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Electronically Filed  
Jul 01 2021 10:40 a.m.  
Elizabeth A. Brown  
Clerk of Supreme Court

11 IN THE SUPREME COURT OF THE STATE OF NEVADA

12 UNITE HERE HEALTH; AND  
NEVADA HEALTH SOLUTIONS,  
13 LLC,

Appellants,

14 vs.

15 THE STATE OF NEVADA  
COMMISSIONER OF INSURANCE,  
16 BARBARA D. RICHARDSON, IN  
HER OFFICIAL CAPACITY AS  
17 STATUTORY RECEIVER FOR  
DELINQUENT DOMESTIC  
18 INSURER; NEVADA HEALTH CO-  
OP, AND GREENBERG TRAUIG,

Supreme Court No. 82467/82552  
District Court No. A-15-725244-C

**APPELLANTS/PETITIONERS'  
MOTION TO CONSOLIDATE**

1 LLP,

2 Respondents,

3 UNITE HERE HEALTH, A MULTI-  
4 EMPLOYER HEALTH AND  
5 WELFARE TRUST, AS DEFINED IN  
ERISA SECTION 3(37); AND  
NEVADA HEALTH SOLUTIONS,  
LLC, A NEVADA LIMITED  
LIABILITY COMPANY,

6 Petitioners,

7 vs.

8 THE EIGHTH JUDICIAL DISTRICT  
9 COURT OF THE STATE OF  
NEVADA, IN AND FOR THE  
10 COUNTY OF CLARK, THE  
HONORABLE TARA D. CLARK  
NEWBERRY, DISTRICT JUDGE,

11 Respondent,

12 and

13 THE STATE OF NEVADA  
14 COMMISSIONER OF INSURANCE,  
BARBARA D. RICHARDSON, IN  
15 HER OFFICIAL CAPACITY AS  
STATUTORY RECEIVER FOR  
16 DELINQUENT DOMESTIC  
INSURER; NEVADA HEALTH CO-  
OP, AND GREENBERG TRAURIG,  
LLP,

17 Real Parties in Interest.

**APPELLANTS/PETITIONERS' MOTION TO CONSOLIDATE**

Pursuant to NRAP 3(b), Appellants/Petitioners Unite Here Health and Nevada Health Solutions, LLC (jointly, “UHH”) move to consolidate this previously consolidated appeal/writ petition, which challenges an Order Denying Motion to Disqualify Greenberg Traurig, LLP and to Disgorge Attorneys’ Fees (the “Conflicts Appeal”), with a newly filed Petition for Extraordinary Writ Relief, entitled *Unite Here Health v. Eighth Judicial District Court*, No. 83135, which challenges an Order Denying UHH’s Motion for Leave to File Third-Party Complaint (the “Impleader Writ Petition”).<sup>1</sup>

DATED this 1<sup>st</sup> day of July, 2021.

BAILEY ♦ KENNEDY

By: /s/ Dennis L. Kennedy  
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DENNIS L. KENNEDY  
SARAH E. HARMON  
JOSEPH A. LIEBMAN  
*Attorneys for Unite Here  
Health and Nevada Health Solutions, LLC*

---

<sup>1</sup> The Impleader Writ Petition also addresses the District Court’s denial of UHH’s Motion to Consolidate Case No. A-20-816161-C (the “Motion to Consolidate”).

**MEMORANDUM OF POINTS AND AUTHORITIES**

There are currently several related lawsuits pending in the Eighth Judicial District Court stemming from the Statutory Receivership and liquidation of the Nevada Health CO-OP (the “CO-OP”), a non-profit insurer that was formed to offer insurance policies to Nevada residents under the terms of the federal Patient Protection and Affordable Care Act. One of those lawsuits has been characterized by the Receiver (the Commissioner of the Nevada Department of Insurance) as an “asset recovery action” (A-17-760558-B), in which the Receiver (on behalf of the CO-OP) asserted numerous tort and contract claims against different vendors (including UHH) and management of the CO-OP, claiming that they were to blame for the CO-OP’s eventual insolvency and liquidation (the “Asset Recovery Action”).

Counsel for the Receiver, Greenberg Traurig, LLP (“Greenberg”), was appointed by the Receivership Court in Case No. A-15-725244-C (the “Receivership Action”), and is also lead counsel for the Receiver in the Asset Recovery Action. In the Conflicts Appeal, UHH contends that Greenberg must be disqualified as counsel for the Receiver because, while it was representing the Receiver in both the Receivership Action and the Asset Recovery Action, it

1 was also concurrently representing Valley Health System (“Valley”), one of the  
2 most significant creditors of the receivership estate, and Xerox State  
3 Healthcare, LLC (“Xerox”), a potential target defendant for recovery of assets  
4 for the receivership estate and its creditors.

5 The Impleader Writ Petition is directly related to the Conflicts Appeal.  
6 The Impleader Writ Petition challenges the District Court’s Order Denying  
7 UHH’s Motion for Leave to File Third-Party Complaint (“Motion for Leave”)  
8 and requests that the District Court be instructed to grant the Motion for Leave,  
9 thereby permitting UHH to implead Xerox and Silver State Health Insurance  
10 Exchange (“Silver State”) as third-party defendants. The District Court has  
11 confirmed that the only reason it denied UHH’s timely Motion for Leave to  
12 implead Xerox and Silver State as third-party defendants was due to  
13 Greenberg’s self-inflicted conflicts of interest — the precise subject of the  
14 Conflicts Appeal.<sup>2</sup> In fact, UHH’s Impleader Writ Petition provides another  
15 concrete example of how Greenberg’s ongoing conflicts of interest relating to  
16 Xerox are directly impacting litigation initiated by Greenberg and prejudicing

---

17 <sup>2</sup> Order Denying Motions (I) for Leave to File Third-Party Complaint and  
18 (II) to Consolidate, attached as Exhibit A.

1 parties such as UHH who have been sued by Greenberg. The District Court is  
2 forcing UHH to bear the brunt of Greenberg's conflicts by denying UHH their  
3 rights to implead third-party defendants such as Xerox and Silver State under  
4 NRCP 14.

5 Although the Nevada Rules of Appellate Procedure do not explicitly  
6 contemplate the consolidation of an appeal with a petition for extraordinary  
7 writ relief, NRAP 3(b)(2) does contemplate the consolidation of related  
8 matters. As set forth above, the issues raised in the Impleader Writ Petition  
9 largely overlap with the issues raised in the Conflicts Appeal, given that the  
10 District Court denied the Motion for Leave (and the Motion to Consolidate)  
11 based solely on Greenberg's conflict of interest with Xerox. Although the  
12 Conflicts Appeal and the Impleader Writ Petition technically arise from  
13 separate cases, the Receivership Action and the Asset Recovery Action are  
14 related matters. In fact, the District Court in the Receivership Action is  
15 charged with supervision of the Asset Recovery Action.<sup>3</sup> Furthermore, the  
16

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17 <sup>3</sup> Twenty-Third Status Report, 6:15-10:20, attached as Exhibit B, in which  
18 the Receiver, through Greenberg, reports to the Receivership Court on the  
Status of the Asset Recovery Action.

relevant parties and counsel in the Conflicts Appeal and the Impleader Writ  
Petition are essentially the same. Therefore, in the interests of judicial  
efficiency, economy, and consistency, UHH respectfully requests that the  
Conflicts Appeal and the Impleader Writ Petition be consolidated into one  
action to ensure that all of these overlapping issues are decided in one  
proceeding.

DATED this 1<sup>st</sup> day of July, 2021.

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SARAH E. HARMON

JOSEPH A. LIEBMAN

*Attorneys for Unite Here*

*Health and Nevada Health Solutions, LLC*

**CERTIFICATE OF SERVICE**

I certify that I am an employee of BAILEY❖KENNEDY and that on the 1<sup>st</sup> day of July, 2021, service of the foregoing **APPELLANTS/PETITIONERS' 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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**VIA E-MAIL:**

HONORABLE TARA CLARK NEWBERRY

**EIGHTH JUDICIAL DISTRICT**

**COURT OF THE STATE OF**

**NEVADA, IN AND FOR THE**

**COUNTY OF CLARK**

Department XXI

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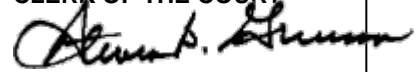
*Respondent*

/s/ Angelique Mattox

Employee of BAILEY ♦ KENNEDY

**EXHIBIT A**

**EXHIBIT A**



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*Attorneys for Plaintiff*

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,

Plaintiffs,

v.

MILLIMAN, INC., *et al.*,

Defendants.

