS OF WRITE-INS				
0601	X X X			
0602	X X X			
0603	X X X			
0698 Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699 TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701	X X X			
0702	X X X			
0703	X X X			
0798 Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799 TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401				
1402				
1403				
1498 Summary of remaining write-ins for Line 14 from overflow page				
1499 TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901				
2902				
2903				
2998 Summary of remaining write-ins for Line 29 from overflow page				
2999 TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year	16,124,533	7,959,100	7,959,100
34.	Net income or (loss) from Line 32	(30,422,301)	(3,681,525)	(15,295,456)
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			
39.	Change in nonadmitted assets	(298,577)	893,901	(395,977)
40.	Change in unauthorized and certified reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes	5,854,666	21,133,361	24,285,636
43.	Cumulative effect of changes in accounting principles	17,080,047		
44.	Capital Changes			
44.1	Paid in			
44.2	Transferred from surplus (Stock Dividend)			
44.3	Transferred to surplus			
45.	Surplus adjustments			
45.1	Paid in			
45.2	Transferred to capital (Stock Dividend)			
45.3	Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus ..	(1,203,705)	(427,770)	(427,770)
48.	Net change in capital and surplus (Lines 34 to 47) ..	(8,989,870)	17,917,967	8,165,433
49.	Capital and surplus end of reporting period (Line 33 plus 48) ..	7,134,663	25,877,067	16,124,533
DETAILS OF WRITE-INS				
4701.	PRIOR YEAR ADJUSTMENT SUBSEQUENT TO THE ANNUAL FILING ..	(1,203,705)	(427,770)	(427,770)
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page ..			
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) ..	(1,203,705)	(427,770)	(427,770)

ATTACHMENT 4

TO

**AFFIDAVIT OF KATHLEEN LACE IN SUPPORT OF PETITION
FOR APPOINTMENT OF COMMISSIONER AS RECEIVER AND
OTHER PERMANENT RELIEF; REQUEST FOR TEMPORARY
INJUNCTION PURSUANT TO NRS 696B.270(1)**

BRIAN SANDOVAL
Governor

STATE OF NEVADA

BRUCE H. BRESLOW
Director

AMY L. PARKS
Acting Commissioner



DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

1818 East College Pkwy., Suite 103
Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
Website: doi.nv.gov
E-mail: insinfo@doi.nv.gov

August 21, 2015

Pamela Egan
Chief Executive Officer
Nevada Health CO-OP
3900 Meadows Lane
Las Vegas, NV 89107

SENT VIA E-MAIL:
pegan@nevadahealthcoop.org
CERTIFIED MAIL NO.
7012 2920 0001 8639 3661

Re: Request for Reconsideration of Permitted Practice

Dear Ms. Egan:

Please accept this letter in response to your request for reconsideration of permitted practice dated August 20, 2015. On August 10, 2015, on behalf of the Nevada Health CO-OP ("NHC"), you requested that NHC be granted a permitted practice by the State of Nevada, Department of Business and Industry, Division of Insurance ("Division"), to remove from your 2015 second quarter financial statement, the liability of a \$17,080,047 debt ("Debt") for the start-up loan from the Centers for Medicare & Medicaid Services ("CMS"). The Debt is currently being treated as a long term liability in accordance with SSAP No. 15 – Debt and Holding Company Obligations. On August 14, 2015, this request was denied.

On Monday, August 17, 2015, you provided information to the Division that NHC, through a Board resolution on August 15, 2015, resolved to cease certain operations in Nevada for the 2015 plan year, withdraw its proposed 2016 health benefit plans and not seek certification, voluntarily suspend NHC's Certificate of Authority, and immediately cease and desist from selling health benefit plans in 2015. Moreover, you requested assistance from the Division in effecting a voluntary and orderly run-off for NHC's 2015 operations, recognizing that the paramount concern is for policyholders, providers, and consumers. Also on August, 17, 2015, you requested, and the Division granted, an extension until the end of business on August 21, 2015, for NHC to submit its 2015 second quarter financial statement.

In order to accomplish a voluntary and orderly run-off of NHC's 2015 operations, you have now requested that the Acting Commissioner reconsider granting a permitted practice deviating from SSAP No. 15, and allow NHC to not report the Debt as a liability in its 2015 second quarter financial statement. This is now requested based on the Board's resolution to submit to a voluntary surrender of its Certificate of Authority, cease certain operations in Nevada, commence a voluntary and orderly run-off for its 2015 operations, and a commitment to its policyholders, providers and consumers.

