

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the Matter of

Index No.

the Application of

VERIFIED PETITION

Linda A. Lacewell, Acting Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of

ATLANTIS HEALTH PLAN, INC.
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Linda A. Lacewell, Acting Superintendent of Financial Services of the State of New York (the "Superintendent"), respectfully petitions the Court for an order substantially in the form annexed hereto as Exhibit "1" (the "Liquidation Order"), *inter alia*, placing Atlantis Health Plan, Inc. ("Atlantis") into liquidation under Article 74 of the New York Insurance Law ("Insurance Law"), Insurance Law § 7401 *et. seq.*, appointing the Superintendent and her successors in office as liquidator of Atlantis ("Liquidator") and directing the Liquidator to take possession of Atlantis' property and liquidate the business and affairs of Atlantis on the grounds that: (i) Atlantis has consented to the entry of an order of liquidation; and (ii) Atlantis is insolvent. Each of these grounds, by itself, is sufficient to place Atlantis into liquidation and grant the relief sought.

Background

1. As set forth in the affidavit of Stephen J. Wiest, Deputy Bureau Chief, Health Bureau, New York State Department of Financial Services ("DFS"), sworn to on January 29, 2019 ("Wiest Aff."), annexed hereto as Exhibit "2," Atlantis was incorporated in the State of New York on April 17, 1995 and, on or about May 17, 2000, obtained a Certificate of Authority from the New York State Department of Health to operate as a health maintenance organization pursuant to Article 44 of the New York Public Health Law. Wiest Aff., ¶ 2. Atlantis commenced business

on or about September 1, 2000. Wiest Aff., ¶ 2. Atlantis offered plans (“Plans”) providing Medicare Advantage and Medicare Advantage Part D prescription drug coverage (“MA–PD Coverage”) to Medicare beneficiaries (“Members”) and healthcare services for Members through a network of hospitals and other healthcare service providers (“Providers”). Atlantis also provided non-government sponsored coverage to individuals and companies. Wiest Aff., ¶ 2.

2. Atlantis is not authorized to conduct business in any other state. Wiest Aff., ¶ 2.

3. Atlantis’ business office is located at 5600 Mariner Street, Suite 200, Tampa, Florida 33609. Wiest Aff., ¶ 3.

4. Atlantis is a wholly-owned subsidiary of Atlantis Health Systems, Inc. (“AHS”). Effective January 5, 2011, America’s 1st Choice N.Y. Holding, LLC (“America’s 1st”) purchased 82 percent of AHS’ common stock. Dr. Kiran Patel is the sole shareholder of America’s 1st. Wiest Aff., ¶ 4.

5. Effective January 1, 2015, Atlantis ceased providing non-government sponsored coverage, but continued to offer Plans with MA-PD Coverage to Members in the five counties of New York City (Bronx, Kings, New York, Queens and Richmond), along with healthcare services for such Members through the Providers. Wiest Aff., ¶ 5.

6. By a letter agreement dated December 9, 2015 (the “CMS Letter,” a copy of which is annexed as Exhibit “A” to the Wiest Aff.), the U.S. Centers for Medicare & Medicaid Services (“CMS”) and Atlantis mutually consented to the termination of Atlantis’ contract with CMS to provide MA–PD Coverage, effective February 1, 2016. Wiest Aff., ¶ 6, Exh. A.

7. All of Atlantis’ remaining Plans were terminated effective February 1, 2016, and Atlantis has no other Plans in effect. Wiest Aff., ¶ 7.

Process for Commencing an Article 74 Liquidation Proceeding in this Court

8. Pursuant to Insurance Law § 7417, an application for liquidation is made by order to show cause filed by the Attorney General. Atlantis is authorized to conduct business only in the State of New York. Wiest Aff., ¶2. All relevant business records are filed by Atlantis and maintained at DFS' offices in New York County (Wiest Aff., ¶ 8), which is the appropriate judicial district in which to bring this application.

9. The Insurance Law provides that a hearing to place an insurer into liquidation shall be held without delay and a decision on the requested relief made expeditiously. Insurance Law § 7417.

Grounds for Liquidation

10. Under Insurance Law § 7404, the Superintendent may apply for an order seeking the liquidation of an insurer if sufficient grounds exist pursuant to Insurance Law § 7402.

