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*Attorneys for Appellants Unite Here Health
and Nevada Health Solutions, LLC*

IN THE SUPREME COURT OF THE STATE OF NEVADA

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

Electronically Filed
Mar 05 2021 01:16 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court No. 82467
District Court No. A-15-725244-C

**APPELLANTS' MOTION TO
CONSOLIDATE**

1 INSURER; and GREENBERG
2 TRAURIG, LLP,

3 Respondents.

4 **APPELLANTS' MOTION TO CONSOLIDATE**

5 Pursuant to NRAP 3(b), Appellants Unite Here Health and Nevada
6 Health Solutions, LLC (jointly, "UHH") move to consolidate this Appeal with
7 UHH's Petition for Extraordinary Writ Relief (No. 82552) ("Petition").

8 DATED this 5th day of March, 2021.

9 BAILEY ♦ KENNEDY

10
11 By: /s/ Dennis L. Kennedy

12 JOHN R. BAILEY
13 DENNIS L. KENNEDY
14 SARAH E. HARMON
15 JOSEPH A. LIEBMAN

16
17 *Attorneys for Appellants Unite Here*
18 *Health; and Nevada Health Solutions,*
19 *LLC*

MEMORANDUM OF POINTS AND AUTHORITIES

On February 8, 2021, UHH appealed from the January 15, 2021 Order Denying Motion to Disqualify Greenberg Traurig, LLP and to Disgorge Attorneys' Fees ("Order").¹ UHH contends that Greenberg Traurig, LLP ("Greenberg") must be disqualified as counsel for the Receiver (the Commissioner of the Nevada Department of Insurance) in the delinquency proceeding for insurer Nevada Health CO-OP ("CO-OP"), because while it was representing the Receiver in the underlying action it was also concurrently representing Valley Health System ("Valley"), one of the most significant creditors of the receivership estate, and Xerox State Healthcare, LLC, a potential target defendant for recovery of assets for the receivership estate and its creditors. (Docketing Statement (Feb. 16, 2021), at Ex. 9.)

The basis for this appeal was NRS 696B.190(5), which states:

An appeal to the appellate court of competent jurisdiction pursuant to the rules fixed by the Supreme Court pursuant to Section 4 of Article 6 of the Nevada Constitution may be taken . . . from every order in delinquency proceedings having the character of a final order as to the particular portion of the proceedings embraced therein.

¹ A copy of the Order is attached as Exhibit A.

1 This appeal arises from a delinquency proceeding, as defined by NRS
2 696B.060, as it was commenced against the CO-OP for the purpose of
3 rehabilitation or liquidation.² This Court has not yet addressed the types of
4 orders which have the “character of a final order” in delinquency proceedings
5 and are proper for appeal pursuant to NRS 696B.190(5). However, in general,
6 this Court has defined a “final judgment” as a judgment or order that leaves no
7 issues for future determination or consideration. *Valley Bank of Nev. v.*
8 *Ginsburg*, 110 Nev. 440, 445, 874 P.2d 729, 733 (1994); *Lee v. GNLV Corp.*,
9 116 Nev. 424, 996 P.2d 416 (2000). Therefore, a decision in a delinquency
10 proceeding which has the character of a final order would leave nothing for
11 future determination or consideration regarding the issues raised in the
12 underlying Motion to Disqualify and resolved by the Order. Here, there are no
13 issues relating to the disqualification of Greenberg which were not fully and
14 finally resolved by the Order. Thus, the Order has the character of a final
15 judgment as to the issues raised in UHH’s Motion to Disqualify Greenberg. As
16 such, UHH has the right to appeal from the Order based on NRS 696B.190(5).

17 ² Pet. for Appointment of Comm'r as Receiver & Other Permanent Relief; Request for TRO Pursuant to
NRS 696B.270(1) (Sept. 25, 2015), attached as Exhibit B, at 1:22-27; Mot. for Final Order Finding & Declaring
18 Nev. Health CO-OP to Be Insolvent, Placing Nev. Health CO-OP Into Liquidation & Granting Related Relief
(July 21, 2016), attached as Exhibit C, at 1:26-2:4.

1 Out of an abundance of caution, on February 25, 2021, UHH also filed a
2 Petition for Extraordinary Writ Relief challenging the propriety of the Order
3 (Case No. 82552) (“Petition”). In the Petition, UHH asserted that if an appeal
4 is not warranted at this time, this Court should exercise its discretion to issue
5 extraordinary writ relief in order to avoid the irreparable harm that UHH and
6 the CO-OP’s other creditors have suffered and will continue to suffer as a
7 result of Greenberg’s conflicts. Specifically, the creditors’ claims in the
8 Receivership Action (exclusive of the federal government’s claim for
9 outstanding loans paid to the CO-OP) exceed \$35 million, while the
10 receivership estate’s current cash assets are less than \$5 million.³ Thus, as a
11 result of Greenberg’s conflicts, the CO-OP’s creditors (including UHH) have
12 been and will continue to be irreparably harmed by the Receiver’s failure to
13 pursue the CO-OP’s claims against Xerox to recover additional estate assets.

14 Although the Nevada Rules of Appellate Procedure do not explicitly
15 contemplate the consolidation of an appeal with a petition for extraordinary
16 writ relief, NRAP 3(b)(2) does contemplate the consolidation of related
17

18 ³ Twenty-First Status Report (Jan. 8, 2021), attached as Exhibit D, at 4:3-11, 5:14-6:2 & n.4. & Exs. 2-3.

1 matters. As set forth above, this appeal and the Petition were commenced by
2 the same parties and both challenge the propriety of the same Order. The
3 issues raised in the Appeal and in the Petition are identical, and both are based
4 on the same record. (Docketing Statement (Feb. 16, 2021) at Ex. 10; Pet. at
5 11:8-12:7.)

6 Therefore, in the interest of judicial efficiency and economy, UHH
7 respectfully requests that this appeal and the Petition be consolidated into one
8 action, and that this Court determine whether it is more appropriate to proceed
9 as an appeal or via Petition.

10 DATED this 5th day of March, 2021.

11 BAILEY ♦ KENNEDY

12
13 By: /s/ Dennis L. Kennedy

14 JOHN R. BAILEY
DENNIS L. KENNEDY
SARAH E. HARMON
JOSEPH A. LIEBMAN

15 *Attorneys for Appellants Unite Here*
16 *Health; and Nevada Health Solutions,*
17 *LLC*
18

CERTIFICATE OF SERVICE

I certify that I am an employee of BAILEY ♦ KENNEDY and that on the 5th day of March, 2021, service of the foregoing **APPELLANTS' MOTION TO CONSOLIDATE** was made by electronic service through 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:

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DONALD L. PRUNTY
TAMI D. COWDEN

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Las Vegas, Nevada 89135

*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 Traurig, LLP*

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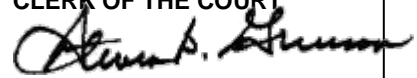
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*Attorney for Respondent
Greenberg Traurig, LLP*

/s/ Angelique Mattox
Employee of BAILEY ♦ KENNEDY

EXHIBIT A

EXHIBIT A



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

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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]

///

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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

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Counsel for Plaintiff

CERTIFICATE OF SERVICE

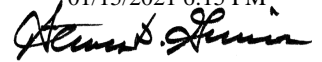
I HEREBY CERTIFY that, on the 15th day of January 2021, and pursuant to NEFCR 9, NRCR 5(b), and EDCR 7.26, a true and correct copy of the foregoing **NOTICE OF ENTRY OF ORDER DENYING MOTION TO DISQUALIFY GREENBERG TRAURIG, LLP AND DISGORGE ATTORNEYS' FEES** was filed with the Clerk of the Court using 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.

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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.
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
///

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.
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*

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

John R. Bailey
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This e-mail message is a confidential communication from Bailey Kennedy, LLP and is intended only for the named recipient(s) above and may contain information that is a trade secret, proprietary, privileged or attorney work product. If you have received this message in error, or are not the named or intended recipient(s), please immediately notify the sender at 702-562-8820 and delete this e-mail message and any attachments from your workstation or network mail system.

From: PruntyD@gtlaw.com [mailto:PruntyD@gtlaw.com]
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

10845 Griffith Peak Drive | Suite 600 | Las Vegas, NV 89135

T +1 702.938.6890

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



If you are not an intended recipient of confidential and privileged information in this email, please delete it, notify us immediately at postmaster@gtlaw.com, and do not use or disseminate the information.

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:

16 Service Date: 1/15/2021

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

EXHIBIT B

EXHIBIT B

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, i
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

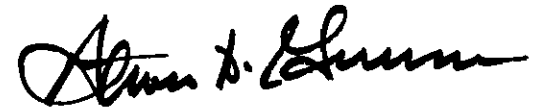
Business Court filings should be filed using the Business Court civil coversheet.

09/25/2015

Date

Signature of initiating party or representative

See other side for family-related case filings.



CLERK OF THE COURT

PET
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Attorney General
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
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555 E. Washington Avenue, Suite 3900
Las Vegas, NV 89101
P: (702) 486-3101
Email: jgrigoriev@ag.nv.gov
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 ///

ADAM PAUL LAXALT
Attorney General

POINTS AND AUTHORITIES

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).

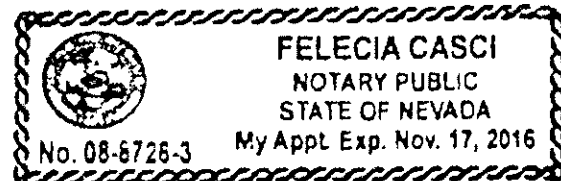
4 13. I declare under penalty of perjury that the foregoing is true and correct
5 based on my personal knowledge.

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) ****

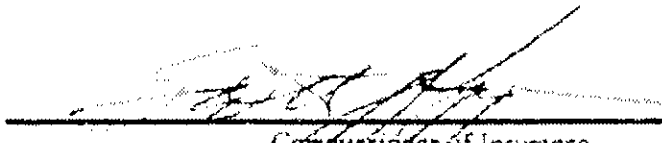
(Service Area by Counties and zip codes): Clark – All zip codes

*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 90-0817073
(Current) (Prior)
Organized under the Laws of Nevada State of Domicile or Part 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
(City or Town, State, Country and Zip Code) 702-802-4600
(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
(City or Town, State, Country and Zip Code) 702-802-4600
(Area Code) (Telephone Number)
Internet Website Address nevadahco.coop.org
Statutory Statement Contact Bas, Charles D base 702-802-4600
(Name) (Area Code) (Telephone Number)
cdbase@nevadahco.coop.org 702-802-4601
(E-mail Address) (FAX Number)

OFFICERS

Chief Executive Officer Pamela Lynn Egan
Secretary Bobbette Aden Bond

OTHER

DIRECTORS OR TRUSTEES

Danny Lynn Thompson Christine Joy Carls Donald Ray Taylor Jr.

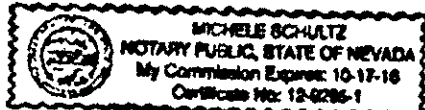
State of Nevada SS:
County of Clark

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.

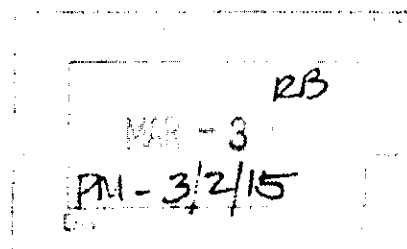
Pamela Lynn Egan
Pamela Lynn Egan
CEO

Bas, Charles D base
Bas, Charles D base
CFO

Subscribed and sworn to before me this 28th day of February, 2015.
Michelle Schultz
Michelle Schultz
CEO Executive Assistant
October 11, 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	4 Net Admitted Assets
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% 157 Schedule E - Part 1) cash equivalents (\$ Schedule E - Part 2) and short-term investments (\$ 36,343 Schedule D-A)	3,845,501		3,845,501
6 Contract loans, including \$ premium notes			0
7 Derivatives (Schedule D)			0
8 Other invested assets (Schedule B-A)			0
9 Receivables for securities			0
10 Securities lending/reinvested collateral assets (Schedule D)			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 plans 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	1,479,546	1,256,702	222,844
15.2 Deferred premiums, agents' balances and commissions earned but deferred and not yet due including \$ earned but unbillable premiums			0
15.3 Accrued retrospective premiums	1,741,071		1,741,073
16 Reinsurances			
16.1 Amounts recoverable from reinsurers	7,992,348		7,992,348
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts recoverable 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 Not 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 (\$)	362,558	362,558	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	238,906	147,299	151,507
25 Aggregate write-ins for other than invested assets	3,468,223	316,948	3,152,275
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	45,822,626	2,983,907	43,738,718
27 From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28 Total (Lines 26 and 27)	45,822,626	2,983,907	43,738,718
29,145,151			
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)	3,468,223	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	
	2014	2013	2013	2012
1 Claims unpaid (net) \$	5,528,091		5,528,091	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 or \$ 0 for medical loss ratio rebate per the Public Health Service Act			0	0
5 Aggregate life policy reserves			0	0
6 Prepaid/cashably unearned premium reserves			0	0
7 Aggregate health claim reserves			0	0
8 Premiums received in advance	1,424,514		1,424,514	381,110
9 General expenses due or accrued	2,259,374		2,259,374	342,097
10.1 Current federal and state government receivables and other assets (including \$ 0 for federal capital gains tax credits)			0	0
10.2 Net deferred tax liability			0	0
11 Filled reinsurance premiums payable	549,730		549,730	0
12 Amounts withheld or retained for the account of others			0	0
13 Rent, leases and items not allocated			0	0
14 Borrowed money (including \$ 0 interest thereon) \$ 16,962,345			16,962,345	16,962,345
15 Amounts due to parent, subsidiaries and affiliates			0	0
16 Derivatives			0	0
17 Payable for securities			0	0
18 Payable for securities pending			0	0
19 Funds held under reinsurance treaties with \$ 0 authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 ceded reinsurers			0	0
20 Reinsurance in unauthorized and ceded \$ 0 companies			0	0
21 Fair adjustments to assets and liabilities due to foreign exchange rates			0	0
22 Liability for amounts held under unsecured plans			0	0
23 Aggregate write-ins for other liabilities (including \$ 0 current)			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	18,689,047
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 25)				
\$	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	16,124,532	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 Gross paid-in (Line 25)	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

	2014		2013	
	Debit	Credit	Debit	Credit
1. Member Monies	XXX	142,622		0
2. Net premium income (including \$ for health premium reinsurance)	XXX	51,526,020		
3. Change in unearned premium reserves and reserve for rate credits	XXX	0		
4. Fee-for-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	51,526,020		15,000
Hospital and Medical:				
9. Hospital/medical payments		40,240,031		
10. Other professional services		8,937		
11. Outside referrals		0		
12. Emergency room and out-of-area		0		
13. Prescription drugs		10,331,545		
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	52,580,513		0
Less:				
17. Net reinsurance recoveries		9,184,580		
18. Total hospital and medical (Lines 16 minus 17)	0	43,395,933		0
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 1,174,626 cost containment expenses		4,429,831		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)		(7,928,516)
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	(15,295,456)	(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	(396,877)	(1,686,930)
40 Change in reinsured and retroceded 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 Prior Period Adjustments		
44.1 Transferred from surplus (Stock Dividend)	0	0
44.2 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)	8,165,433	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		
4798 Summary of remaining write-ins for Line 47 from overflow page	0	0
4799 Totals (Lines 4701 thru 4703 plus 4798) (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	<u>0000</u> <small>(Current Period)</small>	<u>0000</u> <small>(Prior Period)</small>	NAHC Company Code	<u>15132</u>	Employers ID Number	<u>90-0917673</u>
Organized under the Laws of	<u>Nevada</u>		State of Domicile or Port of Entry	<u>Nevada</u>		
Country of Domicile	<u>United States of America</u>					
Licensed as business type:	<input type="checkbox"/> Life, Accident & Health; <input type="checkbox"/> Property/Casualty; <input type="checkbox"/> Hospital, Medical & Dental Service or Indemnity; <input type="checkbox"/> Dental Service Corporation; <input type="checkbox"/> Vision Service Corporation; <input type="checkbox"/> Health Maintenance Organization(X) <input type="checkbox"/> Other: <input type="checkbox"/> Is HMO Federally Qualified? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A					
Incorporated/Organized	<u>10/30/2012</u>		Commenced Business	<u>01/01/2014</u>		
Statutory Home Office	<u>3900 MEADOWS LANE SUITE 214</u> <small>(Street and Number)</small>		<u>LAS VEGAS, NV, US 89107</u> <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	<u>3900 MEADOWS LANE SUITE 214</u> <small>(Street and Number)</small>		<u>LAS VEGAS, NV, US 89107</u> <small>(City or Town, State, Country and Zip Code)</small>			
Mail Address	<u>3900 MEADOWS LANE SUITE 214</u> <small>(Street and Number or P.O. Box)</small>		<u>LAS VEGAS, NV, US 89107</u> <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	<u>3900 MEADOWS LANE SUITE 214</u> <small>(Street and Number)</small>		<u>LAS VEGAS, NV, US 89107</u> <small>(City or Town, State, Country and Zip Code)</small>			
Internet Web Site Address	<u>NEVADAHEALTHCOOP.ORG</u>		<u>702-602-4600</u> <small>(Area Code) (Telephone Number)</small>			
Statutory Statement Contact	<u>BASH, CHARLES DIBSIE</u> <small>(Name)</small>		<u>702-602-4600</u> <small>(Area Code) (Telephone Number) (Extension)</small>			
	<u>BDBSIE@NEVADAHEALTHCOOP.ORG</u> <small>(E-Mail Address)</small>		<u>702-602-4600</u> <small>(Area Code) (Telephone Number)</small>			

OFFICERS

<u>PAMELA LYNN EGAN</u>	<u>CHIEF EXECUTIVE OFFICER</u>
<u>LINDA RENE MATTON</u>	<u>CHIEF OPERATING OFFICER</u>
<u>BASH, CHARLES DIBSIE</u>	<u>CHIEF FINANCIAL OFFICER</u>
<u>NICOLE RENEE FLORIANC</u>	<u>CHIEF MEDICAL OFFICER</u>

OTHERS

DIRECTORS OR TRUSTEES

DANNY LYNN THOMPSON CHRISTINE JOY CARAFELLI
GONALD RAY TAYLOR JR

State of Nevada
County of Clark

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, prepared 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.