Case No. A-17-760558-C  
Dept. No. 16

STATE OF NEVADA, ex rel. Commissioner  
of Insurance, BARBARA D. RICHARDSON,  
in her Official Capacity as Receiver for  
NEVADA HEALTH CO-OP,

Plaintiffs,

v.

SILVER STATE HEALTH INSURANCE  
EXCHANGE,

Defendants.

Case No. A-20-816161-C  
Dep't No. 8

**NOTICE OF ENTRY OF ORDER DENYING MOTIONS (I) FOR LEAVE TO FILE  
THIRD-PARTY COMPLAINT AND (II) TO CONSOLIDATE**

Please take notice that an Order Denying Motions (I) for Leave to File  
Third-Party Complaint and (II) to Consolidate was entered on May 26, 2021,

1 2020. A true and correct copy is attached hereto and made part hereof.

2 Dated this 11<sup>th</sup> day of June, 2021.

3  
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5 By: /s/ Abraham G. Smith

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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,

Plaintiffs,

v.

MILLIMAN, INC., *et al.*,

Defendants.

Case No. A-17-760558-C  
Dept. No. 16

STATE OF NEVADA, ex rel. Commissioner  
of Insurance, BARBARA D. RICHARDSON,  
in her Official Capacity as Receiver for  
NEVADA HEALTH CO-OP,

Plaintiffs,

v.

SILVER STATE HEALTH INSURANCE  
EXCHANGE,

Defendants.

Case No. A-20-816161-C  
Dep't No. 8

Hearing Date: April 14, 2021  
Hearing Time: 9:00 a.m.

**ORDER DENYING MOTIONS (I) FOR LEAVE TO FILE THIRD-PARTY  
COMPLAINT AND (II) TO CONSOLIDATE**

On April 14, 2021, this Court considered

- Defendants Unite Here Health and Nevada Health Solutions, LLC's Motion for Leave to File Third-Party Complaint
- Defendants Pamela Egan, Basil Dibsie, Linda Mattoon, Bobbette Bond, Tom Zumtobel, and Kathleen Silver's Joinder to "Unite Here Health and Nevada Health Solutions, LLC's Motion for Leave to File Third-Party Complaint"
- Defendants InsureMonkey, Inc. and Alex Rivlin's Joinder to "Unite Here Health and Nevada Health Solutions, LLC's Motion for Leave to File Third-Party Complaint"; and
- Defendants Unite Here Health and Nevada Health Solutions, LLC's Motion to Consolidate Case No. A-20-816161-C.

After review and consideration of the points and authorities on file herein, oral argument of counsel, and the entire record, the Court determines as follows:

1. The Court is well aware of its broad but not unlimited discretion in addressing a motion to implead under NRCP 14. The impleader rule does not set forth a time when a motion for leave must be brought; however, pursuant to the Court's scheduling order, defendants Unite Here Health and Nevada Health Solutions, LLC's Motion is timely and not the result of dilatory conduct.

2. Notwithstanding, an undue delay is only one factor upon which this Court should consider.

3. Thus, this Court's decision considers the timing of the filed motion for leave to file third-party complaint and motion to implead after three-and-a-half years of litigation and the potential prejudice to the parties.

4. Consequently, the Court is concerned about whether the impleader of a third party based on contribution claims would unduly complicate the pending action by injecting tangential issues such as potential conflicts resulting

1 in the disqualification of plaintiff's counsel and impacting plaintiff's choice of  
2 counsel in the pending matter, potentially prejudicing the plaintiff.

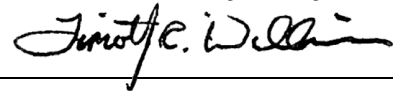
3 5. In contrast, under Nevada law, defendants' contribution claims  
4 against third parties could be pursued in an independent action pursuant to NRS  
5 17.285 after trial, if necessary.

6 6. Balancing the potential prejudice to the parties and whether  
7 impleader would unduly complicate an already complex case, and the fact that  
8 defendant may still pursue an independent contribution claim if they are  
9 unsuccessful in defense of this action, defendants' motion for leave to file a third-  
10 party complaint for contribution shall be DENIED.

11 7. Similarly, the joinders by defendants Pamela Egan, Basil Dibsie,  
12 Lina Mattoon, Bobbette Bond, Tom Zumtobel, and Kathleen Silver and by  
13 defendants InsureMonkey Inc. and Alex Rivlin shall also be DENIED.

14 8. Further, and for similar reasons, in addition to potential trial  
15 protocol issues, defendants' motion to consolidate shall be DENIED.

Dated this 26th day of May, 2021



ZJ

E89 7BB FA7E 600F  
Timothy C. Williams  
District Court Judge



Respectfully submitted by:

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## Kapolnai, Emily

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**To:** 'John Bailey'; Smith, Abraham; Ferrario, Mark (NON-SIDLEY @GTLAW.COM) (ferrariom@gtlaw.com); Prunty, Donald L. (Shld-LV-LT); Joe Garin (JGarin@lipsonneilson.com); aochoa@lipsonneilson.com; Kurt Bonds; siderman@mmrs-law.com; brown@mmrs-law.com; Sarah Harmon; Joseph Liebman; Rebecca Crooker  
**Cc:** Polsenberg, Daniel F.; Helm, Jessica; Kapolnai, Emily; Kelley, Cynthia  
**Subject:** RE: Nevada Health Co-op v. Milliman order

[EXTERNAL]

---

You're authorized to use my signature.

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**From:** John Bailey <JBailey@baileykenedy.com>  
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**Subject:** RE: Nevada Health Co-op v. Milliman order

Abe: You are authorized to affix my signature on behalf of Unite Here Health and Nevada Health Solutions to Plaintiff's proposed Order. Thanks. JRB

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**Subject:** Nevada Health Co-op v. Milliman order

Friends,

Attached is a draft order based on Judge Williams's minute order. Please respond whether we may submit with your e-signature. If I've left anyone off of this list, I am sorry; please forward to the appropriate people.

Very best,

**Abraham G. Smith**  
Partner

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**LEWIS  ROCA**

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## Kapolnai, Emily

---

**From:** Lori Siderman <siderman@mmrs-law.com>  
**Sent:** Wednesday, May 19, 2021 2:01 PM  
**To:** Angela Ochoa; John Bailey; Smith, Abraham; Ferrario, Mark (NON-SIDLEY @GTLAW.COM); Prunty, Donald L. (Shld-LV-LT); Joe Garin; kbonds@alversontaylor.com; mpruitt@alversontaylor.com; brown@mmrs-law.com; Sarah Harmon; Joseph Liebman; Rebecca Crooker  
**Cc:** Polsenberg, Daniel F.; Helm, Jessica; Kapolnai, Emily; Kelley, Cynthia  
**Subject:** RE: Nevada Health Co-op v. Milliman order

[EXTERNAL]

---

You are authorized to affix my signature on behalf of Larson & Co.

Lori E. Siderman

**Meyers | McConnell**  
**Reisz | Siderman**

Meyers McConnell Reisz Siderman P.C.  
Attorneys at Law  
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**From:** Angela Ochoa <[AOchoa@lipsonneilson.com](mailto:AOchoa@lipsonneilson.com)>  
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**Cc:** Polsenberg, Daniel F. <[DPolsenberg@lewisroca.com](mailto:DPolsenberg@lewisroca.com)>; Helm, Jessica <[JHelm@lewisroca.com](mailto:JHelm@lewisroca.com)>; Kapolnai, Emily <[EKapolnai@lewisroca.com](mailto:EKapolnai@lewisroca.com)>; Kelley, Cynthia <[CKelley@lewisroca.com](mailto:CKelley@lewisroca.com)>  
**Subject:** RE: Nevada Health Co-op v. Milliman order

Same. Pls affix my electronic signature on behalf of Management Defendants. -Angela

---

**From:** John Bailey <[JBailey@baileykennedy.com](mailto:JBailey@baileykennedy.com)>

**Sent:** Wednesday, May 19, 2021 12:44 PM

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**Subject:** RE: Nevada Health Co-op v. Milliman order

Abe: You are authorized to affix my signature on behalf of Unite Here Health and Nevada Health Solutions to Plaintiff's proposed Order. Thanks. JRB