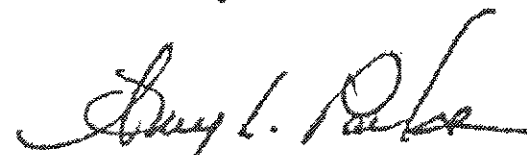
The request for a permitted practice to allow NHC to not report the Debt as a liability on its 2015 second quarter financial statement is granted *contingent on the following terms and conditions*:

- NHC not write or solicit any new business in the state of Nevada for the 2015 plan year, withdraw its proposed 2016 health benefit plans and not seek certification of those health benefit plans, voluntarily suspend NHC's Certificate of Authority, and immediately cease and desist from selling health benefit plans in 2015; and
- NHC submit to the Division for review an approvable run-off plan by Friday, August 28, 2015; and
- NHC understands and agrees that the run-off will include supervision by the Division and cooperation with the Division and CMS in achieving an orderly run-off in the best interests of consumers.

Failure to meet any or all of the conditions as outlined above for this conditional permitted practice may result in the immediate reversion of the permitted practice such that the Debt will be treated as a long term liability post hoc for the NHC's 2015 quarterly financial statement in accordance with long term liability in accordance with SSAP No. 15 – Debt and Holding Company Obligations.

Thank you for your cooperation and commitment to the policyholders, providers, and consumers in Nevada. If any further request or extension is needed beyond the second quarter filing, a separate request to renew the permitted practice must be made in writing. Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,


AMY L. PARKS
Acting Commissioner

c: Omar Akel, Chief Insurance Examiner

EXHIBIT B

TO

**PETITION FOR APPOINTMENT OF COMMISSIONER AS
RECEIVER AND OTHER PERMANENT RELIEF; REQUEST
FOR TEMPORARY INJUNCTION PURSUANT TO NRS
696B.270(1)**

1 the Lead Actuary for Life and Health insurance matters.

2 4. During my review of the CO-OP's financial statements as of December 31,
3 2014, and as of March 31, 2015, I noted the significant and continuing underwriting
4 losses experienced by the CO-OP which indicates that the premiums charged were
5 insufficient. As a result, I requested that the CO-OP establish a premium deficiency
6 reserve ("PDR")² as of June 30, 2015, in accordance with Statement of Statutory
7 Accounting Principles ("SSAP") No. 54 and the applicable actuarial standards of
8 practice ("ASOP"). The CO-OP's actuaries calculated the PDR to be \$15,900,000 as of
9 June 30, 2015, and this amount was recorded on the June 30, 2015 quarterly financial
10 statements. I reviewed the calculation of the PDR and found it to be reasonable and in
11 accordance with the appropriate ASOPs. The PDR accounted for \$15,900,000 of the
12 \$30,422,301 loss reported as of June 30, 2015.

13 5. I also reviewed the claims unpaid liability of \$15,027,286 and found it to be a
14 reasonable estimate of the claims that were incurred and not yet paid as of June 30,
15 2015.

16 6. As of June 30, 2015, the CO-OP reported a receivable of \$16,200,240 as the
17 amount expected to be received from the Centers for Medicare and Medicaid Services
18 ("CMS") under the Federal Risk Corridor program. The calculations of the amounts
19 due to be paid to the CO-OP appear to be reasonable. However, since only the
20 amounts collected under this three-year program may be distributed, and CMS has not
21 yet released its initial report of the program's collections and distributions, there is
22 significant uncertainty about the timing and magnitude of the actual payments.
23 Pursuant to SSAP 107, the entire amount is currently being recognized as a receivable
24 since the Risk Corridor amounts will be considered as admitted assets regardless of
25 when it is collected and information relating to the ultimate collectability of amounts due

27 ² A premium deficiency reserve is required to be held if it is expected that claims and
28 expenses will exceed premiums charged during the contract period.

1 under this program is not yet available. The collectability of the amounts receivable
2 under the Risk Corridor program is not an actuarial assumption and is, therefore,
3 beyond the scope of my review.

4 7. On September 23, 2015, the CO-OP provided the Division with draft
5 financials as of August 31, 2015. However, the actuarial items are currently under
6 review for accuracy and reasonableness.