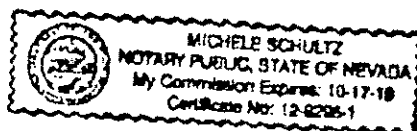
<u>PAMELA LYNN EGAN</u> <small>(Signature)</small>	<u>BASH, CHARLES DIBSIE</u> <small>(Signature)</small>	<u></u> <small>(Signature)</small>
<u>PAMELA LYNN EGAN</u> <small>(Printed Name)</small>	<u>BASH, CHARLES DIBSIE</u> <small>(Printed Name)</small>	<u></u> <small>(Printed Name)</small>
<u>1</u>	<u>2</u>	<u>3</u>
<u>CHIEF EXECUTIVE OFFICER</u> <small>(Title)</small>	<u>CHIEF FINANCIAL OFFICER</u> <small>(Title)</small>	<u></u> <small>(Title)</small>

Subscribed and sworn before me this 21 day of August 2015

Michelle Schultz
(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 ☒ No ☐



ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 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 Not 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	151,607
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	2,259,374
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 ceded (\$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)	40,783,422		40,783,422	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:				
32.10 shares common (value included in Line 26 \$0)	X X X	X X X		
32.20 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 Uncovered	2 Total	3 Total	4 Total
1 Member Months	X X X	124,054		162,632
2 Net premium income (including \$ 0 non-health premium income)	X X X	47,677,767	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	47,677,767	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		14,622,726	1,063,453	12,331,845
14 Aggregate write-ins for other hospital and medical				..
15 Incentive pool, withhold adjustments and bonus amounts				..
16 Subtotal (Lines 9 to 15)		49,835,170	5,763,091	52,580,613
Less:				
17 Net reinsurance recoveries		4,066,071		8,184,580
18 Total hospital and medical (Lines 16 minus 17)		45,770,100	5,763,091	43,398,033
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		13,348,083	5,010,309	19,041,284
22 Increase in reserves 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)		78,179,618	10,773,400	66,867,248
24 Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(30,301,850)	(3,686,151)	(15,341,225)
25 Net investment income earned		(124,449)	4,626	44,807
26 Net realized capital gains (losses) less capital gains tax of \$ 0		3,998		962
27 Net investment gains or (losses) (Lines 25 plus 26)		(120,451)	4,626	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)	(15,285,466)
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)	(15,285,466)
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	15,124,533	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	(396,977)
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.

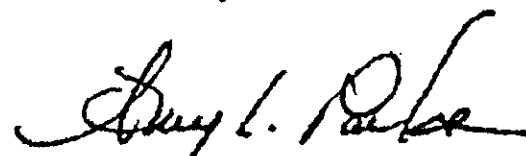
The request for a permitted practice to allow NHC to not report the Debt as a liability on its 2015 second quarter financial statement is granted *contingent on the following terms and conditions*:

- 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)**

STATE OF NEVADA
DEPARTEMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

AFFIDAVIT OF ANNETTE JAMES 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, Annette James, being duly sworn, on oath, depose and say that:

1. I am a Lead Actuary for the State of Nevada, Department of Business and Industry, Division of Insurance ("Division").

2. I have a Bachelor of Science in Actuarial Science, a four-year undergraduate degree from Drake University, Des Moines, Iowa. I am a Fellow of the Society of Actuaries, a member of the American Academy of Actuaries, and a Fellow of the Conference of Consulting Actuaries.

I am an active volunteer in the actuarial and regulatory community. I am a member of the Health Committee of the Actuarial Standards Board¹ ("ASB"), a member of the Health Practice International Committee and the Financial Reporting and Solvency Committee of the American Academy of Actuaries. I also serve on the AV/MV Work Group and the Risk Sharing Subcommittee of the Individual and Small Group Committee of the Health Practice Council of the American Academy of Actuaries. Additionally, I am a member of the Committee for Collaboration between the Financial Reporting and Health Sections of the Society of Actuaries.

3. As the Lead Actuary for Life and Health insurance matters at the Division, I am responsible for reviewing the actuarial reserves and actuarial assets included in the financial statements 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 as

¹ The ASB sets professional standards for the actuarial profession in the United States.

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
26

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 05 day of September, 2015.

20
21 Felecia Casci
22 NOTARY PUBLIC

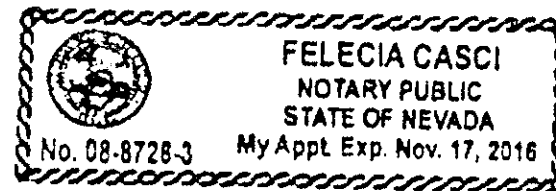
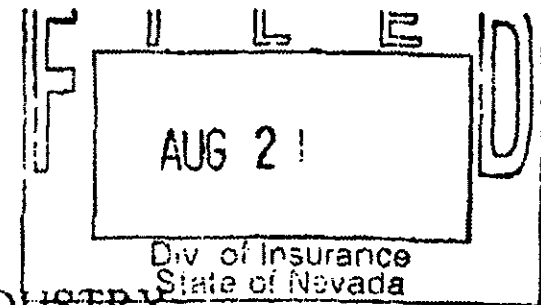


EXHIBIT C

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.

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

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

6 IT IS THEREFORE ORDERED that:

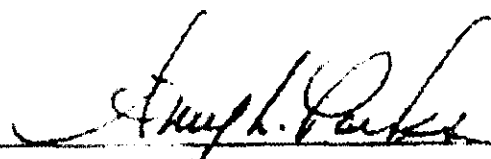
7 1. The Certificate of Authority of NHC, Company ID No. 119733 and NAIC ID
8 No. 15132, is hereby voluntarily suspended pursuant to NRS 695C.330, effective August 21,
9 2015, according to the above.

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

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

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

16 SO ORDERED this 21st day of August, 2015.

17
18 
19 AMY L. PARKS
20 Acting Commissioner of Insurance
21
22
23
24
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26
27
28

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)

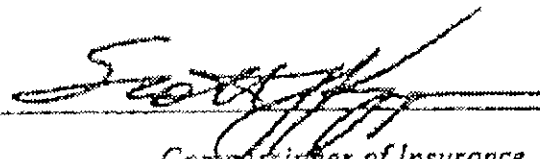
*insurance business within the State of Nevada until terminated at the request of the insurer or suspended or
revoked by the Commissioner of Insurance.*



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

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 C

EXHIBIT C


CLERK OF THE COURT

MOT
ADAM PAUL LAXALT
Attorney General
JOANNA N. GRIGORIEV
Senior Deputy Attorney General
Nevada Bar No. 5649
555 E. Washington Avenue, Suite 3900
Las Vegas, NV 89101
P: (702) 486-3101
Email: jgrigoriev@ag.nv.gov
Attorney for Barbara D. Richardson,
Commissioner of Insurance,
as the Permanent Receiver for
Nevada Health CO-OP

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
CLARK COUNTY, NEVADA

STATE OF NEVADA, EX REL.)	Case No. A-15-725244-C
COMMISSIONER OF INSURANCE, IN HER)	
OFFICIAL CAPACITY AS STATUTORY)	Dept. No. 1
RECEIVER FOR DELINQUENT DOMESTIC)	
INSURER,)	
Plaintiff,)	
vs.)	
NEVADA HEALTH CO-OP,)	
Defendant.)	
)	
)	
)	

MOTION FOR FINAL ORDER FINDING AND DECLARING NEVADA HEALTH CO-OP
TO BE INSOLVENT, PLACING NEVADA HEALTH CO-OP INTO LIQUIDATION, AND
GRANTING RELATED RELIEF

COMES NOW Commissioner of Insurance and Receiver ("Receiver"), Barbara D. Richardson, by and through her attorneys of record, Attorney General Adam Paul Laxalt and

1 Senior Deputy Attorney General Joanna N. Grigoriev, pursuant to Nevada Revised Statutes
2 ("NRS") 696B.220, and respectfully moves this Court, through this Motion (the "Motion") for a
3 final order finding and declaring Nevada Health CO-OP to be insolvent, placing Nevada
4 Health CO-OP into liquidation, and granting related relief as set forth in this Motion (the "Final
5 Order").

6 This Motion is made and based upon the following Memorandum of Points and
7 Authorities, all other documents on file with the Court in this matter, and any oral argument at
8 a hearing on this matter.

9
10 **NOTICE OF MOTION**

11 **TO: ALL INTERESTED PARTIES:**

12 YOU AND EACH OF YOU will please take notice that the undersigned will bring the
13 foregoing **MOTION FOR FINAL ORDER FINDING AND DECLARING NEVADA HEALTH**
14 **CO-OP TO BE INSOLVENT, PLACING NEVADA HEALTH CO-OP INTO LIQUIDATION,**
15 **AND GRANTING RELATED RELIEF**, on hearing in Department I of the above-entitled court
16 on the 22 day of AUGUST, 2016, at the hour of CHAMBERS am/pm, or as soon
17 thereafter as counsel may be heard.
18

19 Dated this 21st day of July, 2016.

20
21 **ADAM PAUL LAXALT**
22 **Attorney General**

23
24 By: /s/ Joanna N. Grigoriev
25 **JOANNA N. GRIGORIEV**
26 **Senior Deputy Attorney General**
27 **Nevada Bar No. 5649**
28 **555 E. Washington Ave., Ste. 3900**
Las Vegas, NV 89101

MEMORANDUM OF POINTS AND AUTHORITIES

I. Background

NHC is a state-licensed health insurer, formed in 2012 as a Health Maintenance Organization, to which the State of Nevada Division of Insurance issued a Certificate of Authority effective January 2, 2013. NHC was formed under a provision of the Patient Protection and Affordable Care Act ("ACA") providing for the formation of Consumer Operated and Oriented Plans ("CO-OPs"). As a Qualified Non-Profit Health Insurance Issuer as defined in Internal Revenue Code 501(c)(29), NHC is exempt from federal income tax.

On October 1, 2015, this Court issued its Order Appointing the Acting Insurance Commissioner, Amy L. Parks, as Temporary Receiver of NHC Pending Further Orders of the Court and Granting Temporary Injunctive Relief Pursuant to NRS 696B.270.

On October 14, 2015, the Receivership Court entered its Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP ("Permanent Receivership Order"), and appointing Cantilo & Bennett, L.L.P. as the Special Deputy Receiver ("SDR") in accordance with Chapter 696B of the Nevada Revised Statutes. A Notice of Substitution of Receiver was filed with this Court on April 6, 2016, changing the Receiver from Amy L. Parks to Barbara D. Richardson—the newly appointed Commissioner of Insurance for the State of Nevada.

II. Argument

This Court has original jurisdiction of the subject matter of this Motion under NRS 696B.190.

NRS 696B.220 authorizes the Receiver to apply to this Court for an order authorizing her to liquidate the business of a domestic insurer having assets located in Nevada, whether or not there has been a prior rehabilitation order, so long as certain grounds exist justifying the entry of a liquidation order.

NRS 696B.460 requires the Court, upon a hearing after such notice as it deems proper, to make and enter an order adjudging the insurer to be insolvent, if upon entry of an

1 order of liquidation, or at any time thereafter during liquidation proceedings, the insurer is not
2 clearly solvent.

3 NRS 696B.330 authorizes the Receiver to establish a process by which claimants
4 against the assets of NHC may set forth in reasonable detail the amounts of their claims, the
5 facts upon which those claims are based, and any priorities asserted.

6 NRS 696B.460 authorizes this Court to approve the manner of notice for this claims
7 filing process, as well as to set the deadline for the timely filing of claims.

8 NRS 696B.330 directs the Receiver to determine whether to approve or deny, in whole
9 or in part, every claim against the insurer in receivership. NRS 696B.420 directs the
10 Receiver to pay claims in order of priority as provided therein.

11 The Permanent Receivership Order authorizes the Receiver to establish a RAP to
12 facilitate the orderly disposition or resolution of claims or controversies involving the estate.

13 **The Request for a Final Order Finding Insolvency and Directing Liquidation**

14 NRS 696B.220 establishes the grounds for liquidation of a domestic insurer. NRS
15 696B.220(2) provides that an insurer's insolvency, or commencement of voluntary liquidation
16 or dissolution, is grounds for an order of liquidation. NRS 696B.110 defines "insolvency,"
17 among other definitions, as existing when the insurer fails to meet its obligations as they
18 mature. As explained in the Receiver's Status Reports to this Court and in other pleadings,
19 NHC's hazardous financial condition, alongside the uncertainty that it will receive certain
20 promised federal payments owing to qualified health plans ("QHPs") organized under
21 provisions of the ACA, has forced the Receiver to defer payment of NHC obligations as they
22 have matured. There is no reasonable probability that NHC's hazardous financial condition
23 will improve sufficiently to enable NHC to resume operations, much less to meet all
24 obligations as they mature. Thus, pursuant to this plan of liquidation, all operations of NHC
25 should cease and its affairs should be wound up as provided herein.

26 NRS 696B.220(5) provides that, upon application of the Receiver, the Court may order
27 an insurer liquidated if "efforts to rehabilitate the insurer and remove the causes or adverse
28

1 effects thereof for which rehabilitation was instituted have failed despite all reasonable efforts
2 by the Commissioner, or cannot be continued without material increase of risk of loss to the
3 insurer's creditors or policyholders." The Receiver believes that, despite her reasonable
4 efforts to rehabilitate NHC, liquidation is warranted under NRS 696B.220(5) because:
5 (a) continued efforts to rehabilitate NHC are unlikely to remove the underlying causes of
6 NHC's hazardous financial condition, which is exacerbated by the decline in available liquid
7 assets resulting from the failure by The Centers for Medicare and Medicaid Services ("CMS")
8 to make promised payments; (b) all of NHC's enrolled members were required to and did
9 transition to other QHPs; (c) the Nevada Division of Insurance has suspended NHC's license
10 to transact insurance business; (d) NHC no longer satisfies the federal certification
11 requirements for QHPs; (e) NHC does not have the infrastructure and resources to enable
12 rehabilitation and resumption of its pre-receivership business operations; and (f) NHC does
13 not have, and there is no reason to believe that in the future it would or could have, sufficient
14 capital and surplus to be rehabilitated, resume its pre-receivership business operations, and
15 meet its obligations as they mature.

16 In addition, because NHC is not clearly solvent (indeed, it is woefully insolvent), the
17 Receiver submits respectfully that, pursuant to NRS 696B.460, the Court should, after notice
18 and a hearing, enter its Final Order adjudging NHC to be insolvent.