John R. Bailey  
BAILEY KENNEDY, LLP  
8984 Spanish Ridge Avenue  
Las Vegas, Nevada 89148-1302  
Phone: (702) 562-8820  
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**To:** Ferrario, Mark (NON-SIDLEY @[GTLAW.COM](mailto:ferrariom@gtlaw.com)) (<[ferrariom@gtlaw.com](mailto:ferrariom@gtlaw.com)>); Prunty, Donald L. (Shld-LV-LT) <[pruntyd@gtlaw.com](mailto:pruntyd@gtlaw.com)>; Joe Garin (<[JGarin@lipsonneilson.com](mailto:JGarin@lipsonneilson.com)>); [aochoa@lipsonneilson.com](mailto:aochoa@lipsonneilson.com); [kbonds@alversontaylor.com](mailto:kbonds@alversontaylor.com); [mpriott@alversontaylor.com](mailto:mpriott@alversontaylor.com); [siderman@mms-law.com](mailto:siderman@mms-law.com); [brown@mms-law.com](mailto:brown@mms-law.com); John Bailey <[JBailey@baileykennedy.com](mailto:JBailey@baileykennedy.com)>; Sarah Harmon <[SHarmon@baileykennedy.com](mailto:SHarmon@baileykennedy.com)>; Joseph Liebman <[JLiebman@baileykennedy.com](mailto:JLiebman@baileykennedy.com)>; Rebecca Crooker <[RCrooker@baileykennedy.com](mailto:RCrooker@baileykennedy.com)>

**Cc:** Polsenberg, Daniel F. <[DPolsenberg@lewisroca.com](mailto:DPolsenberg@lewisroca.com)>; Helm, Jessica <[JHelm@lewisroca.com](mailto:JHelm@lewisroca.com)>; Kapolnai, Emily <[EKapolnai@lewisroca.com](mailto:EKapolnai@lewisroca.com)>; Kelley, Cynthia <[CKelley@lewisroca.com](mailto:CKelley@lewisroca.com)>

**Subject:** Nevada Health Co-op v. Milliman order

Friends,

Attached is a draft order based on Judge Williams's minute order. Please respond whether we may submit with your e-signature. If I've left anyone off of this list, I am sorry; please forward to the appropriate people.

Very best,

Abraham G. Smith

Partner

[asmith@lewisroca.com](mailto:asmith@lewisroca.com)  
D. 702.474.2689



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1 **CSERV**

2  
3 DISTRICT COURT  
CLARK COUNTY, NEVADA

4  
5  
6 Nevada Commissioner of  
Insurance, Plaintiff(s)

CASE NO: A-17-760558-B

7 vs.

DEPT. NO. Department 16

8  
9 Milliman Inc, Defendant(s)

10  
11 **AUTOMATED CERTIFICATE OF SERVICE**

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

14 Service Date: 5/26/2021

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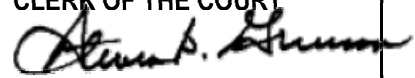


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**EXHIBIT B**

**EXHIBIT B**



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3 Nevada Bar No. 1625

4 ERIC W. SWANIS, ESQ.

5 Nevada Bar No. 6840

6 Donald L. Prunty, Esq.

7 Nevada Bar No. 8230

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

18 **IN THE EIGHTH JUDICIAL DISTRICT COURT**

19 **CLARK COUNTY, NEVADA**

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

25 Plaintiff,

26 vs.

27 NEVADA HEALTH CO-OP,

28 Defendant.

Case No. A-15-725244-C

Dept. No. 21

**TWENTY-THIRD 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 to collectively herein as "Receiver") and file this Twenty-Third Status Report in the above-captioned receivership.

## **I. INTRODUCTION AND HISTORICAL BACKGROUND**

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

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. Further, on October 14, 2015, the Receivership Court entered its Permanent Injunction and Order Appointing Commissioner as Permanent Receiver of Nevada Health CO-OP, appointing the law firm of CANTILO & BENNETT, L.L.P. as SDR of NHC, in accordance with Chapter 696B of the Nevada Revised Statutes.

Via a Notice of Substitution of Receiver dated April 6, 2016, the Deputy Attorney General informed interested parties of the substitution of Commissioner Barbara D. Richardson, in place and stead of former Acting Commissioner Amy L. Parks, as the Receiver of NHC. This substitution of Receiver was subsequent to Commissioner Richardson's appointment as Commissioner of Insurance for the State of Nevada.

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

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

## 8 II. RECEIVERSHIP ADMINISTRATION

### 9 Receivership Administrative Services and Oversight

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

---

16 <sup>1</sup> The *in camera* materials are being submitted in a separate envelope that reflect paid invoices.

17 Certain billings submitted to the Court are appropriate for *in camera* review (as opposed to being  
18 made part of a public filing). More particularly, and as discussed in further detail below, certain  
19 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.

20 In this regard, courts have held that the bills of legal counsel and experts may be withheld from  
21 legal discovery and are not subject to legal disclosure, as this information may provide indications or  
22 context concerning potential litigation strategy and the nature of the expert services being provided.  
See, e.g., *Avnet, Inc. v. Avana Technologies Inc.*, No. 2:13-cv-00929- GMN-PAL, 2014 WL 6882345,  
23 at \*1 (D. Nev. Dec. 4, 2014) (finding that billing entries were privileged because they reveal a party's  
strategy and the nature of services provided); *Fed. Sav. & Loan Ins. Corp. v. Ferm*, 909 F.2d 372, 374-  
24 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  
25 “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).

26 The *in-camera* review should apply not only to documentation concerning attorneys' fees, but it  
27 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  
28 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

**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).<sup>2</sup>

As previously reported, the SDR must collect certain necessary documentation from the providers in advance of making any claim payments. Four hundred ninety-five (495) providers have submitted the necessary documentation, and have received a distribution payment. However, the remaining 1,288 providers either did not respond or sent back defective paperwork. The SDR will continue to follow-up with these providers to collect the necessary paperwork so that distributions can be made.

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

---

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)).

<sup>2</sup> 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 In addition to the two member appeals described above, there are forty-two (42)  
2 outstanding appeals sent by NHC members of the NCDs that were mailed for outstanding  
3 healthcare claims submitted by providers to NHC's Javelina Claims Processing Database.<sup>3</sup>  
4 The SDR is working on a resolution of the outstanding appeals.

5 There are fifty-one proofs of claim ("POC") assigned to a priority Class "C" (*i.e.*,  
6 NRS 696B.420(1)(c)) or lower.<sup>4</sup> The SDR has now issued NCDs to nearly all of these  
7 claimants. It appears unlikely at this time that the estate will have sufficient assets to make  
8 distributions to claims assigned priority below Class B.

9 ***CMS Receivables***

10 As explained in prior status reports, and throughout the pendency of the receivership,  
11 the Receiver is working to resolve certain outstanding matters relating to the collection of  
12 amounts due under the various federal receivables programs, of which the CO-OP was a  
13 participant, and which are administered primarily by CMS. The recovery of these assets will  
14 allow the SDR to make further claim payments to estate creditors. It is also necessary to  
15 resolve the receivership's dispute of the government's asserted right to be paid ahead of all  
16 other creditors in the estate (including providers and members). CMS has maintained the  
17 position that any monies deemed owed to NHC (and thus the receivership estate) are to be  
18 offset against the amounts CMS asserts it is owed under the start-up loan awarded to NHC.  
19 To date, CMS has offset approximately \$12.9 million against the start-up loan that, the Receiver  
20 maintains, should have instead been paid to NHC. When the full amount of 2014 - 2015 Risk  
21  
22  
23

---

24 <sup>3</sup> Members received a copy of the claim determinations that were sent to their providers, so that  
25 the members could see any denied claims, and the deductible, co-pay, and coinsurance that was  
26 applied 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.

27 <sup>4</sup> This does not include a claim by the U.S. Department of Health and Human Services, which  
28 the SDR has previously reported to this Court. The government did not file an appeal of the SDR's  
determination of its claim.



Corridors payments (*i.e.*, not just the prorated amount<sup>5</sup>) are included in the total, NHC is owed over \$55 million.<sup>6</sup>

In the U.S. Court of Federal Claims, the Receiver's asset recovery litigation against CMS has continued without resolution, as yet, on the questions of debt, rights to offset, and claim and issue preclusion matters. CMS filed a motion to dismiss the Receiver's claims, while the Receiver filed a motion for summary judgment on NHC's claims—and both motions are pending before the U.S. Court of Federal Claims. Oral Arguments were held on the pending motions before the U.S. Court of Federal Claims on May 24, 2021, and the Receiver now awaits a court decision.

#### **Engagement of Additional Legal Counsel**

The Receiver has engaged the law firm of Greenberg Traurig LLP ("Greenberg Traurig"), as outside counsel in various litigation matters. As reported in the prior status report, the Receiver has retained the Lewis Roca firm as conflicts counsel and to address other matters that may arise in which Greenberg Traurig is not representing the receivership estate.