11. Insurance Law § 7402(l) provides that an insurer may be placed into liquidation if the majority of its directors, shareholders, or members consent to liquidation. By a written resolution dated October 24, 2012, a copy of which is annexed as Exhibit "B" to the Wiest Aff. (the "Board Resolution"), Atlantis' directors unanimously consented to the entry of an order of liquidation pursuant to Insurance Law Article 74. Wiest Aff., ¶ 9; Exh. B.

12. The Board Resolution's consent to liquidation was conditioned on the occurrence of one or more specified events, one of which was a determination by the Superintendent that Atlantis was insolvent at any time after November 30, 2012 and failed to cure the insolvency within the period designated by the Superintendent. Wiest Aff., ¶ 10; Exh. B.

13. DFS has been monitoring the financial condition of Atlantis for several years, and the Superintendent has determined Atlantis to be insolvent under Insurance Law § 7402(a). Wiest

Aff., ¶ 11. Dr. Patel, in a December 17, 2018 e-mail, a copy of which is annexed as Exhibit “C,” acknowledged that Atlantis is insolvent and cannot cure its insolvency. Wiest Aff., ¶ 11; Exh. C.

14. Accordingly, Atlantis should be placed into liquidation on consent.

15. In addition, Atlantis may be placed into liquidation based on the Superintendent’s determination that Atlantis is insolvent under Insurance Law § 7402(a), which incorporates the definition of insolvency found in Insurance Law § 1309. Under Insurance Law § 1309(a):

[w]henver the superintendent finds from a financial statement or report on examination that an authorized insurer is unable to pay its outstanding lawful obligations as they mature in the regular course of business, as shown by an excess of required reserves and other liabilities over admitted assets, or by its not having sufficient assets to reinsure all outstanding risks with other solvent authorized assuming insurers after paying all accrued claims owed, such insurer shall be deemed insolvent and the superintendent may proceed against it pursuant to the provisions of article seventy-four of this chapter.

16. Atlantis’ most recent audited financial statement, for the year ending December 31, 2016 (the “2016 Statement”, annexed to the Wiest Aff. as Exhibit “D”), demonstrates that Atlantis is insolvent, as Atlantis’ reported reserves and other liabilities exceeded its assets by \$1,040,302. Wiest Aff., ¶ 11; Exh. D. Atlantis did not file an audited financial statement for the year ending December 31, 2017; however, Atlantis’ unaudited financial statement for 2017 (the “2017 Statement,” a copy of which is annexed to the Wiest Aff. as Exhibit “E”) showed that Atlantis’ reported reserves and other liabilities exceeded its assets by \$1,050,775. Wiest Aff., ¶ 12; Exh. E. In addition, Dr. Patel acknowledged that Atlantis is insolvent and “cannot cure the insolvency” in a December 17, 2018 e-mail (¶ 13, *supra*). Wiest Aff., ¶ 11; Exh. C.

17. As a result of the foregoing, the Superintendent has found Atlantis to be insolvent pursuant to Insurance Law § 7402(a), which provides another basis for placing Atlantis into liquidation.

Process of Liquidation and Relief Requested

18. Insurance Law Article 74 requires that the Superintendent be appointed Liquidator and take control of and manage Atlantis property in order to liquidate the business (Insurance Law §7405(a)). It is respectfully requested that the Court issue the Liquidation Order, *inter alia*: (a) appointing the Superintendent, and her successors in office, as Liquidator of Atlantis; (b) directing the Liquidator to take possession of Atlantis' property, and to liquidate Atlantis' business and affairs; (c) vesting title to all of Atlantis' property, contracts, rights of action, and all of its books and records, wherever located, in the Liquidator and her successors; and (d) permitting the Liquidator to deal with the property and business of Atlantis in Atlantis' name or in the name of the Liquidator. The Superintendent also requests the establishment of a bar date for the submission of claims ("Bar Date").

19. In order that the Liquidator may take possession and manage the business affairs of Atlantis and liquidate its assets in a fair and orderly manner, the injunctions permitted by Insurance Law § 7419 should be granted.

20. The Court may issue permanent injunctions ("Permanent Injunctions") for the purpose of protecting the assets of the company and preventing waste or interference with the Liquidator's duties. Under Insurance Law § 7419(a), the Court may enjoin and restrain the insurer, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, managers, and all other persons from wasting the assets of Atlantis, from transacting Atlantis' business (including the issuance of Plans) or disposing of Atlantis' property. The injunction sought permits the transaction of business provided that the Liquidator authorizes such business transaction(s).