7 8. Due to the size of the liabilities in relation to assets, the inadequacy of
8 premiums to support incurred claims and expenses, and the uncertainty surrounding
9 the collectability of large receivables, the CO-OP is unsound pursuant to NRS
10 696B.210(2).

11 9. I declare under penalty of perjury that the foregoing is true and correct based
12 on my personal knowledge.

13
14
15 Annette James.
16 Annette James, FSA, MAAA, FCA,
17 Lead Actuary

18 SUBSCRIBED and SWORN to
19 before me this 25 day of September, 2015.

20
21 Felecia Casci
22 NOTARY PUBLIC

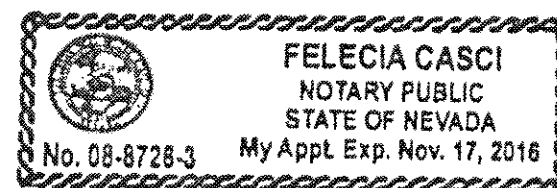
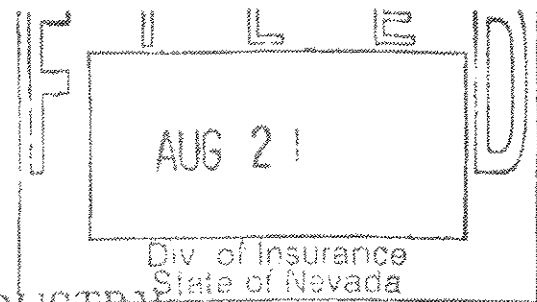


EXHIBIT C

TO

**PETITION FOR APPOINTMENT OF COMMISSIONER AS
RECEIVER AND OTHER PERMANENT RELIEF; REQUEST
FOR TEMPORARY INJUNCTION PURSUANT TO NRS
696B.270(1)**

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE



IN THE MATTER OF

CAUSE NO. 15.0268
COMPANY ID NO. 119733
NAIC ID NO. 15132

NEVADA HEALTH CO-OP.

ORDER OF VOLUNTARY
SUSPENSION OF CERTIFICATE
OF AUTHORITY

WHEREAS, the NEVADA HEALTH CO-OP ("NHC") is a health maintenance organization domiciled in the state of Nevada, Company ID No. 119733, and NAIC ID NO. 15132; and

WHEREAS, pursuant to Chapter 695C of the Nevada Revised Statutes ("NRS"), on January 2, 2013, NHC received a Certificate of Authority from the State of Nevada, Department of Business and Industry, Division of Insurance ("Division"), to establish or operate a health maintenance organization in the state of Nevada (Exhibit A); and

WHEREAS, on July 3, 2013, NHC received an Amended Certificate of Authority reflecting the service area as all zip codes in Nevada (Exhibit B); and

WHEREAS, NHC, pursuant to a Board resolution on August 15, 2015, and subsequent request on August 17, 2015, has resolved and agreed to voluntarily suspend its Certificate of Authority and establish an orderly run-off plan for its operations; and

WHEREAS, the Commissioner finds that it would be in the best interests of the people of this state that NHC's Certificate of Authority be suspended effective on the date of this Order; and

WHEREAS, effective immediately, NHC shall:

- (1) Not write any new business or solicit any new enrollees in the state of Nevada;
- (2) Continue to administer its 2015 health care plans in accordance with a run-off plan approved by the Commissioner;
- (3) File its annual statements and pay required fees; and
- (4) Complete any further items outlined by the Commissioner.

WHEREAS, it is the policy of the Commissioner that the Certificate of Authority is not transferrable and, pursuant to NRS 680A.160, remains at all times the property of the state of Nevada; and

WHEREAS, NRS 680A.160 requires that the insurer shall promptly deliver the Certificate of Authority to the Commissioner upon its suspension, termination or expiration.

IT IS THEREFORE ORDERED that:

1. The Certificate of Authority of NHC, Company ID No. 119733 and NAIC ID No. 15132, is hereby voluntarily suspended pursuant to NRS 695C.330, effective August 21, 2015, according to the above.

2. NHC requested a voluntary suspension and, as a result, waived its right to a hearing pursuant to NRS 695C.330.

3. Nothing in this Order shall prevent the Commissioner from pursuing any other subsequent regulatory action as may be necessary.