19 **The Proposed Notice Procedures**

20 **I. Implementing Notice**

21 The Receiver will provide service notice of this Motion to the parties denoted on this
22 Motion's certificate of service list. The Receiver further proposes to provide post-hearing
23 notice of the order on this Motion and of any approved claims filing deadline, POC process,
24 POC forms, and RAP in the following manners: (1) by mail notice, to the categories of
25 persons described below; (2) by newspaper publication; and (3) through the company's
26 website. The Receiver believes that providing notice on these matters, in the manners
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described below, would be fair, reasonable, and sufficient, and would comport with the requirements of Nevada law and due process.

A. Internet Notice

The Receiver proposes to post on NHC's website, <http://www.nevadahealthcoop.org> ("Website"), no later than ten (10) days after issuance of the Court's order on this Motion, notice of any order entered on this Motion and of any approved claims filing deadline, POC process, POC forms, and RAP. Notice of any order for this Motion will be made by posting a copy of the Exhibit 2 notice to the NHC Website.

The Website is already online and accessible to the public, and receivership information is being routinely posted to this Website. The SDR has been, and intends to continue, posting on the Website relevant documents and notice of significant receivership developments, including updates of relevant court filings and orders.

Pursuant to NRS 696B.290 and the Permanent Order, the Receiver respectfully requests that the Court: (1) grant the Receiver authority to utilize the NHC Website in combination with the other notice methods set forth in this Motion (*i.e.* via U.S. mail and newspaper publication) to provide notice of any order entered for this Motion; (2) grant the Receiver authority to utilize the NHC Website as the sole source of notice of any subsequent motions and orders concerning the receivership estate (with the exceptions noted in the next paragraph); and (3) authorize the Receiver to instruct all interested parties to check the NHC Website, on a regular basis, for all material developments, activity, and notices concerning the receivership estate.

By utilizing notice via Website—after the notices that will have been provided by mail, publication and the Website of the Court's order on this Motion (including any approved claims filing deadline, POC process, POC forms, and RAP)—the receivership estate will save thousands of dollars and avoid notifying thousands of parties that may have little to no further interest in the affairs of NHC. This request to approve notice by posting on the Website does not extend to parties already on (or to be added later) to the existing case service list, the

1 posting of claimant-specific notices of claim determinations, or requests or responses
2 concerning specific appeals, or claim-specific payment information. Notices for these specific
3 parties and instances will be sent by First Class and/or Certified U.S. Mail, where possible, in
4 the future. The Receiver would report all Website notices by attaching copies of such notices
5 as exhibits to the Receiver's regular status reports to this Court.

6 Due to the evolving and dynamic nature of the NHC receivership, and the need for the
7 Receiver to take prompt action when necessary, requiring mailed notice to approximately
8 46,000 interested parties for every Motion and/or matter of requested relief before this Court,
9 would create time and resource constraints, and financial drain on an already burdened
10 receivership estate. The streamlining of notices, which is directed to those parties truly
11 interested in the affairs of NHC, would reduce expenses and assist the Receiver's ongoing
12 efforts to manage NHC's affairs in a timely, diligent, and cost-efficient manner.

13 For these reasons, the Receiver submits respectfully that permitting Website notice, as
14 set forth in this Motion, is appropriate and necessary.

15 **B. Notice by Mail**

16 Should the Court grant the relief sought in this Motion, the Receiver proposes that
17 notice of the resulting order be sent by First Class U.S. mail to the interested parties detailed
18 below, in addition to the order being placed on the company website.

19 The Receiver proposes that the intended recipients of the attached Exhibit 1 notice will
20 be as follows:

- 21 a. all known persons identified as NHC health plan members during plan years
22 2014 and 2015;
- 23 b. all persons having submitted claims to NHC that have, as of the date of
24 receivership, not been paid in full;
- 25 c. all known present and former agents, brokers, and reinsurers of NHC;
- 26
- 27
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- d. all known NHC in-network and out-of-network health care providers who had performed services for health plan members throughout NHC plan years 2014 and 2015;
- e. all known general creditors and vendors of NHC;
- f. government agencies with potential or known claims against NHC, including agencies of the United States (e.g., the Internal Revenue Service, CMS, and the United States Department of Justice), the Nevada Attorney General, and other governmental agencies that in correspondence with the SDR have referenced claims against NHC;
- g. financial institutions with a history of business with NHC; and
- h. all other persons who request in writing to receive this notice or information regarding the POC process.

Notice of any order entered for this Motion regarding the claims filing deadline, POC process, POC forms, and RAP will be sent via the attached Exhibit 1 notice.

C. Notice by Publication

The Receiver proposes to cause publication of notice of any approved POC process, POC forms, deadline for filing claims, and RAP, as well as directions for obtaining additional receivership information, at least once a week for two (2) consecutive weeks in The Las Vegas Review-Journal and the Reno Gazette-Journal. Such notice would be reasonably calculated to inform any unknown creditors of those matters and afford them an opportunity to file their claims with the SDR. The notice would be in the form of the attached Exhibit 2. The Receiver requests, as part of the notice procedures approved by this Court, that notice of publication will serve as a substitute for any interested party of NHC that does not receive actual and/or timely notice of the entry of this Court's order. Publication will begin within fifteen (15) business days after the Court enters an order approving this Motion.

D. Mailing Notice Upon Request by Claimant

The Receiver proposes that, in the case that NHC receives a request from any claimant for a physical copy of the above-described documents, whether such request is made in writing, by e-mail, or by telephone, the SDR be permitted to respond as requested. All such requesting persons would be sent the requested documents by First Class U.S. Mail, where possible, to a specific postal address designated by the requester or to the last known valid postal address of the requester.

The Receiver respectfully submits that providing notices in the manner proposed herein would, under the circumstances, be the best methods practicable. In conclusion, the Receiver respectfully requests that the Court find that the proposed recipients and methods of notice are sufficient to provide notice to all parties interested in the current and ongoing affairs of NHC, and to approve them.

The Proposed Claims Process

I. Proof of Claim Form

NRS 696B.330 provides that every claim against an insurer in receivership must be filed in a manner and form that sets forth in reasonable detail the amount of the claim, the facts underlying the claim, and any payment priority asserted. The Receiver requests the Court's approval of the POC form and accompanying instructions attached as Exhibit 3. Claimants would be sent the POC form and interested parties would be informed that copies of said form and instructions can be obtained by request to the SDR, if such requests are made in writing, by e-mail, or by telephone.

The Receiver also requests that the Court authorize her to exempt from the claim filing requirement the health care providers (e.g., physicians or hospitals) that provided health care services to NHC's members and already reported their claims to the Receiver. There is a specific format and method by which health care provider claims have historically been reported to NHC, and this reporting format and method are still compatible with the claims and information technology systems of NHC. The claims reporting format and methods are

1 an efficient and streamlined process for reporting health care provider claims. Many health
2 care providers have already reported their claims to the Receiver, and the Receiver has
3 already processed many of their claims—or is completing the processing of these claims.
4 There is no need for the health care providers to report their claims to the Receiver for a
5 second time. For any health care provider claims not previously reported to NHC, it will also
6 save costs and be more time efficient for health care providers to use the same reporting
7 method as they have used before, and with which they are familiar. For the aforementioned
8 reasons, it is not necessary for health care providers to submit POCs for their existing or new
9 claims, and health care providers should be exempt from filing POCs with the Receiver.
10 Health care providers must still be required to report any new claims (*i.e.*, new claims not
11 previously reported to NHC) to the Receiver on or before the claims filing deadline, if such
12 deadline is approved by the Court. However, health care providers should report new claims
13 pursuant to the report format and method that they have always used for reporting their
14 claims (*i.e.*, they should not submit the new claims under the POC form process).

15 **Claims Filing Deadline**

16 NRS 696B.460 provides that after the entry of an Order of Liquidation, the
17 Commissioner shall notify all persons who may have claims against the insurer in
18 receivership to file such claims with the Commissioner within the time specified unless they
19 are within the scope of exemptions to the claim-filing requirement authorized by the Court.
20 The statute further provides that the time specified in the notice shall be fixed by this Court,
21 and shall not be less than six (6) months after the entry of the Order of Liquidation. The
22 Receiver requests that the Court set March 15, 2017, as the claims filing deadline (the
23 "Claims Filing Deadline") for the submission of NHC's claims, but further requests that the
24 Court allow claims to be considered timely filed by the Claims Filing Deadline if delivered by
25 U.S. Mail and received at NHC's mailing address by March 20, 2017. The proposed Claims
26 Filing Deadline would allow all parties in interest sufficient time and opportunity to identify and
27 file claims. The Receiver requests that the Court order that all claims against NHC must be
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1 received by the SDR on or before the Claims Filing Deadline, whether required to be
2 submitted on the prescribed POC form or otherwise. The Receiver further requests that the
3 Court order that claims received by the SDR after the Claims Filing Deadline may not share
4 in the assets of the receivership estate.

5 NRS 696B.400 provides that the rights and liabilities of the insurer and of its creditors,
6 policyholders, members, subscribers, and all other persons interested in the estate shall be
7 fixed as of the date of the Order of Liquidation, unless the Court directs otherwise, subject to
8 the provisions of Chapter 696B with respect to the rights of claimants holding contingent
9 claims. With respect to contingent claims, NRS 696B.450 provides in relevant part:

10 No contingent and unliquidated claim shall share in a distribution of
11 the assets of an insurer which has been adjudicated to be insolvent
12 by an order made pursuant to this chapter, except that such claim
13 shall be considered, if properly presented, and ***may be allowed to***
14 ***share where: (a) Such claim becomes absolute against the***
insurer on or before the last day for filing claims against the
assets of such insurer, or

15 (emphasis added). Accordingly, the Receiver requests that the Court order that claims which
16 have not been liquidated in amount and made non-contingent on or before the Claims Filing
17 Deadline may not share in the assets of the receivership estate.

18 The Receiver therefore requests respectfully that the Court enter its order directing
19 that: (a) all rights of parties regarding claims against NHC are fixed as of the date of the Final
20 Order except to the extent that the rights of claimants with respect to contingent or
21 unliquidated claims are protected by NRS 696B.400 and 696B.450; (b) NHC's claims against
22 others are not fixed as of the date of the Final Order; (c) no claim filed after the Claims Filing
23 Deadline may share in the assets of the estate, and NHC shall have no liability as to any
24 such late-filed claims; and (d) no claim that is not rendered absolute (*i.e.*, both non-contingent
25 and liquidated in amount) on or before the Claims Filing Deadline may share in the assets of
26 the estate, and NHC shall have no liability as to any such claims.

Pursuant to 686C.100(2), a health maintenance organization is not a "member insurer" for purposes of coverage by the Nevada Life and Health Insurance Guaranty Association. Therefore, no guaranty fund coverage is available for claims against NHC.

II. Processing Claims

Except as to the payment of hardship claims authorized previously by the Court, the Receiver seeks authority for the SDR to process POCs and to make distributions on approved claims after all POCs have been finally resolved, according to the requirements of: (1) NRS 696B.420, which requires the payment of each class of approved creditor claims in full, or to retain adequate funds for such payment, before making even partial payments on any inferior class of creditor claims; (2) NRS 696B.450, which precludes payment on any claim that is not rendered absolute (*i.e.*, both non-contingent and liquidated in amount) on or before the proposed Claims Filing Deadline; and (3) such other requirements as this Court may provide in its Final Order.

III. Appeals

The Receiver proposes to adopt the RAP set forth in Exhibit 4 in order to facilitate the orderly disposition or resolution of claims or controversies involving the receivership estate. As proposed, the RAP would apply to all decisions that concern any type of claim against the receivership estate (both health care-related as well as non-insurance claims), as well as decisions that concern non-claim matters, so long as the decision affects, or may affect, a financial interest, contract right, or legal entitlement of the receivership or the person asserting the appeal.

The Need for a *Final* Order on this Motion

In order for the Claims Filing Deadline to be enforceable, it must be established by a final, appealable order. If it were to be established solely in an interlocutory order, subject to appeal for potentially years after the Claims Filing Deadline passes, that would make it impracticable for the Receiver to make any distribution of estate assets until such time as a final appealable order were to eventually be entered. Granting the relief requested by this

1 Motion in a final order would have the added advantage of making immediately appealable all
2 prior interlocutory orders of the Court in this case, giving finality to those orders as well.
3 Accordingly, the Receiver respectfully requests that the Court designate the Final Order as a
4 Final Order of Liquidation pursuant to NRS 696B.190(5).

5 **Requested Relief**

6 For the reasons discussed above, the Receiver respectfully requests that the Court
7 issue an Order:

- 8 1. adjudging NHC to be insolvent on grounds that it is unable to meet obligations
9 as they mature;
- 10 2. authorizing the Receiver to liquidate the business of NHC and wind up its
11 ceased operations;
- 12 3. directing that the rights of parties regarding claims against NHC are fixed as of
13 the date of the Final Order except to the extent that the rights of claimants with
14 respect to contingent or unliquidated claims are protected by NRS 696B.400
15 and 696B.450;
- 16 4. directing that NHC's claims against others are not fixed as of the date of the
17 Final Order;
- 18 5. approving March 15, 2017, as the Claims Filing Deadline for the submission of
19 NHC's claims, but allowing claims to be considered timely filed by the Claims
20 Filing Deadline if delivered by U.S. Mail and received at NHC's mailing address
21 by March 20, 2017;
- 22 6. authorizing the Receiver to exempt health care providers (e.g., physicians or
23 hospitals) from being required to submit POCs for existing or new claims, and to
24 consider existing claims of health care providers as timely filed, but requiring
25 health care providers to submit new claims before the claims filing deadline in
26 the same reporting manner that they have previously used with NHC;

- 1 7. directing that no claim received after the Claims Filing Deadline may share in
- 2 the assets of the estate, and NHC shall have no liabilities as to any such late-
- 3 filed claims;
- 4 8. directing that no claim that is not rendered absolute (*i.e.*, both non-contingent
- 5 and liquidated in amount) on or before the Claims Filing Deadline may share in
- 6 the assets of the estate, and NHC shall have no liability as to any such claims;
- 7 9. approving the proposed POC process, including the POC form attached as
- 8 Exhibit 3, and finding that such process and form, or a substantially similar
- 9 process and form, comply with applicable Nevada law;
- 10 10. approving the proposed claims processing procedures described in this Motion;
- 11 11. approving the proposed RAP in the form attached as Exhibit 4, and finding that
- 12 a receivership appeal procedure substantially in that form complies with
- 13 applicable Nevada law and is within the authority granted to the Receiver in the
- 14 Permanent Receivership Order;
- 15 12. designating the order as a Final Order of Liquidation pursuant to NRS
- 16 696B.190(5);
- 17 13. Approving the notice procedures proposed herein (including the forms of notice
- 18 attached as Exhibits 1 and 2), finding that those notice procedures, or notice
- 19 procedures in substantially similar form, comply with the requirements of
- 20 Nevada law and due process;

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22 ///

- 1 14. granting all other relief requested by the Motion; and
2 15. granting the Receiver such other relief as the Court may deem just and
3 equitable.

4 DATED this 21st day of July, 2016.

6 Respectfully submitted:

7
8 Barbara D. Richardson, Commissioner of
9 Insurance of the State of Nevada, in her
10 Official Capacity as Statutory Receiver of
Delinquent Domestic Insurer

11 By: /s/ Cantilo & Bennett, L.L.P.
12 Special Deputy Receiver
13 By Its Authorized Representative
Patrick H. Cantilo

14 Respectfully submitted by:

15 ADAM PAUL LAXALT
16 Attorney General

17 By: /s/ Joanna N. Grigoriev
18 JOANNA N. GRIGORIEV
19 Senior Deputy Attorney General
20 Nevada Bar No. 5649
21 555 E Washington Avenue, Suite 3900
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23 P: (702) 486-3101
24 Email: jgrigoriev@ag.nv.gov
25 *Attorney for Attorney for Barbara D. Richardson,*
26 *Commissioner of Insurance, as the Permanent*
27 *Receiver for Nevada Health CO-OP*
28

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of the State of Nevada, Office of the Attorney General, and that on the 21st day of July, 2016, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **MOTION FOR FINAL ORDER FINDING AND DECLARING NEVADA HEALTH CO-OP TO BE INSOLVENT, PLACING NEVADA HEALTH CO-OP INTO LIQUIDATION, AND GRANTING RELATED RELIEF** on all parties receiving service by electronic transmission through the Wiznet system in this action to:

Barbara D. Richardson, Commissioner
State of Nevada Department of Business
and Industry
Division of Insurance
1818 E. College Parkway, Suite 103
Carson City, Nevada 89706

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/s/ Marilyn Millam

An employee of the Office of the Attorney General

EXHIBIT 1

EXHIBIT 1

EXHIBIT #1: Mailing Notice

IMPORTANT NOTICE OF LIQUIDATION AND CLAIMS FILING DEADLINE TO ALL PERSONS INTERESTED IN NEVADA HEALTH CO-OP'S ("NHC") AFFAIRS

This notice provides important information regarding the liquidation of NHC. On October 14, 2015, the Eighth Judicial District Court of Clark County, Nevada, Department Number 1 (the "Court"), placed NHC into permanent receivership. The Commissioner of the Nevada Division of Insurance, Barbara D. Richardson, is the Receiver for NHC, and CANTILLO & BENNETT, L.L.P. is the appointed Special Deputy Receiver. On _____, the Court entered its Final Order Finding and Declaring Nevada Health CO-OP to be Insolvent, Placing Nevada Health CO-OP into Liquidation, and Granting Related Relief (the "Order"). The Order is enclosed, and you should read it in its entirety rather than just reading this notice.