#### **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

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<sup>5</sup> Due to a shortfall in risk corridor collections, CMS asserted it could only pay a prorated percentage of issuers' 2014 Risk Corridors payments and that it would use all collections in subsequent years towards the 2014 payments (*i.e.*, they are unable to make payments for the subsequent years at all). Dep't of Health & Human Services & Centers for MediCare & Medicaid Services ("CMS"), CCIIO Memorandum, Risk Corridors Payment and Charge Amounts for the Benefit Year (November 18, 2016) (available at <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 and Charge Amounts for the 2016 Benefit Year (November 15, 2017) (available at <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Risk-Corridors-Amounts-2016.pdf>).

<sup>6</sup> NHC sold a portion, but not all, of its interest in the Risk Corridors receivables, as detailed in the Receiver's Seventeenth Status Report to this Court.

1 and requirements imposed by law, misrepresentation concerning quality and standard of care  
2 for services performed, and breaches of contract, duty, and implied covenants of good faith  
3 and fair dealing. The complaint names, among others, NHC's former actuaries, accountants,  
4 auditors, and providers of certain business operations and utilization review services, as well  
5 as those individuals who specifically performed, or who were in the role of supervising the  
6 performance of, those services. The complaint also names several NHC former directors and  
7 executive management.

8 Via Plaintiff's Motion to Amend Complaint, filed on July 17, 2018, the Receiver sought  
9 an order granting leave to amend the August 25, 2017, complaint against certain of NHC's  
10 various directors, officers, and third-party contractors, citing the discovery of additional facts in  
11 support of assertions made in the first complaint, as well as the need to add a new defendant  
12 to the existing proceedings. This Motion to Amend Complaint was filed in Judicial Department  
13 Sixteen, in line with the terms of contemporaneous Notice of Department Reassignment  
14 assigning the proceedings to Judge Timothy C. Williams. The Motion to Amend Complaint was  
15 approved via an order entered on September 18, 2018. Subsequently, the court ordered that  
16 the case against Milliman must be arbitrated. On December 19, 2019, the Nevada Supreme  
17 Court denied the Receiver's Writ of Mandamus seeking extraordinary relief against the order  
18 compelling arbitration, noting the availability of subsequent appellate relief, as well as  
19 disagreeing that clear legal error had occurred in the underlying proceedings. On October 16,  
20 2020, Plaintiff filed a Motion for Leave to File Second Amended Complaint, which contains  
21 additional factual allegations, theories of injury, and other context concerning NHC's resulting  
22 insolvency. Hearing on this Motion was scheduled for November 18, 2020, but was vacated  
23 later, as explained below, as part of the general stay of proceedings until the resolution of the  
24 issues arising from Defendants' Motion to Disqualify. The Motion for Leave to File Second  
25 Amended Complaint was heard in the April 14, 2021, proceedings concerning all pending  
26 motions, and was subsequently granted by the court through an order entered on May 4, 2021.  
27 The Plaintiff will proceed to file her Second Amended Complaint in the due course of the  
28 litigation.

On October 8, 2020, Unite Here Health and Nevada Health Solutions, each Defendants in the instant asset recovery litigation, filed their Motion with the Receivership Court to: (1) Disqualify Greenberg Traurig, LLP as Counsel for the Statutory Receiver of Nevada Health CO-OP, and (2) Disgorge Attorney's Fees Paid by Nevada Health CO-OP to Greenberg Traurig, LLP. Greenberg Traurig, LLP, filed its Opposition to the Motion to Disqualify on November 16, 2020. Plaintiff filed her Joinder to Greenberg Traurig's Opposition on November 16, 2020, and Defendants Unite Here Health and Nevada Health Solutions filed their Reply in Support of the Motion on December 8, 2020. Following a series of stipulated continuances, Judge Cory heard the arguments and evidence for and against the Motion to Disqualify on December 15, 2020. The court issued a Minute Order on December 16, 2020, denying the Motion to Disqualify, which was later formalized in a written Order on the same subject matter entered on January 15, 2021.

On February 8, 2021, Defendants Unite Here Health and Nevada Health Solutions filed their Notice of Appeal, seeking review of the Order Denying the Motion to Disqualify Greenberg Traurig, LLP and to Disgorge Attorneys' Fees. A Petition for Extraordinary Writ Relief was filed with the Nevada Supreme Court on February 25, 2021. On March 12, 2021, Greenberg Traurig, as counsel to the Receiver and representing itself in response to the Defendants' motion, and Jenner & Block LLP, counsel to Greenberg Traurig, filed an opposition to the Motion to Consolidate with the writ petition proceedings in Case No. 82552 (the "Writ"), as filed by Appellants/Petitioners Unite Here Health and Nevada Health Solutions, LLC, and Countermotion to Dismiss Appeal. The Motion to Consolidate was granted by the Nevada Supreme Court through an order entered on April 12, 2021. On June 16, 2021, Petitioners filed their opening brief and appendix of documents, with the Respondents having thirty (30) days from the date of service of this opening brief to submit their own opening brief and appendix. These proceedings remain ongoing.

Pursuing the same theories as underlined in their Motion to Disqualify, Unite Here Health and Nevada Health Solutions filed on October 15, 2020, their Motion for Leave to File Third-Party Complaint, seeking permission from the court to file a complaint for contribution

1 alleging that the Silver State Health Insurance Exchange and Xerox State Healthcare, LLC, are  
2 responsible for a significant number of NHC's injuries, such that concerns for judicial economy  
3 and the consolidation of related proceedings should merit the cross-complaint and addition of  
4 these parties to the instant asset recovery litigation. This Motion was joined by Defendant  
5 former directors and officers on October 16, 2020, and by InsureMonkey on October 22, 2020.  
6 These actions were quickly followed by the filing on October 19, 2020, of a Motion to  
7 Consolidate seeking to consolidate A-20-816161-C, the asset recovery suit against the Silver  
8 State Health Insurance Exchange, with the instant asset recovery proceedings. As with the  
9 Motion seeking the filing of the Third-Party Complaint, the Motion to Consolidate asserted that  
10 the alleged similarities between the factual circumstances of the cases merit this outcome.  
11 Through the issuance of a minute order dated May 3, 2021, subsequently followed by a formal  
12 written order dated May 26, 2021, the court denied both the Motion for Leave to File Third-  
13 Party Complaint and the Motion to Consolidate on the grounds, *inter alia*, that the risk of  
14 potential prejudice to the parties and the increase in case complexity contemplated by the  
15 attempted interpleader were on balance more significant than the issues of judicial economy  
16 and the risk of injection of "tangential issues such as potential conflicts" favored by Defendants.

17 On October 21, 2020, Defendant former directors and officers filed their Motion for  
18 Partial Summary Judgment on the pleadings pursuant to NRCP (12)(c), primarily on the  
19 grounds that many of the causes of action asserted in the First Amended Complaint (*i.e.*,  
20 negligent misrepresentation, constructive fraud, negligent performance of an undertaking) are  
21 acts that directors and officers of non-profit organizations (such as NHC) cannot be liable for  
22 under Nevada law and statutes regulating the governance of non-profit organizations. Plaintiff  
23 filed her Opposition to Defendants' Motion on February 12, 2021, setting forth the basis for the  
24 liability of the Defendant directors and officers. Defendants' Reply in Support of the Motion  
25 was filed on March 12, 2021. The Motion for Partial Summary Judgment was withdrawn, and  
26 the relevant hearing date vacated, pursuant to the terms of a Stipulation and Order agreed to  
27 between the parties and filed with the court on April 12, 2021.

28 ///

1 In light of the then-pending Motion to Disqualify before the Receivership Court, Plaintiff's  
2 counsel filed, on November 2, 2020, a Motion for Entry of Stay on Order Shortening Time. By  
3 an Order Staying the Litigation dated November 10, 2020, the court in A-17-760558-B stayed  
4 all schedules or actions involving the motions for the filing of a Third-Party Complaint,  
5 consolidation, partial summary judgment, the filing of a Second Amended Complaint, and the  
6 request to strike the Jury Demand. A Stipulation and Order Lifting the Stay of Litigation, Setting  
7 Briefing Schedule on Pending Motions, and Resetting Discovery and Other Associated  
8 Deadlines was entered on January 14, 2021, which returned the pending Motions to active  
9 litigation. On January 21, 2021, A Stipulation and Order was entered by the court, setting  
10 hearing on various motions relating to the filing of Third-Party Complaints, consolidation of  
11 cases, and related joinders to April 14, 2021, instead of the April 7, 2021, initial deadline for  
12 hearing such motions.