4. NHC shall forthwith deliver to the Commissioner the Nevada Certificate of Authority, Company ID No. 119733.

SO ORDERED this 21st day of August, 2015.


AMY L. PARKS
Acting Commissioner of Insurance

Certificate of Authority

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE
Carson City, Nevada

Nevada ID #: 119733

THE NEVADA HEALTH CO-OP

Incorporated in the State of NEVADA

Home office at LAS VEGAS, NEVADA

having duly qualified, is hereby licensed to transact:

**** HEALTH MAINTENANCE ORGANIZATION (NRS 695C) ****

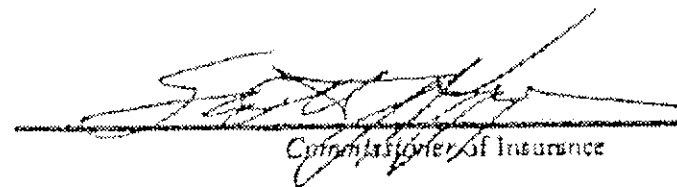
(Service Area by Counties and zip codes): Clark – All zip codes

*insurance business within the State of Nevada until terminated at the request of the insurer or suspended or
revoked by the Commissioner of Insurance.*



Original Certificate Dated at Carson City,

Nevada this 2nd day of January, 2013



Commissioner of Insurance

EXHIBIT A
PAGE 1 OF 1

Amended
Certificate
of
Authority

STATE OF NEVADA
DEPARTMENT OF BUSINESS & INDUSTRY
DIVISION OF INSURANCE
Carson City, Nevada

Nevada ID: 119733
THE NEVADA HEALTH CO-OP
Incorporated in the State of NEVADA
Home office at LAS VEGAS, NEVADA
having duly qualified, is hereby licensed to transact:

**** HEALTH MAINTENANCE ORGANIZATION (NRS 695C) ****
(Service Area: All zip codes in Nevada)

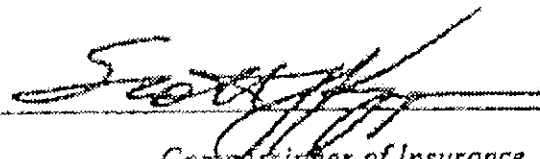
*insurance business within the State of Nevada until terminated at the request of the insurer or suspended or
revoked by the Commissioner of Insurance.*



Original Certificate Dated at Carson City, Nevada

this 2nd day of January, 2013

Amended this 3rd day of July, 2013



Commissioner of Insurance

EXHIBIT B
PAGE 1 OF 1

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Pamela Egan
Chief Executive Officer
Nevada Health CO-OP
3900 Meadows Lane
Las Vegas, NV 89107
CERTIFIED MAIL NO. 7012 2920 0001 8639 3661
E-MAIL: pegan@nevadahealthcoop.org

DATED this 21st day of August, 2015.

Terry Verbrugge
Employee of the State of Nevada
Department of Business and Industry
Division of Insurance

EXHIBIT D

TO

**PETITION FOR APPOINTMENT OF COMMISSIONER AS
RECEIVER AND OTHER PERMANENT RELIEF; REQUEST
FOR TEMPORARY INJUNCTION PURSUANT TO NRS
696B.270(1)**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NEVADA HEALTH CO-OP**

The Board of Directors (the "Board") of Nevada Health CO-OP, a Nevada non-profit cooperative corporation ("CO-OP"), pursuant to Article IV.I of the CO-OP Bylaws, do hereby adopt the following resolution:

WHEREAS, pursuant to Nevada Revised Statutes Section 78.315 and Section 82.206, as well as Article IV.H. of the CO-OP's Bylaws, the Board may by resolution, passed by a majority of the Board, take action to approve and cooperate with the Nevada Department of Insurance (the "Division") in its filing for a Conservation/Rehabilitation Receivership (the "Receivership") to preserve assets during the wind-down of the CO-OP;

WHEREAS, the Board believes it is in the best interest of the CO-OP's members to cooperate with the Division in the filing for Receivership and preservation of assets during the wind-down of the CO-OP;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes and approves cooperation with the Division in the filing for Receivership and other actions as may be necessary and appropriate to preserve assets during the wind-down of the CO-OP;

BE IT FURTHER RESOLVED, that all acts and things done by any officer of the CO-OP as any of them deemed necessary or appropriate in connection with the foregoing resolutions hereby are, in all respects ratified, confirmed, approved and adopted as acts by and on behalf of the CO-OP.