The Order directs the Receiver to liquidate the business of NHC and approves a Proof of Claim ("POC") process for filing and processing claims against NHC. The Order also establishes March 15, 2017, as the claims filing deadline (the "Deadline") for the submission of NHC's claims, but it allows claims to be considered timely filed by the Deadline if delivered by U.S. Mail and received at NHC's mailing address by March 20, 2017. Claims must be non-contingent and liquidated in amount by the Deadline to share in NHC's assets, and claims received after the Deadline will be barred from sharing in NHC's assets. All claims against NHC (except claims for Health Care Providers (*e.g.*, physicians or hospitals)) must be submitted on the approved POC form. All claimants (including Health Care Providers) must submit their claims to NHC before the Deadline. The POC form, instructions, and additional information are enclosed. The process for submitting Health Provider Claims are explained further below.

The Order also provides that all future receivership notices will be made through NHC's website (<http://www.nevadahealthcoop.org>) as a cost-savings measure, except in the limited circumstances described in the Order. Thus, you should periodically review the NHC website regularly to stay informed about your legal rights and receivership updates. You may also request the POC form and instructions by calling 1-855-606-2667, e-mailing SDR@NevadaHealthCoop.org, or writing to Nevada Health CO-OP, in Receivership, ATTN: Special Deputy Receiver, 840 S. Rancho Drive #4-321, Las Vegas, Nevada 89106. Any claimant may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that your claims have been submitted and are being processed. NHC must be notified of any address changes to assure that you receive receivership mail in the future.

Claims of Health Care Providers ("Providers"): Providers are exempt from using the POC form for existing claims that they already have filed with NHC or new claims that they may file. Providers are not required to re-file existing claims with NHC, and these existing claims will be considered timely filed. New claims of Providers must be filed with NHC by the Deadline, but the claims for healthcare services must be submitted as they have previously been to NHC—and Providers should not use the POC form for the submission of new claims. New Provider claims filed after the Deadline will be considered late-filed and are ineligible for payment. Please DO NOT SUBMIT DUPLICATE CLAIMS (*i.e.*, claims that have been previously submitted to NHC), as this will delay the processing time for all claims. However, you may re-submit claims that require correction. You may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that your Provider claims have been submitted and are being processed. Providers who have received any partial claim payment are not required to submit a POC form for the remaining amount owed—and they are not required to take any further action unless notified.

EXHIBIT 2

EXHIBIT 2

EXHIBIT #2: Newspaper and Website Publication Notice

IMPORTANT NOTICE OF LIQUIDATION AND CLAIMS FILING DEADLINE TO ALL PERSONS INTERESTED IN NEVADA HEALTH CO-OP'S ("NHC") AFFAIRS

This notice provides important information regarding the liquidation of NHC. On October 14, 2015, the Eighth Judicial District Court of Clark County, Nevada, Department Number 1 (the "Court"), placed NHC into permanent receivership. The Commissioner of the Nevada Division of Insurance, Barbara D. Richardson, is the Receiver for NHC, and CANTILO & BENNETT, L.L.P. is the appointed Special Deputy Receiver. On _____, the Court entered its Final Order Finding and Declaring Nevada Health CO-OP to be Insolvent, Placing Nevada Health CO-OP into Liquidation, and Granting Related Relief (the "Order").

The Order directs the Receiver to liquidate the business of NHC and approves a Proof of Claim ("POC") process for filing and processing claims against NHC. The Order also establishes March 15, 2017, as the claims filing deadline (the "Deadline") for the submission of NHC's claims, but it allows claims to be considered as timely filed if delivered by U.S. Mail and received at NHC's mailing address by March 20, 2017. Claims must be non-contingent and liquidated in amount by the Deadline to share in NHC's assets, and claims received after the Deadline will be barred from sharing in any assets of NHC. All claims against NHC (except claims for Health Care Providers (e.g., physicians or hospitals)) must be submitted on the approved POC form. All claimants (including Health Care Providers) must submit their claims to NHC before the Deadline. The POC form, instructions, Order, and other information are available at www.NevadaHealthCoop.Org. You should read the Order in its entirety rather than just reading this summary of the Order. The process and procedures for submitting Health Care Provider Claims are explained further below.

The Order also provides that all future receivership notices will be made through NHC's website (<http://www.nevadahealthcoop.org>) as a cost-savings measure, except in the limited circumstances described in the Order. Thus, you should periodically review the NHC website regularly to stay informed about your legal rights and receivership updates. You may also request the POC form, instructions, and Order by calling 1-855-606-2667, e-mailing SDR@NevadaHealthCoop.org, or writing to Nevada Health CO-OP, in Receivership, ATTN: Special Deputy Receiver, 840 S. Rancho Drive #4-321, Las Vegas, Nevada 89106. Any claimant may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that your claims have been submitted and are being processed. NHC must be notified of any address changes to assure that you receive receivership mail in the future.

Claims of Health Care Providers ("Providers"): Providers are exempt from using the POC form for existing claims that they already have filed with NHC or new claims that they may file. Providers are not required to re-file existing claims with NHC, and these existing claims will be considered timely filed. New claims of Providers must be filed with NHC by the Deadline, but the claims for healthcare services must be submitted as they have previously been to NHC—and Providers should not use the POC form for the submission of new claims. New Provider claims filed after the Deadline will be considered late-filed and are ineligible for payment. Please DO NOT SUBMIT DUPLICATE CLAIMS (i.e., claims that have been previously submitted to NHC), as this will delay the processing time for all claims. However, you may re-submit claims that require correction. You may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that your Provider claims have been submitted and are being processed. Providers who have received any partial claim payment are not required to

submit a POC form for the remaining amount owed—and they are not required to take any further action unless notified.

EXHIBIT 3

EXHIBIT 3

EXHIBIT #3: POC FORM AND ACCOMPANYING INSTRUCTIONS

For Internal Office Use Only: POC # _____, Claim Type: _____, Date Received: _____

Claimant Name & Address		Policy Information (if applicable)
Name		Insured Name
Date of Birth	SSN	Insured DOB
Company Name and Tax ID (if applicable)		Member ID
Street Address		Coverage Date(s)
City/State/Zip		Alternate Contact Name & Telephone No.
Phone	E-Mail	

If Claimant is represented by an attorney, please complete this section and attach copy of Power of Attorney	
Name of Attorney & Attorney's Firm	Bar Card No.
Street Address	Tax ID No.
City/State/Zip	Ph.
E-mail Address	fax

All claims submitted to the Special Deputy Receiver shall set forth in reasonable detail: (1) the amount of each of the claims; (2) the facts and basis upon which each of the claims and claim amounts is based; and (3) the priority level for the claims being submitted to the Special Deputy Receiver (i.e., "priorities" mean a secured creditor claim, a policyholder claim, an unsecured general creditor claim, etc.). All such claims must be verified by the claimant's affidavit, or someone authorized to act on behalf of the claimant and having knowledge of the facts (and must include adequate documentation). All claims and documentation supportive of each of the claims should be submitted to the Special Deputy Receiver. The Special Deputy Receiver reserves the right to request additional documentation, as needed, to make a determination of your claim. Health Care Providers ("Providers"), such as physicians or hospitals, are exempt from using this POC form for existing claims that they already have filed with NHC or new claims that they may file. Providers are not required to re-file existing claims with NHC, and these existing claims will be considered timely filed. New claims of Providers must be filed with NHC by the Claims Deadline, but the claims for healthcare services must be submitted as they have previously been submitted to NHC—and Providers should not use this POC form for the submission of their new claims.

See the pages that follow for the POC Instructions to use when completing this POC.

Explanation of Claim:	(Attach additional pages if necessary)
-----------------------	--

State of _____	§
	§
County of _____	§

Unless otherwise expressly noted in this Proof of Claim Form, I alone am entitled to file this Proof of Claim Form, no others have an interest in the claims being submitted through this Proof of Claim Form, no payments have been made on the claim or claims herein submitted, no third party is liable on this debt, the sums claimed in this Proof of Claim Form are justly owing, and there is no set-off or other defense to the payment of this claim. I declare, under penalty of perjury, that all of the statements made in this Proof of Claim Form and all the documents attached to this form are true, complete, and correct.

Signature of Claimant or Authorized Agent

Printed Name

Sworn to and subscribed before me this _____ day of _____ 20____.

Notary Public Signature

NOTE: ATTACH DOCUMENTATION TO SUPPORT YOUR CLAIM.

PROOF OF CLAIM INSTRUCTIONS

READ CAREFULLY BEFORE COMPLETING THE PROOF OF CLAIM FORM

Use this Proof of Claim (“POC”) form to make your claim against the receivership estate of Nevada Health CO-OP (“NHC”). By accurately completing this form, you make your claim for payment and help the Special Deputy Receiver (“SDR”) properly consider your claim. *It is very important that you complete all the sections applicable to you, and sign and return the form to the SDR as provided below. Forms that are incomplete or inaccurate may result in a delay or denial of your claim.* The SDR will review your claim and determine whether you are entitled to any claim payment.

A POC FORM MUST BE COMPLETED, SIGNED, AND RECEIVED BY NHC ON OR BEFORE MARCH 15, 2017 (THE “CLAIMS DEADLINE”), BUT POC FORMS WILL ALSO BE CONSIDERED TIMELY FILED WITH NHC BY THE CLAIMS DEADLINE IF DELIVERED BY U.S. MAIL AND RECEIVED AT NHC’S MAILING ADDRESS BY MARCH 20, 2017. FAILURE TO TIMELY FILE YOUR POC BEFORE THE CLAIMS DEADLINE WILL CAUSE YOUR CLAIM TO BE CLASSIFIED AS LATE AND MADE INELIGIBLE FOR A DISTRIBUTION OF ASSETS, IF ANY, FROM NHC. CLAIMS MUST BE NON-CONTINGENT AND LIQUIDATED IN AMOUNT BY THE DEADLINE TO SHARE IN NHC’S ASSETS.

To complete this form, please follow these instructions:

Provide your full name, permanent address, telephone number, and (if you have e-mail access) your e-mail address. You must notify the SDR in writing of any change in mailing address or telephone number that occurs during the receivership.

1. The “Claimant” is the person/entity believed to be owed money by NHC. You must provide the Claimant’s name and Social Security number and/or Tax ID number on the POC form. The POC form must also be signed and dated. Claims filed by business organizations must be signed by an authorized representative, and the capacity of the signatory must be stated on the claim form. A power of attorney must be attached if an attorney is signing this form on behalf of a client.

Health Care Providers (“Providers”), such as physicians or hospitals, are exempt from being required to use the POC form for existing claims that they already have filed with NHC or new claims that they may file. Providers are not required to re-file existing claims with NHC, and these existing claims will be considered timely filed. New claims of Providers must be filed with NHC by the Claims Deadline, but the claims for healthcare services must be submitted as they have previously been to NHC—and Providers should not use this POC form for the submission of new claims. New Provider claims filed after the Claims Deadline will be considered late-filed and are ineligible for payment. PROVIDERS SHOULD NOT SUBMIT DUPLICATE CLAIMS (*i.e.*, claims that have been previously submitted to NHC), as this will delay the processing time for all of their claims. However, you may re-submit claims that require correction. Providers who have received any partial claim payment are not required to submit a POC form for the remaining amount owed—and they are not required to take any further action unless notified by NHC in receivership.

Any claimant or any Providers may contact 1-855-606-2667 or e-mail SDR@NevadaHealthCoop.org to verify that their claims have been submitted and are being processed.

PROOF OF CLAIM INSTRUCTIONS

READ CAREFULLY BEFORE COMPLETING THE PROOF OF CLAIM FORM

For all claims other than Providers, new claims must be submitted by the Claims Deadline by using this POC form and following these instructions. Claims received after the Claims Deadline will be considered late-filed and ineligible for payment.

2. If you are a **Member** filing your own claims, please note all bills must be itemized showing dates of service and type(s) of service rendered. If you previously assigned your claim to a medical provider, another person or entity, please provide the SDR a copy of the assignment.
3. Claims for healthcare services rendered in 2016 should not be submitted to NHC. As announced on August 25, 2015, NHC ceased providing health coverage effective January 1, 2016. All NHC policies were terminated by December 31, 2015.
4. **YOU MUST INCLUDE DOCUMENTATION SUPPORTING YOUR CLAIM.** A claim may be disallowed partially or entirely if it fails to adequately describe or document the claim.
5. To reduce expenses to the receivership estate, the SDR will not be sending acknowledgement of receipt of the POC forms. You will, however, receive notice of any decision on your claim at the address you have provided to the SDR on the POC form.
6. The receivership estate may only pay part of approved claims based on NHC's available assets.
7. If applicable, you must disclose all deposits, cash, premiums, securities, trust funds, letters of credit, or other assets of NHC you hold, control, or expect to receive from anyone other than NHC. Agents or brokers must submit an accounting of all premiums and commissions held at the time plans were terminated.
8. After you complete the POC form, review the completed form, sign in front of a notary public, and date it. Failure to properly complete the POC form according to these instructions may cause your claim to be delayed or disallowed. It is recommended that you return the POC form using Certified Mail, Return Receipt Requested, or another method providing proof of delivery. Please retain a copy for your records, and mail or e-mail the form to:

Nevada Health CO-OP
ATTN: Special Deputy Receiver/POC
840 S. Rancho Drive #4-321
Las Vegas, Nevada 89106
info@nevadahealthcoop.org

EXHIBIT 4

EXHIBIT 4

EXHIBIT #4: Receivership Appeal Procedure

Claims Administration and Adjudication Procedure for Nevada Health CO-OP (“NHC”)

1. The Eighth Judicial District Court of Clark County, Nevada, Department Number 1, as the receivership court (the “Receivership Court”) for NHC, has directed that March 15, 2017, will be the claims filing deadline (the “Claims Deadline”) for the submission of NHC’s claims, but it will also allow any NHC claim to be considered timely filed by the Claims Deadline if delivered by U.S. Mail and received at NHC’s mailing address by March 20, 2017.
2. The claims of Health Care Providers (“Providers”), such as physicians or hospitals, will be exempted from the claims filing requirement for existing claims, but new claims of providers must be filed by the Claims Deadline as referenced by paragraph 3. below.
3. This paragraph 3 only applies to the claims of Providers, such as physicians or hospitals, and other claimants and parties need not read this paragraph. Providers are exempt from being required to use the POC form for existing claims that they already have filed with NHC, or new claims that they may file. Providers are not required to re-file existing claims with NHC, and these existing claims will be considered timely filed. New claims of Providers must be filed with NHC by the Claims Deadline, but the claims for healthcare services must be submitted as they have previously been to NHC—and Providers should not use the POC form for the submission of new claims. New Provider claims filed after the Claims Deadline will be considered late-filed and are ineligible for payment. PROVIDERS SHOULD NOT SUBMIT DUPLICATE CLAIMS (*i.e.*, claims that have been previously submitted to NHC), as this will delay the processing time for all of their claims. However, Providers may re-submit claims that require correction. Providers may contact 1-855-606-2667 or e-mail [**SDR@NevadaHealthCoop.org**](mailto:SDR@NevadaHealthCoop.org) to verify that their claims have been submitted and are being processed. Providers who have received any partial claim payment are not required to submit a POC form for the remaining amount owed—and they are not required to take any further action unless notified by NHC in receivership. However, the appeal of any Provider claim determination will be governed by the terms of this appeal procedure.
4. Any claimant may contact 1-855-606-2667 or e-mail [**SDR@NevadaHealthCoop.org**](mailto:SDR@NevadaHealthCoop.org) if you would like to verify that your claims have been submitted and are being processed.
5. The Special Deputy Receiver (“SDR”) is not required to process any claims in a creditor class unless assets will be available to pay that class. The SDR shall notify the Receivership Court if there are insufficient assets to process and pay claims for a class, and the Court will later decide the disposition of these claims—and all affected claimants will be notified at that time.
6. All claims submitted to the SDR shall detail the amount and factual basis for the claim. All claims must be verified by an affidavit of the claimant, or someone authorized to act for the claimant with factual knowledge. Claims must be supported by documentation.
7. Under this appeal procedure, the SDR shall mail (by First Class U.S. Mail to claimants) written notice of the claim determination (“Notice of Claim Determination”). The Notice

of Claim Determination will inform claimants of when the claimant's appeal must be sent to the SDR. The procedure for appeal is described further below.