21. Under Insurance Law § 7419(b), the Court may issue such other permanent injunctions or orders as it deems necessary to prevent interference with the Liquidator or this proceeding, or the commencement or prosecution of any actions or proceedings: (a) against the Liquidator, Atlantis, the New York Liquidation Bureau, as the organization that carries out the duties of the Liquidator, or their present or former employees, attorneys or agents, with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto or (b) to assert preferences, judgments, attachments, liens, or any levy against Atlantis, its assets or any part thereof.

22. The Permanent Injunctions are central to the performance of the Liquidator's duties. Permitting anyone other than the Liquidator to have the power to manage the business affairs of Atlantis would defeat the legislative scheme of receivership of insurance companies set forth in Article 74. *See, e.g., Knickerbocker Agency, Inc. v. Holz*, 4 A.D.2d 71, 73 (1st Dep't 1957), *aff'd*, 4 N.Y.2d 245 (1958). In addition, the injunctions restraining third parties from pursuing legal actions outside this proceeding are necessary to prevent third parties from obtaining preferences over others in a manner incompatible with Insurance Law Article 74.

23. The Permanent Injunctions are routinely issued in liquidation proceedings. *See, e.g., In the Matter of the Liquidation of Fiduciary Insurance Company of America*, S. Ct., Queens County, Index #703264/2017, Order of July 12, 2017; *In the Matter of the Liquidation of American Medical and Life Insurance Company*, S. Ct., N.Y. County, Index #452041/2016, Order of December 21, 2016; *In the Matter of the Liquidation of Eveready Insurance Company*, S. Ct., N.Y. County, Index #160307/2014, Order of December 3, 2014; *In the Matter of the Liquidation of ICM Insurance Company*, S. Ct., N.Y. County, Index #452122/13, Order of December 23, 2013; *In the Matter of the Liquidation of Colonial Cooperative Insurance Company*, S. Ct., N.Y. County, Index

#400236/10, Order of September 30, 2010; *In the Matter of the Liquidation of Realm National Insurance Company*, S. Ct., N.Y. County, Index #401876/05, Order of June 15, 2005. Copies of the liquidation orders in each of these liquidation proceedings are annexed hereto as Exhibit “3.”

24. In addition to granting the Permanent Injunctions, this Court should grant the temporary restraining orders sought in the Order to Show Cause (the “TROs”), which preserve the status quo pending the hearing and determination of this petition. The TROs will prevent waste, dissipation, and transfer of assets and proprietary information, and will ensure that no creditor obtains a judgment or a litigation advantage resulting in an illegal preference due to being paid ahead of Members or obtains another advantage in the time frame between the signing of the Order to Show Cause and the determination of this petition. The TROs are also typically granted in liquidation proceedings (Exh. 3).

25. It is respectfully requested that, in accordance with Insurance Law § 7405, the Court vest all rights in Atlantis’ contracts and agreements, however described, in the Liquidator and permit the Liquidator the discretion to reject any executory contracts to which Atlantis is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection.

26. It is further requested that the Court order any bank, savings and loan association, other financial institution, or any other entity or person that has on deposit or in its possession, custody or control any of Atlantis’ funds, accounts (including escrow accounts) or assets, to immediately, upon the Liquidator’s request and direction: (a) turn over custody and control of such funds, accounts, or assets to the Liquidator; (b) transfer title of such funds, accounts, or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer

funds from such bank, savings and loan association, or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding.

27. It is further requested that the Court (i) direct that all persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, Plans, underwriting data, any reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Atlantis shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such information to the Liquidator, and (ii) authorize, permit and allow the Liquidator to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Atlantis, and further authorize the Liquidator to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of the Court.

28. In order to administer the liquidation proceeding in a timely and cost-effective manner, it is necessary for the Court to establish a bar date for the submission of claims to the Liquidator, including all evidence supporting such claims.