Unanimously adopted by the Board of Directors as of this 25th day of September, 2015:

BOARD OF DIRECTORS



JEFF ELLIS

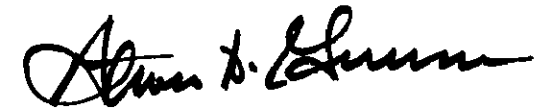
ITS: CHAIRMAN

EXHIBIT 16

EXHIBIT 16

1 ORDR
Adam Paul Laxalt
2 Attorney General
Joanna N Grigoriev (Bar. No. 5649)
3 Senior Deputy Attorney General
Nevada Bar No. 5649
4 555 E. Washington Avenue, Suite 3900
Las Vegas, NV 89101
5 P: (702) 486-3101
6 Email: jgrigoriev@ag.nv.gov

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09/21/2016 11:38:27 AM



CLERK OF THE COURT

7 *Attorney for Barbara D. Richardson,*
8 *Commissioner of Insurance,*
9 *as the Permanent Receiver for*
Nevada Health CO-OP

10 DISTRICT COURT
11 CLARK COUNTY, NEVADA

12 STATE OF NEVADA, EX REL.
13 COMMISSIONER OF INSURANCE, IN HER
14 OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

15 Plaintiff,

16 vs.

17 NEVADA HEALTH CO-OP,

18 Defendant

Case No. A-15-725244

Dept. No. I

19 **FINAL ORDER FINDING AND DECLARING NEVADA HEALTH CO-OP TO BE**
20 **INSOLVENT AND PLACING NEVADA HEALTH CO-OP INTO LIQUIDATION**

21 This matter came before the Court on the 20th day of September, 2016 on Motion For Order
22 Finding and Declaring Nevada Health CO-OP to Be Insolvent, Placing Nevada Health CO-OP Into
23 Liquidation, and Granting Related Relief ("Motion") by the Commissioner of Insurance, Barbara D.
24 Richardson, in her official capacity as Permanent Receiver of NEVADA HEALTH CO-OP, a Nevada
25 domiciled health maintenance organization ("NHC").

26 The Court having reviewed the points and authorities submitted by counsel and exhibits in
27 support thereof, and having heard arguments of counsel,
28

1 IT IS HEREBY ORDERED, ADJUDGED and DECREED that:

- 2 (1) NHC is adjudged to be insolvent on grounds that it is unable to meet obligations as they
3 mature;
- 4 (2) The Receiver is authorized to liquidate the business of NHC and wind up its ceased
5 operations pursuant to NRS 696B.220.2;
- 6 (3) The rights of parties regarding claims against NHC are fixed as of the date of this Final
7 Order pursuant to NRS 696B.400, except to the extent that the rights of claimants with
8 respect to contingent or unliquidated claims are protected by NRS 696B.400 and
9 696B.450;
- 10 (4) NHC's claims against others are not fixed as of the date of the Final Order;
- 11 (5) April 28, 2017, is established as the deadline (the "Claims Filing Deadline") for filing
12 and rendering absolute, non-contingent, and liquidated in amount, claims against the
13 receivership estate;
- 14 (6) The Special Deputy Receiver is authorized to exempt health care providers (*e.g.*,
15 physicians or hospitals) from being required to submit Proofs of Claim ("POCs") for
16 existing or new claims, and to consider existing claims of health care providers as timely
17 filed (subject to the pre-established procedures and deadlines for processing claims in
18 the ordinary course of business of NHC), but to require health care providers to submit
19 new claims before the claims filing deadline in the same reporting manner that they have
20 previously used with NHC and subject to the pre-established procedures and deadlines
21 for processing claims in the ordinary course of business of NHC;
- 22 (7) No claim received after the Claims Filing Deadline may share in the assets of the estate,
23 and NHC shall have no liabilities as to any such late-filed claims;
- 24 (8) No claim that is not rendered absolute (*i.e.*, both non-contingent and liquidated in
25 amount) on or before the Claims Filing Deadline may share in the assets of the estate,
26 and NHC shall have no liability as to any such claims;
- 27 (9) This order is designated as a Final Order of Liquidation pursuant to NRS 696B.190(5).
28

1 (10) All other related relief requested by the Receiver in her Motion, including the approval
2 of notice procedures and proposed claims process has been continued to the Court's
3 September 26, 2016 *in chambers* calendar.