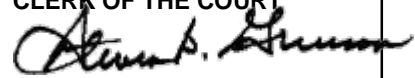
8. The SDR shall provide the Receivership Court with a report of all claim determinations.
9. The next section is only relevant if the claimant wishes to appeal the SDR's Notice of Claim Determination. The next section details how to make and file an appeal.

Appeals of Receivership Decisions

10. Claimants have sixty (60) days to appeal from the Notice of Claim Determination date.
11. Failure to file a timely objection with the SDR of the claim determination will waive any right of the claimant to pursue his, her, or its claim against NHC, and the SDR's claim determination will become final and non-appealable.
12. The claimant's appeal must be received by the appeal due date, or five days after the appeal due date if mailed, to be timely appealed. A claimant must submit any claim appeal to the SDR within sixty (60) days after the Notice of Claim Determination date. The SDR will work to resolve appeals based upon information submitted.
13. The SDR shall submit to the Receivership Court a report of all claim determinations on which any objection was filed, including a report of any unresolved objections.
14. The Receivership Court shall fix a time for a hearing on all unresolved claim objections, and the SDR will give these claimants notice of the Court hearing for an appealed claim.
15. The SDR's notice of Receivership Court hearing will cover the following:
 - a. Will be addressed to the claimant by First Class U.S. Mail not more than thirty (30) days and not less than ten (10) days before the Receivership Court hearing, on any unresolved claim to which an objection has been filed; and
 - b. Will specify the time and place of the hearing.
16. A hearing may be conducted by the Receivership Court or by any court-appointed master or referee. A master or referee will submit findings of fact and recommendations to the Receivership Court—and the Court will enter an order that decides the appealed claim.
17. An order by the Receivership Court may be appealable to the Supreme Court of Nevada in accordance with Nevada Supreme Court Rules.
18. An order by the Receivership Court that is not timely appealed to the Supreme Court of Nevada is deemed "final."
19. Interested parties may also utilize this Receivership Appeal Procedure to appeal decisions of the Receiver concerning non-claim matters if the claim decision may affect a financial interest, contract right, or legal entitlement of the person making the appeal.

EXHIBIT D

EXHIBIT D



1 **SR**

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3 Nevada Bar No. 001625

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15 *of Insurance, as the Permanent Receiver for*
16 *Nevada Health CO-OP*

17 **IN THE EIGHTH JUDICIAL DISTRICT COURT**
18 **CLARK COUNTY, NEVADA**

19 STATE OF NEVADA, EX REL.)
20 COMMISSIONER OF INSURANCE, IN HER)
21 OFFICIAL CAPACITY AS STATUTORY)
22 RECEIVER FOR DELINQUENT DOMESTIC)
23 INSURER,)

24 Plaintiff,)

25 vs.)

26 NEVADA HEALTH CO-OP,)

27 Defendant.)
28)
29)
30)

Case No. A-15-725244-C
Department 21

TWENTY-FIRST STATUS REPORT

COME NOW, Commissioner of Insurance Barbara D. Richardson in her capacity as Receiver of Nevada Health CO-OP (“NHC,” or the “CO-OP”), and CANTILO & BENNETT, L.L.P., Special Deputy Receiver (“SDR” - SDR and the Commissioner as Receiver are referred

1 to collectively herein as “Receiver”) and file this Twenty-First Status Report in the above-
2 captioned receivership.

3 **I. INTRODUCTION AND HISTORICAL BACKGROUND**

4 The CO-OP is a state-licensed health insurer, formed in 2012 as a Health Maintenance
5 Organization, with a Certificate of Authority granted by the State of Nevada Division of
6 Insurance effective January 2, 2013. NHC was an Internal Revenue Code 501(c)(29) Qualified
7 Non-Profit Health Insurance Issuer, entitled to tax exemption by the Internal Revenue Service.
8 NHC was formed under a provision of the Patient Protection and Affordable Care Act (“ACA”)
9 providing for the formation of Consumer Operated and Oriented Plans. Having received from
10 the Centers for Medicare and Medicaid Services (“CMS”) of the United States Department of
11 Health and Human Services (“HHS”) a start-up loan of \$17,080,047, and a “solvency” loan of
12 \$48,820,349, NHC was required to operate as a non-profit, consumer-driven health insurance
13 issuer for the benefit of the public. The CO-OP’s primary business was to provide ACA-
14 compliant health coverage to residents of Nevada, and it operated its business for the benefit of
15 Nevadans within the state, save for certain arrangements to provide nationwide health coverage
16 to Nevadans traveling outside the state in certain circumstances. NHC began selling products
17 on and off the Silver State Health Insurance Exchange (the “Exchange”) on January 1, 2014. Its
18 products included individual, small group, and large group health care coverages.

19 On October 1, 2015, this Court issued its Order Appointing the Acting Insurance
20 Commissioner, Amy L. Parks as Temporary Receiver of NHC Pending Further Orders of the
21 Court and Granting Temporary Injunctive Relief Pursuant to NRS 696B.270. Further, on
22 October 14, 2015, the Receivership Court entered its Permanent Injunction and Order
23 Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP, appointing the law
24 firm of CANTILO & BENNETT, L.L.P. as SDR of NHC, in accordance with Chapter 696B of the
25 Nevada Revised Statutes.

26 Via a Notice of Substitution of Receiver dated April 6, 2016, Deputy Attorney General
27 Joanna N. Grigoriev informed interested parties of the substitution of Commissioner Barbara D.
28 Richardson, in place and stead of former Acting Commissioner Amy L. Parks, as the Receiver

1 of NHC. This substitution of Receiver was subsequent to Commissioner Richardson's
2 appointment as Commissioner of Insurance for the State of Nevada.

3 This Court, through its Final Order Finding and Declaring Nevada Health CO-OP to be
4 Insolvent and Placing Nevada Health CO-OP into Liquidation (the "Final Order") dated
5 September 20, 2016, adjudged NHC to be insolvent on grounds that it was unable to meet
6 obligations as they mature. The Final Order also authorized the Receiver to liquidate the
7 business of NHC and wind up its ceased operations pursuant to applicable Nevada law. The
8 Receiver has since transitioned the receivership estate from rehabilitation to liquidation.

9 The Receiver continues to file quarterly status reports as ordered by this Court.

10 II. RECEIVERSHIP ADMINISTRATION

11 Receivership Administrative Services and Oversight

12 CANTILO & BENNETT, L.L.P., as SDR of NHC, manages the receivership estate and
13 conducts its affairs. PALOMAR FINANCIAL, LC ("Palomar"), an affiliate of the SDR, performs
14 administration, information technology, and other related services for the Receiver under the
15 supervision of the SDR. The Receiver has included an informational copy, as **Exhibit 1** to this
16 Twenty-First Status Report, of the invoices paid to the SDR and other receivership consultants
17 since the last status report to this Court.¹

18
19 ¹ The *in camera* materials are being submitted in a separate envelope that reflect paid invoices.

20 Certain billings submitted to the Court are appropriate for *in camera* review (as opposed to being
21 made part of a public filing). More particularly, and as discussed in further detail below, certain
22 consultants in this matter are providing expert witness related services. As such, the billing entries
relating thereto should be considered confidential and/or otherwise not subject to discovery.

23 In this regard, courts have held that the bills of legal counsel and experts may be withheld from
24 legal discovery and are not subject to legal disclosure, as this information may provide indications or
25 context concerning potential litigation strategy and the nature of the expert services being provided. *See,*
26 *e.g., Avnet, Inc. v. Avana Technologies Inc.*, No. 2:13-cv-00929- GMN-PAL, 2014 WL 6882345, at *1
27 (D. Nev. Dec. 4, 2014) (finding that billing entries were privileged because they reveal a party's strategy
28 and the nature of services provided); *Fed. Sav. & Loan Ins. Corp. v. Ferm*, 909 F.2d 372, 374-75 (9th
Cir. 1990) (considering whether or not fee information revealed counsel's mental impressions
concerning litigation strategy). Other courts that have addressed this issue have recognized that the
"attorney-client privilege embraces attorney time, records and statements to the extent that they reveal
litigation strategy and the nature of the services provided." *Real v. Cont'l Grp., Inc.*, 116 F.R.D. 211,
213 (N.D. Cal. 1986).

Resolution of Outstanding Receivership Matters

Claims Adjudications & Distributions

Notices of Claim Determination (“NCDs”) were mailed for healthcare claims previously submitted by providers to NHC’s Javelina Claims Processing Database (the “Provider Claims”). The total allowed amount of these approved Provider Claims is approximately \$33.7 million. The NHC members also received NCDs that showed them the amount that the SDR has approved to be paid to their providers, and the amount of member responsibility (*i.e.*, the co-pays, deductibles, and coinsurance), if any, that they may owe on their providers’ outstanding claims. The SDR has received approval from the Court to make a distribution of certain estate assets for the partial payment of these Provider Claims, which have been classified by the SDR as claims made under NHC policies pursuant to NRS 696B.420(1)(b)).²

As previously reported, the SDR must collect U.S. Internal Revenue Service W-9 forms and other necessary documentation from the providers in advance of making any claim payments, to assure that the estate can meet any mandatory federal tax reporting requirements. Four hundred seventy-seven (477) providers have submitted the necessary documentation, and have received a distribution payment. However, the remaining 1,306 providers either did not respond or sent back defective paperwork. The SDR will follow-up with these providers to collect the necessary paperwork.

The *in-camera* review should apply not only to documentation concerning attorneys’ fees, but it also extends to “details of work revealed in [an] expert’s work description [which] would relate to tasks for which she [or he] was compensated[,]” a situation which is “analogous to protecting attorney-client privileged information contained in counsel’s bills describing work performed.” *See, DaVita Healthcare Partners, Inc. v. United States*, 128 Fed. Cl. 584, 592-93 (2016); *see also Chaudhry v. Gallerizzo*, 174 F.3d 394, 402 (4th Cir. 1999) (recognizing that “correspondence, bills, ledgers, statements, and time records which also reveal the motive of the client in seeking representation, litigation strategy, or the specific nature of the services provided, such as researching particular areas of law,” are protected from disclosure) (quoting, *Clarke v. Am. Commerce Nat’l Bank*, 974 F.2d 127, 129 (9th Cir. 1992)).

² As detailed in the Receiver’s Seventeenth Status Report, within the section of the report titled “Sale of Risk Corridors Receivable,” the Court entered an order permitting the distribution of certain funds on October 16, 2019.

1 The SDR also mailed NCDs for those Proofs of Claim submitted to the SDR relating to
2 Policy Claims (*i.e.*, Class B claims pursuant to NRS 696B.420(1)(b)). The total allowed amount
3 for the members' claims, \$5,102.64, is subject to a potential small increase as two NCD appeals
4 have been filed and remain pending.

5 In addition to the two member appeals described above, there are forty-two (42)
6 outstanding appeals sent by NHC members of the NCDs that were mailed for outstanding
7 healthcare claims submitted by providers to NHC's Javelina Claims Processing Database.³ The
8 SDR is not requesting that hearings be set on these appeals at this time, but may do so in the near
9 future (*i.e.*, upon the resolution of COVID-19 issues – which in addition to preventing in-person
10 appearances could also make it difficult for claimants to prepare for hearings). Once all appeals
11 have been reviewed by the SDR, the SDR will inform the Receivership Court of any unresolved
12 appeals so that a hearing or hearings may be set. The SDR is working on a resolution of any
13 outstanding appeals.

14 There are fifty-one proofs of claim ("POC") assigned to a priority Class "C" (*i.e.*,
15 NRS 696B.420(1)(c)) or lower.⁴ The SDR has now issued NCDs to nearly all of these claimants
16 (*i.e.*, forty-two (42) out of fifty-one (51) NCDs have been sent).⁵ It appears unlikely at this time
17 that the estate will have sufficient assets to make distributions to claims assigned priority below
18 Class B. The Receiver has included as **Exhibit 2** to this Twenty-First Status Report, an updated
19

20 ³ Members received a copy of the claim determinations that were sent to their providers, so that
21 the members could see any denied claims, and the deductible, co-pay, and coinsurance that was applied
22 to each of the allowed provider claims (*i.e.*, the amount of the member's responsibility on each claim)
and have an opportunity to appeal.

23 ⁴ This does not include a claim by the U.S. Department of Health and Human Services, which
24 the SDR has previously reported to this Court. That claim was denied by the SDR, and the government
did not file an appeal of the SDR's determination. This determination is now final and non-appealable.

25 ⁵ One of the "NCDs" relates to a very late-filed POC, and as such the notice sent to that claimant
26 does not provide a claim determination but instead advises that the claim cannot be processed due to
27 having been filed after the bar date. The Receiver does not process late-filed claims, due to the limited
28 assets and resources of the estate – and this forms part of the rationale for having a Claims Filing
Deadline in place – to provide a stopping point for the work of resolving the claims of the estate so that
the Receiver can wind down the estate and bring it to a closure. Late filed claims (*i.e.*, if allowed or
approved) may (and likely will) also diminish distributions for timely filed claims.

1 report on the determination of the Receiver on each claim, assigned to a Class C-L, that has been
2 approved in whole or in part to date.

3 On August 24, 2020, the Silver State Health Insurance Exchange (the “Exchange”)
4 submitted a POC. The Receiver sent a letter in response to advise that the POC cannot be
5 processed due to having been filed after the Claims Filing Deadline. The Exchange filed a
6 Motion to Intervene in the receivership proceeding, for the purpose of having its claim allowed
7 irrespective of this Court’s order entered on September 21, 2019, that “no claim received after
8 the Claims Filing Deadline may share in the assets of the estate and NHC shall have no liabilities
9 as to any such late-filed claims.” On November 4, 2020, this Court denied the Exchange’s
10 Motion to Intervene and to file a late-filed claim.

11 ***CMS Receivables***

12 As explained in prior status reports, and throughout the pendency of the receivership, the
13 Receiver is working to resolve certain outstanding matters relating to the collection of amounts
14 due under the various federal receivables programs, of which the CO-OP was a participant, and
15 which are administered primarily by CMS. The recovery of these assets will allow the SDR to
16 make further claim payments to estate creditors. It is also necessary to resolve the receivership’s
17 dispute of the government’s asserted right to be paid ahead of all other creditors in the estate
18 (including providers and members). CMS has maintained the position that any monies deemed
19 owed to NHC (and thus the receivership estate) are to be offset against the amounts CMS asserts
20 it is owed under the start-up loan awarded to NHC. To date, CMS has offset approximately
21 \$12.9 million against the start-up loan that, the Receiver maintains, should have instead been

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1 paid to NHC. When the full amount of 2014 - 2015 Risk Corridors payments (*i.e.*, not just the
2 prorated amount⁶) are included in the total, NHC is owed over \$55 million.⁷

3 In light of the United States Supreme Court’s recent decision in *Maine Community Health*
4 *Options v. United States*, No. 18-1023 (described further below), the Receiver is trying to resolve
5 some or all of the claims with CMS.⁸ The asset recovery litigation against CMS has since
6 continued on the questions of debt, rights to offset, and claim and issue preclusion matters. CMS
7 has filed a motion to dismiss the Receiver’s claims, while the Receiver has filed a motion for
8 summary judgment on NHC’s claims—and both motions remain pending before the United
9 States Court of Federal Claims.

10 **Internal Administrative Matters Related to Wind Down**

11 The Receiver may, in her discretion and as necessary to advance the receivership, contract
12 to use the services of certain former employees for specific, limited-term projects. The Receiver
13 completed the wind down and closure of NHC’s administrative office in 2019, and has since
14 transferred estate records, property, and operations to the SDR’s offices.