13 Under the terms of the most recent (the 5<sup>th</sup>) Amended Order Setting Civil Jury Trial, Pre-  
14 Trial, Calendar Call, and Deadlines for Motions; Amended Discovery Scheduling Order, both  
15 Plaintiff and Defendants' designation of rebuttal experts were due on April 16, 2021, with a  
16 Discovery Cut Off of December 31, 2021. Dispositive Motions are due by February 18, 2022,  
17 and Motions in Limine are due by March 4, 2022. The Trial is scheduled to run on a five-week  
18 stack starting May 16, 2022, subsequent to an April 28, 2022, Pre-Trial Conference and  
19 Calendar Call. Relevant Pre-Trial Memoranda must be filed by no later than May 12, 2022.  
20 Discovery continues in the litigation as before the recent stay of litigation.

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

22 On November 8, 2018, the Receiver filed a Complaint in the United States Court of  
23 Federal Claims ("CFC Complaint") against the United States for monetary amounts owed to  
24 NHC under the Consumer Operated and Oriented Plan program organized pursuant to the  
25 ACA. The Receiver determined that such litigation was necessary in order to advance the  
26 interests of the receivership estate's various creditors, and to protect and conserve assets that  
27 rightfully belong to the estate.

28 ///

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

7 The CFC Complaint's Count V (breach of contract by offset) and Count VI (illegal  
8 exaction) plead alternate theories for recovery of money damages resulting from the United  
9 States, through its agents at HHS and CMS, offsetting payments that CMS owed to NHC  
10 against funds NHC allegedly owed to the government pursuant to the terms of the CO-OP start-  
11 up loan. On March 7, 2019, the United States filed a motion to dismiss the CFC Complaint's  
12 ("Motion to Dismiss") argument that none of Counts I through VI state claims upon which relief  
13 can be granted. NHC's deadline for responding to the Motion to Dismiss was July 9, 2019.  
14 However, on June 24, 2019, the United States Supreme Court granted certiorari in three Risk  
15 Corridors appeals, *i.e.*, the Supreme Court Appeal Cases.

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



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

10 The United States Supreme Court, through its April 27, 2020, decision, found in favor  
11 of the CO-OPs, and held that the Risk Corridors statutes did indeed create a government  
12 obligation to pay insurers the full amount set out in Section 1342's formula. Despite the  
13 decision of Congress to disallow by specific legislative rider the making of Risk Corridors  
14 payments from funding sources which would have otherwise been available under the annual  
15 appropriations omnibus, the plain text of the legislative rider at issue in the litigation did not  
16 indicate an intention to impliedly, retroactively repeal Risk Corridors obligations, and that  
17 therefore the CO-OPs properly relied upon the Tucker Act to bring suits for damages against  
18 the United States in the Court of Federal Claims.

19 Subsequent to this decision, the Court of Federal Claims issued its May 4, 2020, Order  
20 scheduling a status conference to take place on May 19, 2020, concerning the remaining  
21 matters at issue in the litigation. This telephone conference did occur on May 19, 2020, and  
22 the issues discussed on that call were later summarized in the Court of Federal Claims' May 21,  
23 2020, Order staying proceedings for a further forty-five days and requiring the filing of a joint  
24 status report on or before July 6, 2020, addressing the topics discussed during the telephone  
25 conference. This deadline was later moved to July 10, 2020, upon approval by the court of  
26 Plaintiff's July 6, 2020, Unopposed Motion for Extension of Time for Filing Joint Status Report.  
27 The Joint Status Report was filed on July 10, 2020, and proposed August 3, 2020, as the  
28 deadline for NHC's Updated Opposition to the United States' Motion to Dismiss and Cross

1 Motion for Summary Judgment, with the United States' reply in support of the Motion being due  
2 on September 18, 2020, and NHC's own reply due on November 13, 2020.

3 On August 3, 2020, Plaintiff filed her Unopposed Motion to Set Briefing Schedule, which  
4 was approved and ordered the same day. Per this Motion, August 24, 2020, was proposed as  
5 the deadline for NHC's Updated Opposition to the Motion to Dismiss and Cross Motion for  
6 Summary Judgment, with the government's reply due October 9, 2020, and NHC's reply due  
7 October 26, 2020. A subsequent Unopposed Motion for Extension of Time, filed on August 19,  
8 2020, and approved on August 20, 2020, established September 9, 2020, as the deadline for  
9 NHC's Updated Opposition, with the United States' reply due October 26, 2020, and NHC's  
10 own reply due November 13, 2020. On September 9, 2020, Plaintiff filed her Response and  
11 Reply to the United States' Motion to Dismiss and Cross-Motion for Summary Judgment.

12 The United States filed its Reply in Support of its Motion to Dismiss and Opposition to  
13 Cross-Motion for Summary Judgment on October 26, 2020, reiterating its prior arguments that  
14 offsets are proper. The motion to dismiss of the United States and the Receiver's cross-motion  
15 for partial summary judgment remain pending before the U.S. Court of Federal Claims.  
16 Through an Order dated April 7, 2011, Judge Solomson directed the parties to provide a joint  
17 status report by April 14, 2021, concerning the status of the state-level matters which  
18 necessitated the stay of the federal proceedings. This joint status report was also requested  
19 to provide dates in May for the hearing of oral argument in connection with motions which  
20 remain pending, and which have at this time been fully briefed. Subsequent to the parties' joint  
21 proposal of dates for oral argument, Judge Solomson ordered that such a hearing would be  
22 conducted on May 24, 2021. Oral argument on the pending motions was held on May 24,  
23 2021, but an order has not been issued.

#### 24 **Pending Action Against the Silver State Health Insurance Exchange**

25 Through the filing of a Complaint dated June 5, 2020, in Case Number A-20-816161-C,  
26 in Department Number Eight of the Eighth Judicial District Court, the Receiver has brought an  
27 action against the Exchange for, *inter alia*, damages of approximately one-half million dollars  
28 in premiums received from on-exchange insureds on behalf of NHC, but never remitted to the



CO-OP. The Complaint alleges that the retention of these funds by the Exchange, without explanation or justification, constitutes a violation of the existing agreement between the parties, unjust enrichment of the Exchange at the expense of receivership claimants, and an appropriate basis for the imposition of a constructive trust over the assets at issue. The Exchange filed its Answer on August 24, 2020, denying the relevant allegations and asserting conventional affirmative defenses such as the doctrine of assumption of risk, sovereign immunity, contributory negligence, offset, and unclean hands. Following the October 8, 2020, Joint Case Conference Report, and the November 19, 2020, Mandatory Rule 16 Conference, the proceedings were scheduled along the dates set out in the relevant November 24, 2020, Scheduling Order and Order Setting Civil Bench Trial. However, these deadlines were vacated by subsequent Stipulations and Orders, most recently the one which was filed on May 20, 2021, and are expected to be re-set upon the mutual agreement of the parties.

Defendant has filed, as of January 8, 2021, their Motion for Leave to File Third-Party Complaint, seeking to bring into the proceedings its contractor Xerox State Healthcare, LLC. Following a series of Stipulations and Orders to Extend Time for Plaintiff to File Response entered over the ensuing months, most recently the one entered on May 6, 2021, the hearing on this and related pleadings has been scheduled for July 8, 2021. Plaintiff filed the Opposition to the Defendant's Motion on April 12, 2021, with Defendant's Reply in Support being filed on April 26, 2021. The July 8, 2021, hearing on the Motion was not vacated by the May 20, 2021, Stipulation and Order which has vacated the other deadlines, for civil trial and otherwise.

**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

1 services contract with NHC, which, as per the Receiver's allegations, constitute a material  
2 shifting of insurance risk from a licensed carrier (NHC) to an unlicensed insurer (WellHealth)—  
3 and WellHealth was also expressly disapproved by the Nevada Division of Insurance as a  
4 Delivery Service Intermediary. Defendants in this action received millions of dollars from NHC  
5 in exchange for their services, which are alleged in the Complaint to not have been performed  
6 at the standard required, or with necessary licenses and legal authority. The Receiver has not  
7 yet received an Answer from defendants in this matter but will proceed to discovery and further  
8 litigation on the merits when appropriate.