4 Dated this 20 day of September, 2016.

5
6 
7 DISTRICT COURT JUDGE

8
9 Respectfully submitted by:

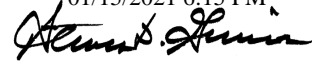
10 ADAM PAUL LAXALT
11 Attorney General

12 By:

13 
14 JOANNA N. GRIGORIEV
15 Senior Deputy Attorney General
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EXHIBIT 17

EXHIBIT 17


CLERK OF THE COURT

ODM

MARK E. FERRARIO, ESQ.

Nevada Bar No. 001625

ERIC W. SWANIS, ESQ.

Nevada Bar No. 006840

DONALD L. PRUNTY, ESQ.

Nevada Bar No. 008230

GREENBERG TRAURIG, LLP

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Facsimile: (702) 792-9002

Email: ferrariom@gtlaw.com

swanise@gtlaw.com

pruntyd@gtlaw.com

*Counsel for Plaintiff Barbara D. Richardson, Commissioner of
Insurance, as the Permanent Receiver for Nevada Health CO-OP*

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE, IN HER
OFFICIAL CAPACITY AS STATUTORY
RECEIVER FOR DELINQUENT DOMESTIC
INSURER,

Plaintiff,

v.

NEVADA HEALTH CO-OP,

Defendant.

CASE NO. A-15-725244-C
DEPARTMENT XXI

**ORDER DENYING MOTION TO
DISQUALIFY GREENBERG
TRAURIG, LLP AND TO DISGORGE
ATTORNEYS' FEES**

HEARING DATE: DECEMBER 15, 2020
HEARING TIME: 9:00 A.M.

Unite Here Health and Nevada Health Solutions, LLC's ("UHH") Motion to:
(1) Disqualify Greenberg Traurig, LLP as Counsel for the Statutory Receiver of the Nevada
Health CO-OP; and (2) Disgorge Attorneys' Fees Paid by Nevada Health CO-OP to
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Greenberg Traurig, LLP (the “Motion to Disqualify”) came before the Court on December 15, 2020.

APPEARANCES

The Parties appeared as follows:

- For UHH (the “Movants”): Dennis L. Kennedy, John R. Bailey, and Joseph A. Liebman of Bailey❖Kennedy, LLP.
- For Barbara D. Richardson as the Statutory Receiver (the “Receiver”) for Nevada Health CO-OP (the “CO-OP”): Mark E. Ferrario and Donald L. Prunty of Greenberg Traurig, LLP. Mark Bennett of Cantilo & Bennett (the Special Deputy Receiver) was also present.
- For Greenberg Traurig, LLP (“GT”): David Jimenez-Ekman of Jenner & Block, admitted *pro hac vice*. GT’s Assistant General Counsel Jim Tolpin was also present.

ORDER

The Court, having heard oral argument, having reviewed the papers, exhibits, and pleadings on file, and having fully considered the same, DENIES the Motion to Disqualify. The Movants have not been able to point to any binding authority that mandates the Receiver and her counsel, Greenberg Traurig, disclose all possible conflicts to the Court. Because there is no explicit rule requiring disclosure, the Court cannot disqualify Greenberg Traurig on that basis.

The Court also cannot find a clear and substantial enough possible conflict to justify disqualifying Greenberg Traurig as counsel in this Receivership matter. At this point, there are no related matters where the CO-OP is adverse to Xerox. If the Movants truly and reasonably believe that Xerox has some liability in those other related matters, the Movants are free to attempt to bring in Xerox as a third-party defendant and seek whatever relief they

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1 believe they are entitled to with the Judges overseeing those matters. This Court is not in the
2 best position to determine whether there are conflicts in other suits.