15 ///

16 ///

17 ⁶ Due to a shortfall in risk corridor collections, CMS asserted it could only pay a prorated
18 percentage of issuers’ 2014 Risk Corridors payments and that it would use all collections in subsequent
19 years towards the 2014 payments (*i.e.*, they are unable to make payments for the subsequent years at all).
20 DEP’T OF HEALTH & HUMAN SERVICES & CENTERS FOR MEDICARE & MEDICAID
21 SERVICES (“CMS”), CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT AND CHARGE
22 AMOUNTS FOR THE 2015 BENEFIT YEAR (November 18, 2016) (available at
23 <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-RC-Issuer-level-Report-11-18-16-FINAL-v2.pdf>); CMS, CCIIO MEMORANDUM, RISK CORRIDORS PAYMENT
24 AND CHARGE AMOUNTS FOR THE 2016 BENEFIT YEAR (November 15, 2017) (available at
25 <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-Amounts-2016.pdf>).

26 ⁷ NHC sold a significant portion of its interest in the Risk Corridors receivables, as detailed in
27 the Receiver’s Seventeenth Status Report to this Court. However, NHC will still participate in actions
28 to recover CMS receivables.

⁸ See, Amy Howe, OPINION ANALYSIS: DECISIVE WIN FOR HEALTH INSURERS SEEKING
COMPENSATION FOR ACA LOSSES, SCOTUS BLOG (2020), <https://www.scotusblog.com/2020/04/opinion-analysis-decisive-win-for-health-insurers-seeking-compensation-for-aca-losses/> (last visited June 26,
2020).

Continuation of Action Against Various Professionals and Other Firms Who Performed Services for and on Behalf of NHC

On August 25, 2017, Counsel for the Receiver filed in Clark County District Court a Complaint (Case No. A-17-760558-C in Department No. 18) against various persons, third-party vendors, and professional service firms which are alleged to have contributed to NHC's losses by, among other things, failing to adhere to applicable standards of professional care and requirements imposed by law, misrepresentation concerning quality and standard of care for services performed, and breaches of contract, duty, and implied covenants of good faith and fair dealing. The complaint names, among others, NHC's former actuaries, accountants, auditors, and providers of certain business operations and utilization review services, as well as those individuals who specifically performed, or who were in the role of supervising the performance of, those services. The Complaint also names several NHC former directors and executive management.

Via Plaintiff's Motion to Amend Complaint, filed on July 17, 2018, the Receiver sought an order granting leave to amend the August 25, 2017, complaint against certain of NHC's various directors, officers, and third-party contractors, citing the discovery of additional facts in support of assertions made in the first complaint, as well as the need to add a new defendant to the existing proceedings. This Motion to Amend Complaint was filed in Judicial Department Sixteen, in line with the terms of contemporaneous Notice of Department Reassignment assigning the proceedings to Judge Timothy C. Williams. The Motion to Amend Complaint was approved via an order entered on September 18, 2018. Subsequently, the Court ordered that the case against Milliman must be arbitrated. On December 19, 2019, the Nevada Supreme Court denied the Receiver's Writ of Mandamus seeking extraordinary relief against the order compelling arbitration, noting the availability of subsequent appellate relief, as well as disagreeing that clear legal error had occurred in the underlying proceedings. On October 16, 2020, Plaintiff filed a Motion for Leave to File Second Amended Complaint, which contains additional factual allegations, theories of injury, and other context concerning NHC's resulting

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1 insolvency. Hearing on this Motion was scheduled for November 18, 2020, but was vacated
2 later, as explained below.

3 On October 8, 2020, Unite Here Health and Nevada Health Solutions, each Defendants
4 in the instant asset recovery litigation, filed their Motion with the Receivership Court to:
5 (1) Disqualify Greenberg Traurig, LLP as Counsel for the Statutory Receiver of Nevada Health
6 CO-OP, and (2) Disgorge Attorneys' Fees Paid by Nevada Health CO-OP to Greenberg Traurig,
7 LLP. Defendants' allegations are that Plaintiff's counsel cannot sufficiently represent NHC's
8 interests due to having provided prior legal services to a specific creditor of the estate, as well
9 as other entities which Defendants assert should have been named in the asset recovery litigation
10 (to which they themselves are parties) and were not so named because of the pre-existing
11 professional relationship. Greenberg Traurig, LLP, filed its Opposition to the Motion to
12 Disqualify on November 16, 2020, asserting that Defendants' did not have legal standing to
13 challenge Plaintiff's choice of representation, that counsel's representation of the prior parties
14 does not create a conflict because the circumstances of the legal services rendered to Plaintiff
15 are unrelated, that disqualification would work to the extreme prejudice of the Plaintiff, and that
16 Defendants' had waived this form of procedural objection by delaying, making it until more than
17 three years into the litigation. Plaintiff filed her Joinder to Greenberg Traurig's Opposition on
18 November 16, 2020, and Defendants Unite Here Health and Nevada Health Solutions filed their
19 Reply in Support of the Motion on December 8, 2020. Following a series of stipulated
20 continuances, Judge Cory heard the arguments and evidence for and against the Motion to
21 Disqualify on December 15, 2020. The Court issued a Minute Order on December 16, 2020,
22 denying the Motion to Disqualify.

23 Pursuing the same theories as underlined in their Motion to Disqualify, Unite Here Health
24 and Nevada Health Solutions filed on October 15, 2020, their Motion for Leave to File Third-
25 Party Complaint, seeking permission from the Court to file a complaint alleging that the Silver
26 State Health Insurance Exchange and Xerox State Healthcare, LLC, are responsible for a
27 significant number of NHC's injuries, such that concerns for judicial economy and the
28 consolidation of related proceedings should merit the cross-complaint and addition of these

1 parties to the instant asset recovery litigation. This Motion was joined by Defendant former
2 directors and officers on October 16, 2020, and by InsureMonkey on October 22, 2020. These
3 actions were quickly followed by the filing on October 19, 2020, of a Motion to Consolidate
4 seeking to consolidate A-20-816161-C, the recently-filed asset recovery suit against the Silver
5 State Health Insurance Exchange, with the instant asset recovery proceedings. As with the
6 Motion seeking the filing of the Third-Party Complaint, the Motion to Consolidate asserts that
7 the alleged similarities between the factual circumstances of the cases merit this outcome.

8 On October 20, 2020, Defendants Unite Here Health and Nevada Health Solutions filed
9 their Motion to Strike Jury Demand, alongside a request for redaction and submission of exhibits
10 under seal. On October 21, 2020, Defendant former directors and officers filed their Motion for
11 Partial Summary Judgment on the pleadings pursuant to NRCP (12)(c), primarily on the basis
12 that many of the causes of action asserted in the First Amended Complaint (*i.e.*, negligent
13 misrepresentation, constructive fraud, negligent performance of an undertaking) are acts that
14 directors and officers of non-profit organizations (such as NHC) cannot be liable for under
15 Nevada law and statutes regulating the governance of non-profit organizations.

16 In light of the pending Motion to Disqualify before the Receivership Court, Plaintiff's
17 counsel filed, on November 2, 2020, the Motion for Entry of Stay on Order Shortening Time,
18 informing the court that the resolution of the questions concerning Greenberg Traurig's
19 representation of Plaintiff directly bears upon the course of the related asset recovery litigation,
20 and understandably requires the placement of that litigation into abeyance for the duration of
21 those proceedings. By an Order Staying the Litigation dated November 10, 2020, the court in
22 A-17-760558-B stayed all schedules or actions involving the motions for the filing of a Third-
23 Party Complaint, consolidation, partial summary judgment, the filing of a Second Amended
24 Complaint, and the request to strike the Jury Demand.

25 As well, this Order Staying the Litigation explicitly vacates all open discovery deadlines,
26 including those for expert reports, and requires the parties to the litigation to meet and confer
27 about new deadlines for the remaining matters, which shall be entered into a new scheduling
28 order upon the lifting of the stay. Through a December 14, 2020, Stipulation and Order agreed

1 to by the parties, the Status Check hearing on the litigation stay originally scheduled for
2 December 16, 2020, has been continued to January 6, 2021. The Status Check has now been
3 continued until January 14, 2021.

4 As of the date of filing of this Status Report, no later scheduling orders have been issued
5 extending these deadlines, although certain deadlines may be amended by stipulation of the
6 parties in the near future if deemed necessary and approved by the Court.

7 The Receiver has settled its claims against Millennium, and the settlement agreement was
8 approved by the Court. Millennium has made all of the settlement progress payments required
9 under the settlement agreement.

10 On April 13, 2020, the Defendant directors and officers filed their Motion to Compel
11 Production of Lynn Fulstone documents, seeking to compel certain documents held by the
12 Receiver but not produced in discovery in response to a Defendant's request on the basis that
13 such documents are privileged and protected from disclosure as attorney-client communications
14 and as files falling under the work product doctrine.

15 An Opposition by the Receiver was filed on April 27, 2020, setting forth responses to
16 these allegations and describing relevant legal authorities. The Opposition maintains that no
17 such partial disclosure of files was made, that none of the documents that the Motion to Compel
18 seeks to produce were relied upon by NHC in the making of the Complaint against the
19 Defendants, and that numerous legal doctrines would protect the documents being sought from
20 disclosure in any case. A Reply by the Defendant directors and officers in support of the Motion
21 to Compel was filed under seal on June 16, 2020, and joined by Unite Here Health and Nevada
22 Health Solutions the same day. Although set initially for hearing on June 17, 2020, per a June 15,
23 2020, Stipulation and Order, the hearing on the Motion to Compel was re-set for June 24, 2020.
24 Via a Minute Order dated August 10, 2020, the Court denied the Motion to Compel and the
25 associated joinders. A formal, written Order Denying the Motion to Compel dated October 2,
26 2020, was recorded on the Court's docket as of November 2, 2020.

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1 Discovery continues in the litigation before the recent stay of litigation, with Plaintiff
2 having delivered to Defendant former directors and officers the First Supplemental Response to
3 the Sixth Set of Requests for Production on October 16, 2020, alongside the Twenty-Ninth
4 Supplemental Rule 16.1 Production. Subject to the Court’s recently ordered stay, additional or
5 supplemental discovery requests made by Defendants are being responded to as received, with
6 the Special Deputy Receiver coordination with counsel as necessary in the identification and
7 production of responsive documents. As mentioned above, the relevant discovery deadlines have
8 been vacated in light of the pending Motion to Disqualify and will be reset upon agreement of
9 parties.

10 **Pending Action Against the United States in the Court of Federal Claims**

11 On November 8, 2018, the Receiver filed a Complaint in the United States Court of Federal
12 Claims (“CFC Complaint”) against the United States for monetary amounts owed to NHC under
13 the Consumer Operated and Oriented Plan program organized pursuant to the ACA. The
14 Receiver determined that such litigation was necessary in order to advance the interests of the
15 receivership estate’s various creditors, and to protect and conserve assets that rightfully belong
16 to the estate.

17 In Counts I through IV, the CFC Complaint prays for relief in the form of an award of
18 damages and monetary relief equal to the difference between the amount NHC actually received
19 in payments under Sections 1342, 1341, 1343, and 1401 of the ACA – the statutes which describe
20 and enact the Risk Corridors, transitional reinsurance, risk adjustment, and cost sharing reduction
21 programs respectively – and the amount NHC should have received under those laws.

22 The CFC Complaint’s Count V (breach of contract by offset) and Count VI (illegal
23 exaction) plead alternate theories for recovery of money damages resulting from the United
24 States, through its agents at HHS and CMS, offsetting payments that CMS owed to NHC against
25 funds NHC allegedly owed to the government pursuant to the terms of the CO-OP start-up loan.
26 On March 7, 2019, the United States filed a motion to dismiss the CFC Complaint’s (“Motion
27 to Dismiss”) argument that none of Counts I through VI state claims upon which relief can be
28 granted. NHC’s deadline for responding to the Motion to Dismiss was July 9, 2019. However,

1 on June 24, 2019, the United States Supreme Court granted certiorari in three Risk Corridors
2 appeals, *i.e.*, the Supreme Court Appeal Cases.

3 Subsequent to a Motion for Enlargement of Time to Respond to Government's Motion to
4 Dismiss, filed on June 28, 2019, the Receiver filed her Opposition to Motion to Dismiss, and
5 Cross-Motion for Final Partial Summary Judgment on July 31, 2019, which sought from the
6 Court of Federal Claims, *inter alia*, an adjudication in favor of the Receiver regarding that
7 Counts II through IV of the CFC Complaint, the counts not taken up by the United States
8 Supreme Court for review. The Cross-Motion for Partial Summary Judgment predicated its
9 arguments on the basis that the United States had already admitted prior liability and damages
10 concerning the amounts sought by the CFC Complaint under counts II-IV (*i.e.*, the Federal
11 Transitional Reinsurance program, the Risk Adjustment program, and the Cost-Sharing
12 Reduction programs provided for explicitly by ACA statutes), save for their affirmative defense
13 of offset, and that the affirmative defense of offset must fail as a matter of law as the
14 circumstances provided for in applicable federal law and regulation permitting an offset of
15 amounts owed under the ACA receivables programs were not satisfied in this case.

16 On August 7, 2019, the United States filed with the Court of Federal Claims its Motion
17 to Stay, or in the Alternative, for an Enlargement of Time, asserting that the interrelated issues
18 of fact and law at the center of the Court of Federal Claims litigation, alongside countervailing
19 concerns of judicial economy, justified a general suspension of proceedings during the pendency
20 of the United States Supreme Court's review of the legal and constitutional questions in the
21 Supreme Court Appeal Cases, notwithstanding the theoretical separability of the various federal
22 receivables programs under which NHC presented its claims. The Court of Federal Claims
23 granted the United States' Motion to Stay on August 12, 2019, until such legal and constitutional
24 questions were resolved.

25 The United States Supreme Court, through its April 27, 2020, decision, found in favor of
26 the CO-OPs, and held that the Risk Corridors statutes did indeed create a government obligation
27 to pay insurers the full amount set out in Section 1342's formula. Despite the decision of
28 Congress to disallow by specific legislative rider the making of Risk Corridors payments from

1 funding sources which would have otherwise been available under the annual appropriations
2 omnibus, the plain text of the legislative rider at issue in the litigation did not indicate an intention
3 to impliedly, retroactively repeal Risk Corridors obligations, and that therefore the CO-OPs
4 properly relied upon the Tucker Act to bring suits for damages against the United States in the
5 Court of Federal Claims.

6 Subsequent to this decision, the Court of Federal Claims issued its May 4, 2020, Order
7 scheduling a status conference to take place on May 19, 2020, concerning the remaining matters
8 at issue in the litigation. This telephone conference did occur on May 19, 2020, and the issues
9 discussed on that call were later summarized in the Court of Federal Claims' May 21, 2020,
10 Order staying proceedings for a further forty-five days and requiring the filing of a joint status
11 report on or before July 6, 2020, addressing the topics discussed during the telephone conference.
12 This deadline was later moved to July 10, 2020, upon approval by the Court of Plaintiff's July 6,
13 2020, Unopposed Motion for Extension of Time for Filing Joint Status Report. The Joint Status
14 Report was filed on July 10, 2020, and proposed August 3, 2020, as the deadline for NHC's
15 Updated Opposition to the United States' Motion to Dismiss and Cross Motion for Summary
16 Judgment, with the United States' reply in support of the Motion being due on September 18,
17 2020, and NHC's own reply due on November 13, 2020.

18 On August 3, 2020, Plaintiff filed her Unopposed Motion to Set Briefing Schedule, which
19 was approved and ordered the same day. Per this Motion, August 24, 2020, was proposed as the
20 deadline for NHC's Updated Opposition to the Motion to Dismiss and Cross Motion for
21 Summary Judgment, with the government's reply due October 9, 2020, and NHC's reply due
22 October 26, 2020. A subsequent Unopposed Motion for Extension of Time, filed on August 19,
23 2020, and approved on August 20, 2020, established September 9, 2020, as the deadline for
24 NHC's Updated Opposition, with the United States' reply due October 26, 2020, and NHC's
25 own reply due November 13, 2020.

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1 On September 9, 2020, Plaintiff filed her Response and Reply to the United States'
2 Motion to Dismiss and Cross-Motion for Summary Judgment.

3 The United States filed its Reply in Support of its Motion to Dismiss and Opposition to
4 Cross-Motion for Summary Judgment on October 26, 2020, reiterating its prior arguments that
5 offsets are proper in amounts alleged to be owed between the two creditors at issue here. These
6 proceedings, in the same manner as with the state court asset recovery proceedings, were sought
7 to be stayed by the filing by Plaintiff of a November 5, 2020, Motion to Stay Proceedings. On
8 December 16, 2020, the Receivership Court entered its Minute Order denying the Motion to
9 Disqualify, noting the failure of Defendants to cite either to clear and substantial evidence of
10 possible conflicts or to binding legal authority mandating the disclosure of all potential or
11 supposed conflicts which may implicate counsel. The Motion to Disqualify having been denied,
12 the Motion to Stay Proceedings filed in the United States Court of Federal Claims has now been
13 rendered moot. The motion to dismiss of the United States and the Receiver's motion for
14 summary judgment remain pending before the United States Court of Federal Claims.