9 Subsequent to service having been provided to Defendants and certified via a series of  
10 Affidavits filed with the court between March 8 and March 11, 2021, Defendants WellHealth, as  
11 well as Messrs. Keltie and Volker, filed their Motion to Dismiss Pursuant to NRCP 4(e), seeking  
12 dismissal without prejudice on the grounds that, under the relevant rules, service must be  
13 completed no more than 120 days subsequent to the filing of the complaint, unless judicial  
14 approval for late service was sought and obtained. On April 7, 2021, Plaintiff filed an  
15 Opposition to Defendants' Motion to Dismiss Pursuant to NRCP 4(e) and Countermotion to  
16 Enlarge Time for Service of Process, to which Defendant filed a reply on April 22, 2021. Plaintiff  
17 filed a reply in support of the Opposition on April 28, 2021. Oral argument on the Motion to  
18 Dismiss was heard on April 29, 2021. Subsequent to the hearing, Judge Yeager granted the  
19 Motion to Dismiss without prejudice. The parties are now working on a potential resolution of  
20 this case without the need for further litigation.

#### 21 **Current Receivership Assets**

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

26 1. The unrestricted cash assets of the CO-OP have fluctuated with post-  
27 receivership expenses and claim payments, as well as with the Receiver's receipt of member  
28 premiums. The currently available, unrestricted cash assets of the CO-OP as of May 31, 2021,

1 were approximately \$4,381,237.00. The majority of NHC's currently available and liquid assets  
2 are held in bank deposits.

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

7 3. The Receiver is including, as **Exhibit 2** attached hereto, a cash flow report for  
8 NHC for the period covering the inception of the receivership through May 31, 2021. This report  
9 reflects a summary of disbursements and collections made by NHC during this period.

### 10 CONCLUSION

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

14 DATED this 28th day of June 2021.

15 Respectfully submitted:

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

20 By: /s/ CANTILO & BENNETT, L.L.P.  
21 Special Deputy Receiver  
22 By Its Authorized Representative  
23 Mark F. Bennett

24 Respectfully submitted by:

25 /s/ Donald L. Prunty

26 MARK E. FERRARIO, ESQ.

27 ERIC W. SWANIS, ESQ.

28 Donald L. Prunty, Esq.

10845 Griffith Peak Drive

Suite 600

Las Vegas, Nevada 89135

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 28th day of June 2021, and pursuant to NEFCR 9, NRCP 5(b), and EDCR 7.26, I served this **TWENTY-THIRD 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

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# EXHIBIT 1

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## Summaries

# CANTILO & BENNETT, L.L.P.

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April 6, 2021

## **BILL SUMMARY**

70750 Nevada Health Co-Op ("NHC")

January 1, 2021 - January 31, 2021

<b>Matter No. and Description</b>	<b>Invoice Numbers</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
January 2021	25359 - 25365	\$ 54,638.75	\$ 804.57	\$ 55,443.32
<b>Totals (1)</b>		\$ 54,638.75	\$ 804.57	\$ 55,443.32

April 06, 2021  
12:13 pm

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	01/31/21	25364	4,920.00	0.00	0.00	4,920.00
70750008 Company Administration	01/31/21	25361	3,018.75	0.00	0.00	3,018.75
70750100 Asset Recovery	01/31/21	25362	46,200.00	0.00	0.00	46,200.00
70750102 NHC vs. CMS Litigation	01/31/21	25365	500.00	0.00	0.00	500.00
Totals ( 4)			54,638.75	0.00	0.00	54,638.75



## **Cantilo & Bennett, L.L.P.**

**NEVADA HEALTH CO-OP  
TIMEKEEPER SUMMARY REPORT  
1/1/21 - 1/31/21**

		<b>Billable Hours</b>	<b>Billable Rate</b>	<b>January Billing</b>
1	Timekeeper - Patrick H. Cantilo	0.00	\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	44.00	\$400.00	\$17,600.00
3	Timekeeper - Kristen W. Johnson	23.40	\$300.00	\$7,020.00
4	Timekeeper - Josh O. Lively	147.50	\$200.00	\$29,500.00
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	3.35	\$125.00	\$418.75
10	TimeKeeper - Pierre Riou	0.00	\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	0.80	\$125.00	\$100.00
	<b>GRAND TOTAL</b>	<b>219.05</b>		<b>\$54,638.75</b>

Date 01/01/2021:01/31/2021  
Client ID 70750  
Staff ID mfb

	Day of Month																															Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
MFB																																	
70750008				0.8	1.3		0.5	0.5																	0.3								4.25
70750100				1.0	0.5	0.5	2.0	2.0				0.8	0.3	0.5		1.3	2.0	5.0	2.5	5.0	8.0			2.5	4.5		1.0					38.75	
70750102				0.5		0.5																						0.5					1.00
Sub Total (MFB)				2.3	1.8	1.0	2.5	2.5				0.8	0.3	0.5		1.3	2.0	5.0	2.5	5.0	8.0			2.8	4.5		1.5					44.00*	
Grand Total	0.0	0.0	0.0	2.3	1.8	1.0	2.5	2.5	0.0	0.0	0.0	0.0	0.8	0.3	0.5	0.0	1.3	2.0	5.0	2.5	5.0	8.0	0.0	0.0	2.8	4.5	0.0	1.5	0.0	0.0		44.00	

Date 01/01/2021:01/31/2021  
Client ID 70750  
Staff ID jlc

	Day of Month																																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total	
JLC																																	
70750102				0.2						0.2								0.2							0.2								0.80
Sub Total (JLC)				0.2						0.2								0.2						0.2									0.80*
Grand Total	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.80	

Date 01/01/2021:01/31/2021  
Client ID 70750  
Staff ID kwj

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
KWJ																																
70750003				1.2	0.2		2.3	0.3						0.2				0.2	2.7	3.1					5.3	0.2	0.7					16.40
70750008					1.2	1.7														2.0								0.1				3.00
70750100								2.0																								4.00
Sub Total (KWJ)				1.2	1.4	1.7	2.3	2.3						0.2				0.2	4.7	3.1					5.3	0.2	0.7		0.1			23.40*
Grand Total	0.0	0.0	0.0	1.2	1.4	1.7	2.3	2.3	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	4.7	3.1	0.0	0.0	0.0	0.0	5.3	0.2	0.7	0.0	0.1	0.0	0.0	23.40

Date 01/01/2021:01/31/2021  
Client ID 70750  
Staff ID jol

	Day of Month																															Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
JOL																																	
70750100				8.0	8.0	8.0		6.5			8.0	8.0	8.0			3.5			8.0	8.0	9.0	8.5	8.0	3.0	8.0	8.0	8.5	8.0	8.5	4.0			147.50
Sub Total (JOL)				8.0	8.0	8.0		6.5			8.0	8.0	8.0			3.5			8.0	8.0	9.0	8.5	8.0	3.0	8.0	8.0	8.5	8.0	8.5	4.0			147.50*
Grand Total	0.0	0.0	0.0	8.0	8.0	8.0	0.0	6.5	0.0	0.0	8.0	8.0	8.0	0.0	0.0	3.5	0.0	0.0	8.0	8.0	9.0	8.5	8.0	3.0	8.0	8.0	8.5	8.0	8.5	4.0	0.0		147.50

Date 01/01/2021:01/31/2021  
Client ID 70750  
Staff ID ixs

	Day of Month																															Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
IXS																																
70750008						0.1	0.1					0.3	0.1					0.3	0.8	0.4					0.1	0.5	0.5	0.3	0.1			3.35
Sub Total (IXS)						0.1	0.1					0.3	0.1					0.3	0.8	0.4					0.1	0.5	0.5	0.3	0.1			3.35*
Grand Total	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	0.0	0.0	0.0	0.3	0.8	0.4	0.0	0.0	0.0	0.1	0.5	0.5	0.3	0.1	0.0	0.0	3.35

April 06, 2021  
1:51 pm

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

Page 1  
[pr 3b]

Client ID 70750  
Work Date 1/1/21:01/31/2021

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750008	Company Administration	4.25	1,700.00	0.00	0.00
70750100	Asset Recovery	38.75	15,500.00	0.00	0.00
70750102	NHC vs. CMS Litigation	1.00	400.00	0.00	0.00
	Sub Total (MFB)	44.00	17,600.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750102	NHC vs. CMS Litigation	0.80	100.00	0.00	0.00
	Sub Total (JLC)	0.80	100.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750003	Claims	16.40	4,920.00	0.00	0.00
70750008	Company Administration	3.00	900.00	0.00	0.00
70750100	Asset Recovery	4.00	1,200.00	0.00	0.00
	Sub Total (KWJ)	23.40	7,020.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750100	Asset Recovery	147.50	29,500.00	0.00	0.00
	Sub Total (JOL)	147.50	29,500.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750008	Company Administration	3.35	418.75	0.00	0.00
	Sub Total (IXS)	3.35	418.75	0.00	0.00*
Grand Total		219.05	54,638.75	0.00	0.00