3 **IT IS SO ORDERED.**

4 Dated this 15th day of January, 2021

5 

6
7 C3A 821 DC49 841C
8 Tara Clark Newberry
9 District Court Judge

9 Respectfully submitted by:
10 GREENBERG TRAURIG, LLP

11 */s/ Donald L. Prunty*

12 MARK E. FERRARIO, ESQ.
13 ERIC W. SWANIS, ESQ.
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15 10845 Griffith Peak Drive
16 Suite 600
17 Las Vegas, Nevada 89135
18 *Counsel for Plaintiff*

17 **APPROVED as to form and content:**

18 BAILEY ♦ KENNEDY

19 */s/ John Bailey*

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22 8984 Spanish Ridge Avenue
23 Las Vegas, Nevada 89148-1302
24 *Counsel for Defendants, Unite Here Health*
25 *and Nevada Health Solutions, LLC*

From: [John Bailey](#)
To: [Prunty, Donald L. \(Shld-LV-LT\)](#)
Cc: [Cowden, Tami D. \(OfCnsl-LV-LT\)](#); [Escobar-Gaddi, Evy \(Secy-LV-LT\)](#)
Subject: RE: Proposed Order Denying Motion to Disqualify
Date: Monday, January 11, 2021 11:23:32 AM
Attachments: [image001.png](#)
[20210111 ODM Order Denying Motion to Disqualify.pdf](#)

EXTERNAL TO GT

Don:

You are authorized to affix my signature to draft Order attached.

I don't believe the signature block for the Judge is consistent with the applicable Administrative Order (see AO 20-24). Please check.

Thanks. JRB

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Sent: Monday, January 11, 2021 11:05 AM
To: John Bailey <JBailey@baileykennedy.com>
Cc: cwudent@gtlaw.com; escobargaddie@gtlaw.com
Subject: FW: Proposed Order Denying Motion to Disqualify

John

Although we completely disagree with your objections, we have redrafted the proposed order denying the motion to disqualify GT and disgorge attorneys' fees, using the original language of the minute order. If this new proposed order meets with your approval, please confirm that we may electronically sign your name to the proposed order where indicated.

Best,

Donald Prunty

Shareholder

Greenberg Traurig, LLP

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1 **CSERV**

2
3 DISTRICT COURT
4 CLARK COUNTY, NEVADA

5
6 State of Nevada, ex rel
7 Commissioner of Insurance,
8 Plaintiff(s)

CASE NO: A-15-725244-C

DEPT. NO. Department 21

9 vs.

10 Nevada Health CO-OP,
11 Defendant(s)

12 **AUTOMATED CERTIFICATE OF SERVICE**

13 This automated certificate of service was generated by the Eighth Judicial District
14 Court. The foregoing Order Denying Motion was served via the court's electronic eFile
15 system to all recipients registered for e-Service on the above entitled case as listed below:

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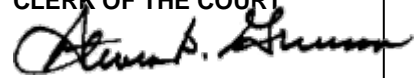
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Doreen Loffredo	dloffredo@foxrothschild.com
Shannon Fagin	sfagin@bckltd.com

EXHIBIT 18

EXHIBIT 18



1 **NEOJ**

2 MARK E. FERRARIO, ESQ.

3 Nevada Bar No. 001625

4 DONALD L. PRUNTY, ESQ.

5 Nevada Bar No. 008230

6 TAMI D. COWDEN, ESQ.

7 Nevada Bar No. 008994

8 GREENBERG TRAUIG, LLP

9 10845 Griffith Peak Drive, Suite 600

10 Las Vegas, Nevada 89135

11 Telephone: (702) 792-3773

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13 Email: ferrariom@gtlaw.com

14 pruntyd@gtlaw.com

15 cowdent@gtlaw.com

16 *Counsel for Plaintiff*

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EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
COMMISSIONER OF INSURANCE,
BARBARA D. RICHARDSON, IN HER
OFFICIAL CAPACITY AS RECEIVER
FOR NEVADA HEALTH CO-OP,

Plaintiff,

v.

NEVADA HEALTH CO-OP,

Defendant.

CASE NO. A-15-725244-C
DEPARTMENT I

NOTICE OF ENTRY

[ORDER DENYING MOTION TO DISQUALIFY GREENBERG TRAUIG, LLP AND
TO DISGORGE ATTORNEYS' FEES]

///

///

NOTICE OF ENTRY

[ORDER DENYING MOTION TO DISQUALIFY GREENBERG TRAURIG, LLP AND
TO DISGORGE ATTORNEYS' FEES]

YOU AND EACH OF YOU, will please take notice that the **ORDER DENYING
MOTION TO DISQUALIFY GREENBERG TRAURIG, LLP AND DISGORGE
ATTORNEYS' FEES** was entered on the 15TH day of January 2021. A copy of said Order
is attached hereto as **Exhibit A**.