15 **Pending Action Against the Silver State Health Insurance Exchange**

16 Through the filing of a Complaint dated June 5, 2020, in Case Number A-20-816161-C,
17 in Department Number Eight of the Eighth Judicial District Court, the Receiver has brought an
18 action against the Exchange for, *inter alia*, damages of approximately one-half million dollars
19 in premiums received from on-exchange insureds on behalf of NHC, but never remitted to the
20 CO-OP. The Complaint alleges that the retention of these funds by the Exchange, without
21 explanation or justification, constitutes a violation of the existing agreement between the parties,
22 unjust enrichment of the Exchange at the expense of receivership claimants, and an appropriate
23 basis for the imposition of a constructive trust over the assets at issue. The Exchange filed its
24 Answer on August 24, 2020, denying the relevant allegations and asserting conventional
25 affirmative defenses such as the doctrine of assumption of risk, sovereign immunity,
26 contributory negligence, offset, and unclean hands. Following the October 8, 2020, Joint Case
27 Conference Report, and the November 19, 2020, Mandatory Rule 16 Conference, the
28

proceedings are now continuing along the schedules set out in the relevant November 24, 2020, Scheduling Order and Order Setting Civil Bench Trial.

Defendant then filed, as of September 29, 2020, a Motion to Intervene with NHC's Receivership Court, seeking authorization to file a POC for amounts allegedly owed to the Exchange by NHC, but which was never filed timely by the Exchange despite having the opportunity do so (and is therefore barred by law from collecting from estate assets). The Motion to Intervene claimed that the Exchange had previously filed a POC, but lost its records concerning the same, and that nonetheless the Exchange be entitled to register its claims against NHC at a low statutory priority level because the Receiver had actual knowledge of the Exchange's claims notwithstanding the failure to file. Plaintiff's Opposition to the Motion to Intervene was filed on October 13, 2020, and asserted several bases to deny the Exchange's relief, including the absence of evidence supporting the prior attempts to file a POC, the Exchange's failure to show its ability to intervene in Receivership proceedings as a matter of right, and the explicit requirements of Nevada receivership law and court orders disallowing late-filed claims from sharing in the assets of the estate. Following the Exchange's October 28, 2020, Reply to the Opposition, the Receivership Court decided, on November 4, 2020, to deny the Exchange's attempt to intervene and held that the attempted late-claim filing was untimely and unwarranted by law.

Civil Action Against WellHealth Medical Associates, Medsource, and Certain Persons

Through the filing of a Complaint dated July 16, 2020, in case Number A-20-818118-C, in Department Number Nineteen of the Eighth Judicial District Court, the Receiver has brought an action against WellHealth Medical Associates, PLLC, Medsource Management Group, LLC, and certain individual persons in positions of responsibility within those organizations, for the recovery of amounts owed in connection with certain illegal, unethical, negligent, and intentionally fraudulent transactions which took place with NHC in health plan years 2014 and 2015. The primary allegations involve WellHealth's entry into an illegal and unapproved services contract with NHC, which, as per the Receiver's allegations, constitute a material shifting of insurance risk from a licensed carrier (NHC) to an unlicensed insurer (Wellhealth)—

1 and Wellhealth was also expressly disapproved by the Nevada Division of Insurance as a
2 Delivery Service Intermediary. Defendants in this action received millions of dollars from NHC
3 in exchange for their services, which are alleged in the Complaint to not have been performed at
4 the standard required, or with necessary licenses and legal authority. The Receiver has not yet
5 received an Answer from defendants in this matter but will proceed to discovery and further
6 litigation when appropriate.

7 **Current Receivership Assets**

8 The Receiver's evaluation of the assets and liabilities of the CO-OP is ongoing, and
9 adjusted periodically to accommodate new authorized payments, receipts, and transfers. Below
10 is an overview of some key asset matters thus far identified by the Receiver (other than those
11 already mentioned herein):

12 1. The unrestricted cash assets of the CO-OP have fluctuated with post-
13 receivership expenses and claim payments, as well as with the Receiver's receipt of member
14 premiums. The currently available, unrestricted cash assets of the CO-OP as of November 30,
15 2020, were approximately \$4,690,708.00. The majority of NHC's currently available and liquid
16 assets are held in bank deposits.

17 2. The financial information of NHC in this Twenty-First Status Report
18 provides estimates. NHC's financials may materially vary depending upon the estate's receipt
19 of the promised federal receivables payments under the various ACA programs described in this
20 report, and future litigation recoverables.

21 3. The Receiver is including, as **Exhibit 3** attached hereto, a cash flow report
22 for NHC for the period covering the inception of the receivership through November 30, 2020.
23 This report reflects a summary of disbursements and collections made by NHC during this
24 period.

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CONCLUSION

The Receiver has submitted this report in compliance with the Receivership Court's instructions for a status report on NHC. The Receiver requests that the Court approve this Twenty-First Status Report and the actions taken by the Receiver.

DATED this 8th day of January 2021.

Respectfully submitted:

Barbara D. Richardson, Commissioner of Insurance of the State of Nevada, in her Official Capacity as Statutory Receiver of Delinquent Domestic Insurer

By: /s/ Cantilo & Bennett, L.L.P.

Special Deputy Receiver

By Its Authorized Representative Patrick H. Cantilo

Respectfully submitted by:
GREENBERG TRAURIG, LLP

/s/ Donald L. Prunty

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on the **8th day of January 2021**, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **TWENTY-FIRST STATUS REPORT** on all parties receiving service in this action through electronic transmission via this Court's electronic filing system to:

**E-Service Master List
For Case**

**State of Nevada, ex rel. Commissioner of Insurance, Plaintiff(s) vs. Nevada Health
CO-OP, Defendant(s)**

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/s/ Evelyn Escobar-Gaddi
An employee of Greenberg Traurig, LLP

EXHIBIT 1

Summaries

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September 24, 2020

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

July 1 - July 31, 2020

<u>Matter No. and Description</u>	<u>Invoice Numbers</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
July 2020	24729, 24731- 24737, 24759	\$ 49,856.25	\$ 811.50	\$ 50,667.75
Totals (1)		\$ 49,856.25	\$ 811.50	\$ 50,667.75

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
7/1/20 - 7/31/20**

		Billable Hours	Billable Rate	June Billing
1	Timekeeper - Patrick H. Cantilo	0.00	\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	72.10	\$400.00	\$28,840.00
3	Timekeeper - Kristen W. Johnson	16.60	\$300.00	\$4,980.00
4	Timekeeper - Josh O. Lively	68.00	\$200.00	\$13,600.00
5	Timekeeper - Douglas J. Coonfield	0.00	\$200.00	\$0.00
6	Timekeeper - Jose M. Rangel	0.00	\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$300.00	\$0.00
8	Timekeeper - Law Clerk	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	0.45	\$125.00	\$56.25
10	TimeKeeper - Pierre Riou	7.60	\$300.00	\$2,280.00
11	TimeKeeper - Jeffrey L. Collins	0.80	\$125.00	\$100.00
	GRAND TOTAL	165.55		\$49,856.25

September 24, 2020
10:08 am

Cantilo & Bennett, L.L.P.
Unbilled Timekeeper Work by Matter

Page 1
[pr 3b]

Client ID 70750
Work Date 07/01/20:07/31/2020

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750003	Claims	0.75	300.00	0.00	0.00
70750008	Company Administration	5.05	2,020.00	0.00	0.00
70750100	Asset Recovery	26.30	10,520.00	0.00	0.00
70750102	NHC vs. CMS Litigation	40.00	16,000.00	0.00	0.00
	Sub Total (MFB)	72.10	28,840.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
	Sub Total (JLC)	0.80	100.00	0.00	0.00
		0.80	100.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750003	Claims	2.50	750.00	0.00	0.00
70750008	Company Administration	5.80	1,740.00	0.00	0.00
70750100	Asset Recovery	8.30	2,490.00	0.00	0.00
	Sub Total (KWJ)	16.60	4,980.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750102	NHC vs. CMS Litigation	35.25	7,050.00	0.00	0.00
	Sub Total (JOL)	32.75	6,550.00	0.00	0.00
		68.00	13,600.00	0.00	0.00*
PJR PIERRE J. RIOU					
	Sub Total (PJR)	7.60	2,280.00	0.00	0.00
		7.60	2,280.00	0.00	0.00*
IXS ISAAH SAMANIEGO					
70750008	Company Administration	0.45	56.25	0.00	0.00
	Sub Total (IXS)	0.45	56.25	0.00	0.00*
Grand Total		165.55	49,856.25	0.00	0.00

September 24, 2020
8:22 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70750 Nevada Health CO-OP 70750003 Claims	07/31/20	24838	1,050.00	0.00	0.00	1,050.00
70750008 Company Administration	07/31/20	24835	3,816.25	0.00	0.00	3,816.25
70750100 Asset Recovery	07/31/20	24839	20,060.00	0.00	0.00	20,060.00
70750102 NHC vs. CMS Litigation	07/31/20	24840	24,930.00	0.00	0.00	24,930.00
Totals (4)			49,856.25	0.00	0.00	49,856.25

September 24, 2020
8:49 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70750 Nevada Health CO-OP 70750001 Takeover Administration	07/31/20	24842	0.00	600.68	0.00	600.68
70750003 Claims	07/31/20	24843	0.00	1.40	0.00	1.40
70750100 Asset Recovery	07/31/20	24844	0.00	18.62	0.00	18.62
70750102 NHC vs. CMS Litigation	07/31/20	24845	0.00	190.80	0.00	190.80
Totals (4)			0.00	811.50	0.00	811.50

September 24, 2020
10:19 am

Cantilo & Bennett, L.L.P.
Timekeeper Costs by Work Code

Page 1
[cs1c]

Work Date 07/01/2020:07/31/2020
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	LX1A LEXIS	0.00	176.10	0.00	176.10
	MT1A MISCELLANEOUS	0.00	14.70	0.00	14.70
	PO1E POSTAGE	0.00	3.80	0.00	3.80
	TS1E TELEPHONE CHARGES	0.00	598.28	0.00	598.28
	WL1A WESTLAW	0.00	18.62	0.00	18.62
	Sub Total ()	0.00	811.50	0.00	811.50
Grand Total		0.00	811.50	0.00	811.50

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October 20, 2020

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

August 1 - August 31, 2020

<u>Matter No. and Description</u>	<u>Invoice Numbers</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
August 2020	24846- 24881	\$ 57,092.50	\$ 795.41	\$ 57,887.91
Totals (1)		\$ 57,092.50	\$ 795.41	\$ 57,887.91

Cantilo & Bennett, L.L.P.

**NEVADA HEALTH CO-OP
TIMEKEEPER SUMMARY REPORT
8/1/20 - 8/31/20**

		Billable Hours	Billable Rate	August Billing
1	Timekeeper - Patrick H. Cantilo	0.00	\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	74.10	\$400.00	\$29,640.00
3	Timekeeper - Kristen W. Johnson	15.30	\$300.00	\$4,590.00
4	Timekeeper - Josh O. Lively	113.00	\$200.00	\$22,600.00
5	Timekeeper - Douglas J. Coonfield	0.00	\$200.00	\$0.00
6	Timekeeper - Jose M. Rangel	0.00	\$350.00	\$0.00
7	Timekeeper - Arati Bhattacharya	0.00	\$300.00	\$0.00
8	Timekeeper - Law Clerk	0.00	\$85.00	\$0.00
9	Timekeeper - Isaiah Samaniego	0.90	\$125.00	\$112.50
10	TimeKeeper - Pierre Riou	0.00	\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	1.20	\$125.00	\$150.00
	GRAND TOTAL	204.50		\$57,092.50

October 22, 2020
1:36 pm

Cantilo & Bennett, L.L.P.
Unbilled Timekeeper Work by Matter

Page 1
[pr 3b]

Client ID 70750
Work Date 08/1/20:08/31/2020

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750003	Claims	0.75	300.00	0.00	0.00
70750008	Company Administration	2.55	1,020.00	0.00	0.00
70750100	Asset Recovery	16.05	6,420.00	0.00	0.00
70750102	NHC vs. CMS Litigation	54.75	21,900.00	0.00	0.00
Sub Total (MFB)		74.10	29,640.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750008	Company Administration	0.20	25.00	0.00	0.00
70750102	NHC vs. CMS Litigation	1.00	125.00	0.00	0.00
Sub Total (JLC)		1.20	150.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750003	Claims	0.70	210.00	0.00	0.00
70750008	Company Administration	5.90	1,770.00	0.00	0.00
70750100	Asset Recovery	8.70	2,610.00	0.00	0.00
Sub Total (KWJ)		15.30	4,590.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
		106.00	21,200.00	0.00	0.00
70750102	NHC vs. CMS Litigation	7.00	1,400.00	0.00	0.00
Sub Total (JOL)		113.00	22,600.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750008	Company Administration	0.90	112.50	0.00	0.00
Sub Total (IXS)		0.90	112.50	0.00	0.00*
Grand Total		204.50	57,092.50	0.00	0.00

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70750 Nevada Health CO-OP 70750003 Claims	08/31/20	24880	510.00	0.00	0.00	510.00
70750008 Company Administration	08/31/20	24877	2,927.50	0.00	0.00	2,927.50
70750100 Asset Recovery	08/31/20	24878	30,230.00	0.00	0.00	30,230.00
70750102 NHC vs. CMS Litigation	08/31/20	24881	23,425.00	0.00	0.00	23,425.00
Totals (4)			57,092.50	0.00	0.00	57,092.50

October 22, 2020
1:36 pm

Cantilo & Bennett, L.L.P.
Timekeeper Costs by Work Code

Page 1
[cs1c]

Work Date 08/01/2020:08/31/2020
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	PO1E POSTAGE	0.00	11.65	0.00	11.65
	TS1E TELEPHONE CHARGES	0.00	685.11	0.00	685.11
	WL1A WESTLAW	0.00	98.65	0.00	98.65
	Sub Total ()	0.00	795.41	0.00	795.41
	Grand Total	0.00	795.41	0.00	795.41

October 08, 2020
10:16 am

Cantilo & Bennett, L.L.P.
Bill Register

Page 1

Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70750 Nevada Health CO-OP 70750001 Takeover Administration	08/31/20	24846	0.00	688.31	0.00	688.31
70750003 Claims	08/31/20	24876	0.00	8.45	0.00	8.45
70750102 NHC vs. CMS Litigation	08/31/20	24879	0.00	98.65	0.00	98.65
Totals (3)			0.00	795.41	0.00	795.41

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

Telephone (512) 404-6555
Facsimile (512) 404-6530
Toll Free (877) 309-7105
www.palomarfin.com

September 22, 2020

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

July 1, 2020 – July 31, 2020

Matter No. and Description	Fees	Costs	Total
July 2020 Non-IT Services	\$2,700.00	\$0.00	\$2,700.00
July 2020 IT Services Flat Fee	5,000.00	0.00	5,000.00
Totals	\$7,700.00	\$0.00	\$7,700.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD JULY 2020

		Billable Hours	Billable Rate	July 2020 Billing
1	TIME KEEPER - Nicole Wilkins	1.70	\$250.00	\$425.00
2	TIME KEEPER - Robert Stebel	0.00	\$160.00	\$0.00
3	TIME KEEPER - Kelly Reed	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	10.00	\$160.00	\$1,600.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Mary Noel	4.50	\$150.00	\$675.00
	GRAND TOTAL	16.20		\$2,700.00

Palomar Financial, LC
07/01/2020-07/31/2020
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	0.80	\$ 200.00
		Accounts Payable and Receivable	0.40	\$ 100.00
		Bank Account Administration/Reconciliation	0.50	\$ 125.00
		Sub Total (NMW)	1.70	\$ 425.00
RNS	Robert Stebel	Payroll & Employee Benefits	0.00	\$ -
		Sub Total (RNS)	0.00	\$ -
KJR	Kelly Reed	Accounts Payable and Receivable	0.00	\$ -
		Sub Total (KJR)	0.00	\$ -
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	10.00	\$ 1,600.00
		Sub Total (NK)	10.00	\$ 1,600.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Investment Accounting/Support	0.75	\$ 112.50
		Accounts Payable and Receivable	3.75	\$ 562.50
		Sub Total (MFN)	4.50	\$ 675.00
Grand Total			16.20	\$ 2,700.00