29. As set forth in the Wiest Aff., ¶ 7, all of Atlantis' remaining Plans were terminated effective February 1, 2016, and Atlantis has had no Plans in effect since then. The Liquidator requests that the Court establish the date by which all claims against Atlantis, other than the Liquidator's claim for administrative expenses ("Administrative Claims"), and all evidence supporting such claims, must be submitted to the Liquidator (the "Bar Date") as the earlier of: (1) the contractual deadline for the submission of claims established in a Plan or an agreement between

Atlantis and a Provider for the provision of healthcare services to Members defined as being under Plans (each a “Provider Contract”); or (2) the date that is six (6) months after the issuance of the Liquidation Order, and that all claims submitted after the Bar Date be barred and discharged. The Liquidator further requests that the Court require all claims against Atlantis submitted for the first time after the issuance of the Liquidation Order, and all evidence supporting such claims, be filed on or before the Bar Date using the electronic portal for the submission of claims located on the website www.nybpoc.org (the “Portal”). Previously submitted claims against Atlantis that are already recorded in Atlantis’ books and records on the date of the Liquidation Order need not be re-submitted through the Portal, but must in all respects comply with the Bar Date.

30. Establishing the Bar Date will enable the Liquidator to expeditiously fix the actual number of claims eligible to receive distributions from the insolvent estate while also providing adequate time for Members and other creditors to timely file claims with the Liquidator.

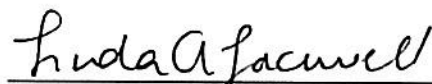
31. Finally, it is respectfully requested that the Court order that the Liquidator of Atlantis, her successors in office, the New York Liquidation Bureau, and their agents and employees, be granted immunity from any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74. The Liquidator acts in a “judicial and private” capacity under the supervision of the Court pursuant to Article 74 of the Insurance Law. *See Dinallo v. DiNapoli*, 9 N.Y.3d 94, 103 (2007). In addition, the Supreme Court, New York County has held that “a court-appointed receiver [in this case, the Liquidator] acts as an arm of the court and is immune from liability for actions grounded in his or her conduct as receiver.” *In the Matter of the Liquidation of U.S. Capital Insurance Company*, 36 Misc.3d 635, 637 (2012).

32. There has been no previous application for the relief requested herein.

WHEREFORE, it is respectfully requested that the petition be granted, that this Court enter an order substantially in the form of the Liquidation Order, and that the Court grant the Superintendent such other and further relief as is just and proper.

Dated: New York, New York

February 27, 2019



Linda A. Lacewell
Acting Superintendent of Financial Services
of the State of New York

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Linda A. Lacewell, being duly sworn, deposes and says:

That I am the Acting Superintendent of Financial Services of the State of New York and that I executed the foregoing petition; that I am acquainted with the facts therein stated; that I know the contents of the petition and that the same is true to my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and that as to those matters I believe them to be true.

The sources of information and the grounds of my belief as to the matters stated in said petition to be alleged upon information and belief are the records of the New York State Department of Financial Services and the affidavit of Stephen J. Wiest, Deputy Bureau Chief, Health Bureau, New York State Department of Financial Services, sworn to on January 29, 2019, in support of the verified petition.

Linda A. Lacewell

Linda A. Lacewell
Acting Superintendent of Financial Services
of the State of New York

Sworn to before me this
27th day of February, 2019

Malini Singh McDonald
Notary Public

MALINI SINGH McDONALD
Notary Public, State of New York
No. 01SI6165495
Qualified in Queens County
My Commission Expires May 7, 2019

EXHIBIT 1

[Proposed Liquidation Order]

At IAS Part ___ of the Supreme Court of the State of New York, at the courthouse located at _____, in the City, County and State of New York, on the ___ day of _____, 2019.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the Matter of Index No.

the Application of **ORDER**

Linda A. Lacewell, Acting Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

ATLANTIS HEALTH PLAN, INC.

-----X

Linda A. Lacewell, Acting Superintendent of Financial Services of the State of New York (“Superintendent”), having moved this Court by order to show cause (“Order to Show Cause”) for an order placing Atlantis Health Plan, Inc. (“Atlantis”) into liquidation, appointing the Superintendent and her successors in office as liquidator (“Liquidator”) of Atlantis, and directing the Liquidator to take possession of the property of Atlantis and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on February 27, 2019 (the “Petition”), the affidavit of Stephen J. Wiest, sworn to on January 29, 2019, and the exhibits and schedules annexed thereto, this Court finds that Atlantis should be placed into liquidation under Insurance Law Article 74 because: (i) it consented to the entry of an order of liquidation; and (ii) it is insolvent pursuant to New York Insurance Law (“Insurance Law”) § 7402(a);