DATED this 15th day of January 2021.

GREENBERG TRAURIG, LLP

/s/ Donald L. Prunty

MARK E. FERRARIO, ESQ.

Nevada Bar No. 001625

DONALD L. PRUNTY, ESQ.

Nevada Bar No. 008230

TAMI D. COWDEN, ESQ.

Nevada Bar No. 008994

GREENBERG TRAURIG, LLP

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Las Vegas, Nevada 89135

Telephone: (702) 792-3773

Facsimile: (702) 792-9002

Counsel for Plaintiff

CERTIFICATE OF SERVICE

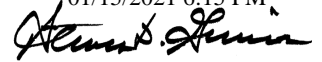
I HEREBY CERTIFY that, on the 15th day of January 2021, and pursuant to NEFCR 9, NRCR 5(b), and EDCR 7.26, a true and correct copy of the foregoing **NOTICE OF ENTRY OF ORDER DENYING MOTION TO DISQUALIFY GREENBERG TRAURIG, LLP AND DISGORGE ATTORNEYS' FEES** was filed with the Clerk of the Court using the Odyssey eFileNV Electronic Service system and served on all parties with an email-address on record, pursuant to Administrative Order 14-2 and Rule 9 of the N.E.F.C.R.

The date and time of the electronic proof of service is in place of the date and place of deposit in the United States mail.

/s/ Evelyn Escobar-Gaddi
An employee of GREENBERG TRAURIG, LLP

EXHIBIT A

Order Denying Motion to Disqualify Greenberg
Traurig, LLP and to Disgorge Attorneys' Fees


CLERK OF THE COURT

ODM

MARK E. FERRARIO, ESQ.

Nevada Bar No. 001625

ERIC W. SWANIS, ESQ.

Nevada Bar No. 006840

DONALD L. PRUNTY, ESQ.

Nevada Bar No. 008230

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*Counsel for Plaintiff Barbara D. Richardson, Commissioner of
Insurance, as the Permanent Receiver for Nevada Health CO-OP*

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.
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Defendant.

CASE NO. A-15-725244-C
DEPARTMENT XXI

**ORDER DENYING MOTION TO
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HEARING TIME: 9:00 A.M.

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(1) Disqualify Greenberg Traurig, LLP as Counsel for the Statutory Receiver of the Nevada
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3 **IT IS SO ORDERED.**

4 Dated this 15th day of January, 2021

5 

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7 C3A 821 DC49 841C
8 Tara Clark Newberry
District Court Judge

9 Respectfully submitted by:
10 GREENBERG TRAURIG, LLP

11 */s/ Donald L. Prunty*

12 MARK E. FERRARIO, ESQ.
13 ERIC W. SWANIS, ESQ.
14 DONALD L. PRUNTY, ESQ.
15 10845 Griffith Peak Drive
16 Suite 600
17 Las Vegas, Nevada 89135
18 *Counsel for Plaintiff*

17 **APPROVED as to form and content:**

18 BAILEY ♦ KENNEDY

19 */s/ John Bailey*

20 JOHN BAILEY, ESQ.
21 JOSEPH A. LIEBMAN, ESQ.
22 8984 Spanish Ridge Avenue
23 Las Vegas, Nevada 89148-1302
24 *Counsel for Defendants, Unite Here Health*
25 *and Nevada Health Solutions, LLC*
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From: [John Bailey](#)
To: [Prunty, Donald L. \(Shld-LV-LT\)](#)
Cc: [Cowden, Tami D. \(OfCnsl-LV-LT\)](#); [Escobar-Gaddi, Evy \(Secy-LV-LT\)](#)
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Thanks. JRB

John R. Bailey
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8984 Spanish Ridge Avenue
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Best,

Donald Prunty

Shareholder

Greenberg Traurig, LLP

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PruntyD@gtlaw.com | www.gtlaw.com | [View GT Biography](#)



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1 **CSERV**

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3 DISTRICT COURT
CLARK COUNTY, NEVADA

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6 State of Nevada, ex rel
Commissioner of Insurance,
7 Plaintiff(s)

CASE NO: A-15-725244-C

DEPT. NO. Department 21

8 vs.

9 Nevada Health CO-OP,
10 Defendant(s)

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