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

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Facsimile (512) 404-6530
Toll Free (877) 309-7105
www.palomarfin.com

October 23, 2020

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

August 1, 2020 – August 31, 2020

Matter No. and Description	Fees	Costs	Total
August 2020 Non-IT Services	\$8,130.00	\$0.00	\$8,130.00
August 2020 IT Services Flat Fee	5,000.00	0.00	5,000.00
Totals	\$13,130.00	\$0.00	\$13,130.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD AUGUST 2020

		Billable Hours	Billable Rate	August 2020 Billing
1	TIME KEEPER - Nicole Wilkins	4.05	\$250.00	\$1,012.50
2	TIME KEEPER - Robert Stebel	0.00	\$160.00	\$0.00
3	TIME KEEPER - Kelly Reed	0.00	\$150.00	\$0.00
4	TIME KEEPER - Neda Khalaf	33.00	\$160.00	\$5,280.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Mary Noel	12.25	\$150.00	\$1,837.50
	GRAND TOTAL	49.30		\$8,130.00

Palomar Financial, LC
08/01/2020-08/31/2020
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	0.70	\$ 175.00
		Accounts Payable and Receivable	2.90	\$ 725.00
		Bank Account Administration/Reconciliation	0.25	\$ 62.50
		Reports/Replies to Policyholders, Creditors, Other Parties	0.20	\$ 50.00
		Sub Total (NMW)	4.05	\$ 1,012.50
RNS	Robert Stebel	Payroll & Employee Benefits	0.00	\$ -
		Sub Total (RNS)	0.00	\$ -
KJR	Kelly Reed	Accounts Payable and Receivable	0.00	\$ -
		Sub Total (KJR)	0.00	\$ -
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	33.00	\$ 5,280.00
		Sub Total (NK)	33.00	\$ 5,280.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Investment Accounting/Support	0.25	\$ 37.50
		Accounts Payable and Receivable	12.00	\$ 1,800.00
		Sub Total (MFN)	12.25	\$ 1,837.50
Grand Total			49.30	\$ 8,130.00

11401 Century Oaks Terrace
Suite 310
Austin, Texas 78758



PALOMAR FINANCIAL, LC

Telephone (512) 404-6555
Facsimile (512) 404-6530
Toll Free (877) 309-7105
www.palomarfin.com

December 8, 2020

BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

September 1, 2020 – September 30, 2020

Matter No. and Description	Fees	Costs	Total
September 2020 Non-IT Services	\$21,752.00	\$0.00	\$21,752.00
September 2020 IT Services Flat Fee	5,000.00	0.00	5,000.00
Totals	\$26,752.00	\$0.00	\$26,752.00

Palomar Financial, LC

NEVADA HEALTH CO-OP
PRIVILEGED AND CONFIDENTIAL
SUMMARY REPORT
PERIOD SEPTEMBER 2020

		Billable Hours	Billable Rate	September 2020 Billing
1	TIME KEEPER - Nicole Wilkins	38.65	\$250.00	\$9,662.50
2	TIME KEEPER - Robert Stebel	0.70	\$160.00	\$112.00
3	TIME KEEPER - Kelly Reed	30.15	\$150.00	\$4,522.50
4	TIME KEEPER - Neda Khalaf	14.25	\$160.00	\$2,280.00
5	TIME KEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIME KEEPER - Mary Noel	34.50	\$150.00	\$5,175.00
	GRAND TOTAL	118.25		\$21,752.00

Palomar Financial, LC
09/01/2020-09/30/2020
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	25.30	\$ 6,325.00
		General Ledger Accounting	2.35	\$ 587.50
		Accounts Payable and Receivable	5.00	\$ 1,250.00
		Bank Account Administration/Reconciliation	1.95	\$ 487.50
		Claims Matters	4.05	\$ 1,012.50
		Sub Total (NMW)	38.65	\$ 9,662.50
RNS	Robert Stebel	Claims Matters	0.70	\$ 112.00
		Sub Total (RNS)	0.70	\$ 112.00
KJR	Kelly Reed	Accounting Reports/Receivership Team Support	23.50	\$ 3,525.00
		Bank Account Administration/Reconciliations	6.65	\$ 997.50
		Sub Total (KJR)	30.15	\$ 4,522.50
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	14.25	\$ 2,280.00
		Sub Total (NK)	14.25	\$ 2,280.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Accounting Reports/Receivership Team Support	17.75	\$ 2,662.50
MFN	Mary Noel	Investment Accounting/Support	0.25	\$ 37.50
		Accounts Payable and Receivable	16.50	\$ 2,475.00
		Sub Total (MFN)	34.50	\$ 5,175.00
	Grand Total		118.25	\$ 21,752.00



Invoice No.: 5477610
File No. : 170678.010100
Bill Date : September 15, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Asset Recovery matter in State Court

Legal Services through August 31, 2020:

Total Fees: \$ 57,543.00

Expenses:

Filing Fees	3.50
Professional & Legal	232.72
Transcript Charges	353.32

Total Expenses: \$ 589.54

Total Current Invoice: \$ 58,132.54

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5482178
File No. : 170678.010300
Bill Date : September 22, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Federal Court of Claims

Legal Services through August 31, 2020:

Total Fees: \$ 173,477.50

Total Current Invoice: \$ 173,477.50

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5477557
File No. : 170678.010800
Bill Date : September 15, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC v. WellHealth, etc.

Legal Services through August 31, 2020:

Total Fees: \$ 1,565.00

Total Current Invoice: \$ 1,565.00

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5477591
File No. : 170678.010700
Bill Date : September 15, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Silver State Health Insurance Exchange

Legal Services through August 31, 2020:

Total Fees: \$ 2,145.00

Total Current Invoice: \$ 2,145.00

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5508036
File No. : 170678.010100
Bill Date : October 26, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Asset Recovery matter in State Court

Legal Services through September 30, 2020:

Total Fees: \$ 73,578.50

Total Current Invoice: \$ 73,578.50

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5512631
File No. : 170678.010300
Bill Date : November 2, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Federal Court of Claims

THIS INVOICE REPLACES INVOICE #5508037

Total Fees: \$ 106,989.00

Total Current Invoice: \$ 106,989.00

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5508041
File No. : 170678.010700
Bill Date : October 26, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Silver State Health Insurance Exchange

Legal Services through September 30, 2020:

Total Fees: \$ 16,748.00

Expenses:

Filing Fees

10.50

Total Expenses: \$ 10.50

Total Current Invoice: \$ 16,758.50

MEF:TKK

Tax ID: 13-3613083



Invoice No.: 5508038
File No. : 170678.010500
Bill Date : October 26, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Special Legal Receivership Matters

Legal Services through September 30, 2020:

Total Fees: \$ 47.50

Total Current Invoice: \$ 47.50

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5533664
File No. : 170678.010100
Bill Date : November 18, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Asset Recovery matter in State Court

Legal Services through October 31, 2020:

Total Fees: \$ 174,813.50

Expenses:

Filing Fees

17.50

Total Expenses: \$ 17.50

Total Current Invoice: \$ 174,831.00

MEF:TKK

Tax ID: 13-3613083



Invoice No.: 5533649
File No. : 170678.010300
Bill Date : November 18, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Federal Court of Claims

Legal Services through October 31, 2020:

Total Fees: \$ 7,440.50

Total Current Invoice: \$ 7,440.50

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5533642
File No. : 170678.010800
Bill Date : November 18, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC v. WellHealth, etc.

Legal Services through October 31, 2020:

Total Fees: \$ 2,077.50

Total Current Invoice: \$ 2,077.50

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5533630
File No. : 170678.010700
Bill Date : November 18, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Silver State Health Insurance Exchange

Legal Services through October 31, 2020:

Total Fees: \$ 3,191.50

Expenses:

Filing Fees

3.50

Total Expenses: \$ 3.50

Total Current Invoice: \$ 3,195.00

MEF:TKK

Tax ID: 13-3613083



Invoice No.: 5552233
File No. : 170678.010100
Bill Date : December 7, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Asset Recovery matter in State Court

Legal Services through November 30, 2020:

Total Fees: \$ 75,961.50

Expenses:

Filing Fees 17.50

Subpoenas 35.00

Total Expenses: \$ 52.50

Total Current Invoice: \$ 76,014.00

MEF:TKK

Tax ID: 13-3613083



Invoice No.: 5552277
File No. : 170678.010300
Bill Date : December 7, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Federal Court of Claims

Legal Services through November 30, 2020:

Total Fees: \$ 39,392.00

Total Current Invoice: \$ 39,392.00

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5552238
File No. : 170678.010800
Bill Date : December 7, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: NHC v. WellHealth, etc.

Legal Services through November 30, 2020:

Total Fees: \$ 1,755.00

Total Current Invoice: \$ 1,755.00

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5552237
File No. : 170678.010700
Bill Date : December 7, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Silver State Health Insurance Exchange

Legal Services through November 30, 2020:

Total Fees: \$ 5,157.50

Total Current Invoice: \$ 5,157.50

MEF:TKK
Tax ID: 13-3613083



Invoice No.: 5552236
File No. : 170678.010500
Bill Date : December 7, 2020

Nevada Health Co-Op
Cantilo & Bennett, L.L.P.
c/o Mark F. Bennett, Esq.
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758

INVOICE

Re: Special Legal Receivership Matters

Legal Services through November 30, 2020:

Total Fees: \$ 47.50

Total Current Invoice: \$ 47.50

MEF:TKK
Tax ID: 13-3613083



Invoice Remittance

Mark Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758
mfbennett@cb-firm.com

October 8, 2020
FTI Invoice No. 7560708
FTI Job No. 400181.0551
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Nevada Health CO-OP Receivership - Surplus notes

Current Invoice Period: Charges Posted through September 30, 2020

Amount Due This Period

Professional Services.....	\$9,896.60
Expenses	<u>\$0.00</u>
Amount Due this Period.....	\$9,896.60



Invoice Remittance

Mark Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace, Suite 300
Austin, TX 78758
mfbennett@cb-firm.com

November 10, 2020
FTI Invoice No. 7563844
FTI Job No. 425623.0005
Terms NET 30
Federal I.D. No. 52-1261113
Currency: USD

Re: Nevada Health CO-OP in Receivership

Current Invoice Period: Charges Posted through October 31, 2020

Amount Due This Period

Professional Services.....	\$18,045.00
Expenses.....	<u>\$0.00</u>
Total Amount Due	<u><u>\$18,045.00</u></u>



DEVITO CONSULTING, INC.
JOSEPH J. DEVITO CONSULTING

November 12, 2020

Mr. Mark F. Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Re: Work Related to Nevada Health CO-OP ("NHC")

Dear Mr. Bennett:

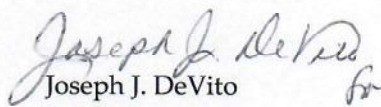
The following is a summary of consulting fees incurred from October 1, 2020 through October 31, 2020 in connection with the above-referenced matter.

Total Due - Consulting Fees

\$22,487.50

Details of time are provided in the enclosed schedules. Your prompt payment is appreciated.

Very truly yours,


Joseph J. DeVito
President

Enclosures



DEVITO CONSULTING, INC.
JOSEPH J. DEVITO CONSULTING

December 7, 2020

Mr. Mark F. Bennett
Cantilo & Bennett, LLP
11401 Century Oaks Terrace
Suite 300
Austin, TX 78758

Re: Work Related to Nevada Health CO-OP ("NHC")

Dear Mr. Bennett:

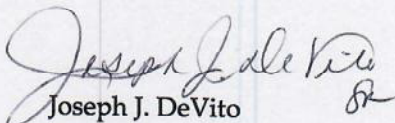
The following is a summary of consulting fees incurred from November 1, 2020 through November 30, 2020 in connection with the above-referenced matter.

Total Due - Consulting Fees

\$7,962.50

Details of time are provided in the enclosed schedules. Your prompt payment is appreciated.

Very truly yours,


Joseph J. DeVito
President

Enclosures

EXHIBIT 2

Class C-L Claims

NRS 696B.330(6) Claims Report of Allowed Amounts for Class C-L Claims

Proof of Claim No.	Priority per NRS 696B.420(1)	Claimant Name	Total Allowed Amount
NHC1012	G	Christopher Carothers	\$0.00
NHC1022	G	Phi Long	\$14,400.00
NHC1023	G	Safeguard Insurance, LLC	\$8,633.12
NHC1026	G	Eldorado Computing	\$2,707.50
NHC1027	G	Eldorado Computing	\$2,000.00
NHC1028	G	Eldorado Computing	\$0.00
NHC1029	G	Eldorado Computing	\$2,000.00
NHC1030	G	Eldorado Computing	\$7,820.00
NHC1031	G	Eldorado Computing	\$15,930.00
NHC1032	G	Eldorado Computing	\$8,977.50
NHC1033	G	Eldorado Computing	\$0.00
NHC1034	G	Eldorado Computing	\$0.00
NHC1035	G	Eldorado Computing	\$0.00
NHC1038	G	Insurance Group of Nevada	\$10,882.83
NHC1042	G	Judith A Tompa	\$424.10
NHC1060	D	Internal Revenue Service	\$493.65
NHC1062	G	Frank Sposato	\$11,758.18
NHC1065	G	David Mannina	\$2,716.51
NHC 1068	G	Nevada Benefits	\$52,707.85
NHC 1072	G	Michele Schulz	\$6,251.58
NHC 1078	G	Tarkus Mossberg	\$479.59
NHC 1079	G	Conrad Stork	\$2,000.00
NHC 1080	G	Mayfair Management Group	\$9,863.00
NHC 1083	G	Janet Holland-Williams	\$640.09
NHC 1085	G	Carl Cook	\$11,021.79
NHC 1087	G	Elevate Insurance	\$12,473.35
NHC 1092	G	Sun City Financial LLC	\$21,244.45
NHC 1097	G	Afsar Amin-Akbari	\$331.07
NHC 1098	G	Nancy Bellantine	\$1,732.93
NHC 1099	G	Indegene Healthcare LLC Dr. Rajesh Nair	\$59,517.36
NHC 1102	G	Brownstein Hyatt Farber Schreck LLP	\$39,029.96
NHC 1105	G	Nancy Joanne Buford	\$6,151.72
NHC 1107	G	Health Services Coalition	\$141,280.00
NHC 1110	G	Xerox Corporation	\$7,047.03
NHC 1111	G	Charles Dean Richard	\$11,437.73
NHC 1117	DENIED	Stewart, Archibald & Barney LLP	\$0.00
NHC 1125	G	RLM LLC	\$5,245.00
NHC 1126	G	RLM Agency	\$116,702.31
NHC 1132	G	Walter Ross	\$4,605.59
NHC 1133	G	3800 Meadows	\$854,608.00
NHC 1134	G	3900 Meadows	\$479,465.75
NHC 1135	G	Soledad Madrigal	\$7,000.00
N/A	LATE	Tillman Clifton, III	\$0.00
N/A	LATE	Silver State Health Ins. Exch.	\$0.00
			\$1,939,579.53

EXHIBIT 3

Cash Flow Analysis

NEVADA HEALTH CO-OP

Cash Flow Analysis

Oct 2015 - Nov 2020

Sources & Uses

Beginning Cash as of October 1, 2015

\$ 5,352,417

SOURCES:

Premium Revenue	17,756,567
CSR Recoveries	2,347,121
Rx Rebates	-
Claims Overpayment Recoveries	720,133
PartnerRe 2014 Premium Refund	374,513
Traditional Reins Recoveries	787,352
FTR Reins Recoveries	735,747
Risk Corridor 2014	1,163,872
Federal Receivables Bridge Loan	-
Restricted Cash became Unrestricted	768,517
Sale of Risk Corridor Receivable Interest	10,000,000
Other	846,708
TOTAL SOURCES:	35,500,530

USES:

Medical Claims Q4 2015 and Post 2015 Adj	(176,660)
Rx Claims Q4 2015	(7,599,195)
Risk Adjustment 2015	-
Medical PMPMs Q4	(43,967)
FTR Reinsurance Premium	(898,687)
Traditional Reins Premium Q4 2015	(547,319)
Premium Tax	(294,665)
Other Admin	(12,785,492)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Provider Claims Payments	(802,891)
Professional Services	(12,852,121)

TOTAL USES:

(36,162,240)

Net cash increase for period

(661,709)

Ending Cash as of November 30, 2020

\$ 4,690,708