April 06, 2021  
12:12 pm

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	01/31/21	25359	0.00	743.37	0.00	743.37
70750003 Claims	01/31/21	25360	0.00	17.50	0.00	17.50
70750102 NHC vs. CMS Litigation	01/31/21	25363	0.00	43.70	0.00	43.70
Totals ( 3)			0.00	804.57	0.00	804.57



Work Date 01/01/2021:01/31/2021  
Client ID 70750

Staff ID	Cost Code	Units	Amount	Write Down	Total
	MT1A MISCELLANEOUS	0.00	43.70	0.00	43.70
	PO1E POSTAGE	0.00	105.20	0.00	105.20
	TS1E TELEPHONE CHARGES	0.00	655.67	0.00	655.67
	Sub Total ( )	0.00	804.57	0.00	804.57
	Grand Total	0.00	804.57	0.00	804.57

# CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS  
*A Texas Registered Limited Liability Partnership  
Comprised of Professional Corporations*

11401 Century Oaks Terrace  
Suite 300

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Austin, Texas 78758  
www.cb-firm.com

Facsimile: (512) 404-6550

April 29, 2021

## BILL SUMMARY

70750 Nevada Health Co-Op ("NHC")

February 1, 2021 - February 28, 2021

<u>Matter No. and Description</u>	<u>Invoice Numbers</u>	<u>Fees</u>	<u>Costs</u>	<u>Total</u>
February 2021	25366 - 25371 25383 - 25384	\$ 52,267.50	\$ 744.89	\$ 53,012.39
<b>Totals (1)</b>		\$ 52,267.50	\$ 744.89	\$ 53,012.39

## **Cantilo & Bennett, L.L.P.**

**NEVADA HEALTH CO-OP  
TIMEKEEPER SUMMARY REPORT  
2/1/2021-2/28/2021**

		<b>Billable Hours</b>	<b>Billable Rate</b>	<b>February 2021 Billing</b>
1	Timekeeper - Patrick H. Cantilo	0.00	\$490.00	\$0.00
2	Timekeeper - Mark F. Bennett	30.75	\$400.00	\$12,300.00
3	Timekeeper - Kristen W. Johnson	24.10	\$300.00	\$7,230.00
4	Timekeeper - Josh O. Lively	162.50	\$200.00	\$32,500.00
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	1.10	\$125.00	\$137.50
10	TimeKeeper - Pierre Riou	0.00	\$300.00	\$0.00
11	TimeKeeper - Jeffrey L. Collins	0.80	\$125.00	\$100.00
	<b>GRAND TOTAL</b>	<b>219.25</b>		<b>\$52,267.50</b>

Date 02/01/2021:02/28/2021

Client ID 70750

Staff ID mfb

	Day of Month																												Total		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		1	2
MFB																															
70750008																															
70750100																															
70750102																															
Sub Total (MFB)																															
Grand Total																															

[illegible]

Date 02/01/2021-02/28/2021  
Client ID 70750  
Staff ID kwj

	Day of Month												Total
	1	2	3	4	5	6	7	8	9	10	11	12	
KWJ													
70750000	2.7	3.5		0.5				0.6		1.0	4.0	0.3	0.30
70750003												1.1	18.10
70750008								1.1	2.6			0.2	1.20
70750100			0.6					1.7	2.6	1.0	4.0	1.6	4.50
Sub Total (KWJ)	2.7	3.5	0.6	0.5				1.7	2.6	1.0	4.0	1.6	24.10*
Grand Total	2.7	3.5	0.6	0.5	0.0	0.0	0.0	1.7	2.6	1.0	4.0	1.6	24.10

Date 02/01/2021:02/28/2021  
Client ID 70750  
Staff ID jol

	Day of Month																												Total			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		1	2	3
JOL																																
70750100	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.5	8.0	8.0	4.5	6.5	4.0	8.0	9.0	9.0	6.5	9.0	5.0	5.0	8.5	8.0	8.0	8.0	8.5	4.5				162.50	
Sub Total (JOL)	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.5	8.0	8.0	4.5	6.5	4.0	8.0	9.0	9.0	6.5	9.0	5.0	5.0	8.5	8.0	8.0	8.0	8.5	4.5				162.50*	
Grand Total	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.5	8.0	8.0	4.5	6.5	4.0	8.0	9.0	9.0	6.5	9.0	5.0	5.0	8.5	8.0	8.0	8.0	8.5	4.5	0.0	0.0	0.0	0.0	162.50

Date 02/01/2021:02/28/2021  
Client ID 70750  
Staff ID ixs

	Day of Month																												Total			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28		1	2	3
IXS																																
70750008			0.3						0.1			0.5														0.3						1.10
Sub Total (IXS)			0.3					0.1				0.5													0.3							1.10*
Grand Total	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	1.10



Client ID 70750  
Work Date 2/1/21:02/28/2021

TimeKeeper		Hours	Fees	NC Hours	NC Fees
MFB MARK F. BENNETT					
70750008	Company Administration	1.50	600.00	0.00	0.00
70750100	Asset Recovery	28.75	11,500.00	0.00	0.00
70750102	NHC vs. CMS Litigation	0.50	200.00	0.00	0.00
	Sub Total (MFB)	30.75	12,300.00	0.00	0.00*
JLC JEFFREY L. COLLINS					
70750102	NHC vs. CMS Litigation	0.80	100.00	0.00	0.00
	Sub Total (JLC)	0.80	100.00	0.00	0.00*
KWJ KRISTEN W. JOHNSON					
70750000	General	0.30	90.00	0.00	0.00
70750003	Claims	18.10	5,430.00	0.00	0.00
70750008	Company Administration	1.20	360.00	0.00	0.00
70750100	Asset Recovery	4.50	1,350.00	0.00	0.00
	Sub Total (KWJ)	24.10	7,230.00	0.00	0.00*
JOL JOSHUA O. LIVELY					
70750100	Asset Recovery	162.50	32,500.00	0.00	0.00
	Sub Total (JOL)	162.50	32,500.00	0.00	0.00*
IXS ISAIAH SAMANIEGO					
70750008	Company Administration	1.10	137.50	0.00	0.00
	Sub Total (IXS)	1.10	137.50	0.00	0.00*
Grand Total		219.25	52,267.50	0.00	0.00

April 14, 2021  
10:31 am

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

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Client and Matter	Date	Inv No	Fees	Costs	Credits	Total
70750 Nevada Health CO-OP 70750000 General	02/28/21	25366	90.00	0.00	0.00	90.00
70750003 Claims	02/28/21	25383	5,430.00	0.00	0.00	5,430.00
70750008 Company Administration	02/28/21	25384	1,097.50	0.00	0.00	1,097.50
70750100 Asset Recovery	02/28/21	25370	45,350.00	0.00	0.00	45,350.00
70750102 NHC vs. CMS Litigation	02/28/21	25371	300.00	0.00	0.00	300.00
Totals ( 5)			52,267.50	0.00	0.00	52,267.50

April 14, 2021  
10:29 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	02/28/21	25367	0.00	636.95	0.00	636.95
70750003 Claims	02/28/21	25368	0.00	19.89	0.00	19.89
70750008 Company Administration	02/28/21	25369	0.00	88.05	0.00	88.05
Totals ( 3 )			0.00	744.89	0.00	744.89

11401 Century Oaks Terrace  
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## PALOMAR FINANCIAL, LC

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April 6, 2021

### **BILL SUMMARY**

70750 Nevada Health Co-Op ("NHC")

January 1, 2021 – January 31, 2021

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
January 2021 Non-IT Services	\$7,090.00	\$0.00	\$7,090.00
January 2021 IT Services Flat Fee	5,000.00	0.00	5,000.00
<b>Totals</b>	<b>\$12,090.00</b>	<b>\$0.00</b>	<b>\$12,090.00</b>

# Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD JANUARY 2021

		Billable Hours	Billable Rate	January 2021 Billing
1	TIMEKEEPER - Nicole Wilkins	3.65	\$250.00	\$912.50
2	TIMEKEEPER - Robert Stebel	0.00	\$160.00	\$0.00
3	TIMEKEEPER - Kelly Reed	2.25	\$150.00	\$337.50
4	TIMEKEEPER - Neda Khalaf	14.00	\$160.00	\$2,240.00
5	TIMEKEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIMEKEEPER - Mary Noel	24.00	\$150.00	\$3,600.00
	GRAND TOTAL	43.90		\$7,090.00

Palomar Financial, LC  
01/01/2021-01/31/2021  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	0.20	\$ 50.00
		Accounts Payable and Receivable	2.05	\$ 512.50
		Bank Account Administration/Reconciliation	1.00	\$ 250.00
		1099 Reports and Administration	0.20	\$ 50.00
		Reports/Replies to Policyholders, Creditors, Other Parties	0.20	\$ 50.00
		<b>Sub Total (NMW)</b>	<b>3.65</b>	<b>\$ 912.50</b>
RNS	Robert Stebel	Taxes & Tax Planning	0.00	\$ -
		<b>Sub Total (RNS)</b>	<b>0.00</b>	<b>\$ -</b>
KJR	Kelly Reed	Bank Account Administration/Reconciliations	2.25	\$ 337.50
		<b>Sub Total (KJR)</b>	<b>2.25</b>	<b>\$ 337.50</b>
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	14.00	\$ 2,240.00
		<b>Sub Total (NK)</b>	<b>14.00</b>	<b>\$ 2,240.00</b>
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		<b>Sub Total (BA)</b>	<b>0.00</b>	<b>\$ -</b>
MFN	Mary Noel	Investment Accounting/Support	0.25	\$ 37.50
		Accounts Payable and Receivable	20.75	\$ 3,112.50
		1099 Reports and Administration	3.00	\$ 450.00
		<b>Sub Total (MFN)</b>	<b>24.00</b>	<b>\$ 3,600.00</b>
	<b>Grand Total</b>		<b>43.90</b>	<b>\$ 7,090.00</b>

11401 Century Oaks Terrace  
Suite 310  
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## PALOMAR FINANCIAL, LC

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April 13, 2021

### **BILL SUMMARY**

70750 Nevada Health Co-Op ("NHC")

February 1, 2021 – February 28, 2021

<b>Matter No. and Description</b>	<b>Fees</b>	<b>Costs</b>	<b>Total</b>
February 2021 Non-IT Services	\$4,432.50	\$0.00	\$4,432.50
February 2021 IT Services Flat Fee	5,000.00	0.00	5,000.00
<b>Totals</b>	<b>\$9,432.50</b>	<b>\$0.00</b>	<b>\$9,432.50</b>

# Palomar Financial, LC

NEVADA HEALTH CO-OP  
PRIVILEGED AND CONFIDENTIAL  
SUMMARY REPORT  
PERIOD FEBRUARY 2021

		Billable Hours	Billable Rate	February 2021 Billing
1	TIMEKEEPER - Nicole Wilkins	2.50	\$250.00	\$625.00
2	TIMEKEEPER - Robert Stebel	0.00	\$160.00	\$0.00
3	TIMEKEEPER - Kelly Reed	2.00	\$150.00	\$300.00
4	TIMEKEEPER - Neda Khalaf	17.00	\$160.00	\$2,720.00
5	TIMEKEEPER - Brent Andrews	0.00	\$150.00	\$0.00
6	TIMEKEEPER - Mary Noel	5.25	\$150.00	\$787.50
	GRAND TOTAL	26.75		\$4,432.50



Palomar Financial, LC  
2/01/2021-2/28/2021  
Client: Nevada Health Co-Op ("NHC")

Staff ID	Name	Description	Hours	Amount
NMW	Nicole Wilkins	Accounting Reports/Receivership Team Support	0.85	\$ 212.50
		Accounts Payable and Receivable	0.85	\$ 212.50
		Bank Account Administration/Reconciliation	0.80	\$ 200.00
		Sub Total (NMW)	2.50	\$ 625.00
RNS	Robert Stebel	Payroll & Employee Benefits	0.00	\$ -
		Sub Total (RNS)	0.00	\$ -
KJR	Kelly Reed	Bank Account Admnistration/Reconciliations	2.00	\$ 300.00
		Sub Total (KJR)	2.00	\$ 300.00
NK	Neda Khalaf	Accounting Reports/Receivership Team Support	17.00	\$ 2,720.00
		Sub Total (NK)	17.00	\$ 2,720.00
BA	Brent Andrews	IT Support & Administration	0.00	\$ -
		Sub Total (BA)	0.00	\$ -
MFN	Mary Noel	Investment Accounting/Support	0.50	\$ 75.00
		Accounts Payable and Receivable	4.75	\$ 712.50
		Sub Total (MFN)	5.25	\$ 787.50
Grand Total			26.75	\$ 4,432.50



Invoice No.: 5623561  
File No. : 170678.010100  
Bill Date : March 17, 2021

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 February 28, 2021:

Total Fees: \$ 61,561.50

Expenses:

Filing Fees

10.50

Total Expenses: \$ 10.50

**Total Current Invoice: \$ 61,572.00**

MEF:TKK

Tax ID: 13-3613083



Invoice No.: 5623563  
File No. : 170678.010700  
Bill Date : March 17, 2021

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 February 28, 2021:

Total Fees: \$ 3,377.50

**Total Current Invoice: \$ 3,377.50**

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5623543  
File No. : 170678.010500  
Bill Date : March 17, 2021

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 February 28, 2021:

Total Fees: \$ 14,990.00

**Total Current Invoice: \$ 14,990.00**

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5623564  
File No. : 170678.010800  
Bill Date : March 17, 2021

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, etcl

Legal Services through February 28, 2021:

Total Fees: \$ 180.00

**Total Current Invoice: \$ 180.00**

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5653868  
File No.: 170678.010100  
Bill Date: April 27, 2021

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 March 31, 2021:

Total Fees: \$ 71,937.00

Expenses:

Filing Fees

3.50

Total Expenses: \$ 3.50

**Total Current Invoice: \$ 71,940.50**

MEF:TKK

Tax ID: 13-3613083



Invoice No.: 5653869  
File No. : 170678.010500  
Bill Date : April 27, 2021

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 March 31, 2021:

Total Fees: \$ 12,377.50

**Total Current Invoice: \$ 12,377.50**

MEF:TKK  
Tax ID: 13-3613083



Invoice No.: 5653865  
File No. : 170678.010700  
Bill Date : April 27, 2021

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 March 31, 2021:

Total Fees: \$ 22,054.50

Expenses:

Filing Fees

10.50

Total Expenses: \$ 10.50

Total Current Invoice: \$ 22,065.00

MEF:TKK

Tax ID: 13-3613083





Invoice No. : 5653871  
File No. : 170678.010800  
Bill Date : April 27, 2021

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, etcl

### **Legal Services through March 31, 2021:**

Total Fees: \$ 2,583.00

### **Expenses:**

Filing Fees 14.00  
Subpoenas 495.00

Total Expenses: \$ 509.00

**Total Current Invoice: \$ 3,092.00**

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

April 9, 2021  
FTI Invoice No. 7579064  
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 March 31, 2021

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**Amount Due This Period**

Professional Services.....	\$9,225.00
Expenses .....	<u>\$0.00</u>
<b>Total Amount Due .....</b>	<b><u><u>\$9,225.00</u></u></b>



***Invoice Remittance***

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

May 12, 2021  
FTI Invoice No. 7582635  
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 April 30, 2021

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**Amount Due This Period**

Professional Services.....	\$18,225.00
Expenses .....	<u>\$0.00</u>
<b>Amount Due this Period.....</b>	<b>\$18,225.00</b>

DEVITO CONSULTING, INC.  
189 SOUAN BEACH DRIVE, MANTOLOKING, NJ 08738  
J. DeVito (201) 245-3034  
S. DeVito (201) 310-6307



VIA EMAIL ONLY

May 10, 2021

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")**

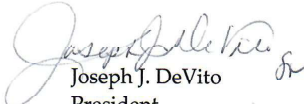
Dear Mr. Bennett:

The following is a summary of consulting fees incurred from April 1, 2021 through April 30, 2021 in connection with the above-referenced matter.

Total Due - Consulting Fees	<u>\$6,825.00</u>
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Details of time are provided in the enclosed schedules. Your prompt payment is appreciated.

Very truly yours,

  
Joseph J. DeVito  
President

Enclosures

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# EXHIBIT 2

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Cash Flow

## NEVADA HEALTH CO-OP

### Cash Flow Analysis

Oct. 2015 - May 2021

#### 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	846,232
<b>TOTAL SOURCES:</b>	<b>35,500,054</b>

#### 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	(12,793,758)
9010 ACA Fee / 720 PCORI Fee	(161,242)
Provider Claims Payments	(919,796)
Professional Services	(13,035,945)

#### TOTAL USES:

(36,471,235)

Net cash increase for period

(971,180)

Ending Cash as of May 31, 2021

\$ 4,381,237