NOW, on motion of Letitia James, Attorney General of the State of New York, it is hereby ORDERED as follows:

1. The relief requested in the Petition for an order of liquidation (“Order”) is granted;
2. The Superintendent and her successors in office are appointed Liquidator of Atlantis;
3. The Liquidator is directed to take possession of Atlantis’ property and liquidate Atlantis’ business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to Atlantis’ property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of Atlantis in Atlantis’ name or in the name of the Liquidator;
6. All persons and entities are permanently enjoined and restrained from wasting the assets of Atlantis, and are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Atlantis’ business or disposing of Atlantis’ property;
7. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Atlantis, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Atlantis, the New York Liquidation Bureau, or their present or former employees, attorneys, or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;
8. The Liquidator is vested with all rights in Atlantis’ contracts and agreements, however described, and is permitted to, in her discretion, reject any executory contracts to which Atlantis is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
9. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of Atlantis’ funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator’s request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts, or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association, or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
10. All persons or entities having property, papers (including attorney work product and documents held by attorneys), and/or information, including, but not limited

to, plans offered by Atlantis providing Medicare Advantage and Medicare Advantage Part D prescription drug coverage ("Plans"), underwriting data, any reinsurance policies, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to, or relating to Atlantis shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Liquidator;

11. The Liquidator is authorized, permitted, and allowed to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Atlantis, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments, without the further approval of this Court;
12. The date by which all claims against Atlantis, other than the Liquidator's claim for administrative expenses ("Administrative Claims"), and all evidence supporting such claims, must be submitted to the Liquidator ("Bar Date") is the earlier of either: (a) the contractual deadline for the submission of claims established in a Plan or an agreement between Atlantis and a hospital or other provider of healthcare services ("Provider") for the provision of such services to beneficiaries under the Plans ("Members"); or (b) the date that is six (6) months after the issuance of the order placing Atlantis into liquidation, and all claims submitted after the Bar Date are barred and discharged;
13. All claims against Atlantis submitted for the first time after the issuance of this Order, and all evidence supporting such claims, shall be filed on or before the Bar Date using the electronic portal for the submission of claims located on the website www.nylbpc.org;
14. Immunity is extended to the Superintendent in her capacity as Liquidator of Atlantis, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
15. The Liquidator may at any time make further application to this Court for such further and different relief as she sees fit;
16. The Liquidator shall serve a copy of this Order by overnight delivery upon: (a) (i) Atlantis Health Plan, Inc., Attention: Kiran Patel, MD, Chairman, 5600 Mariner Street, Suite 200, Tampa, Florida 33609 and (ii) Greenberg Traurig LLP, attorneys for Atlantis Health Plan, Inc., Attention: Harold N. Iselin, 54 State Street, 6th Floor,

Albany, New York 12207; and (b) any person or entity who or that timely filed and served papers in opposition to the relief sought;

- 17. The Liquidator shall provide notice of this Order to all creditors, claimants, and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached hereto as Annex A, in the *New York Post*, once a week for two consecutive weeks, commencing within 30 days of entry of this Order; and (ii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
- 18. This Court shall retain jurisdiction over this matter for all purposes;
- 19. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
 COUNTY OF NEW YORK
 -----X
 In the Matter of

 the Liquidation of

 ATLANTIS HEALTH PLAN, INC.
 -----X

- 20. All further papers in this proceeding shall bear the above amended caption.

E N T E R

 J.S.C.

ANNEX A

[Form of Notice of Liquidation Order]

NEW YORK LIQUIDATION BUREAU
180 MAIDEN LANE
NEW YORK, NEW YORK 10038
(212) 341-6400

To all persons or entities interested in the affairs of
ATLANTIS HEALTH PLAN, INC.

Notice is Hereby Given:

Linda A. Lacewell, Acting Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, County of New York ("Court"), entered on _____, 2019, as the liquidator (the "Liquidator") of Atlantis Health Plan, Inc. ("Atlantis") and, as such, has been: (i) directed to take possession of Atlantis' property and liquidate Atlantis' business and affairs in accordance with New York Insurance Law ("Insurance Law") Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to Atlantis' property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed David Axinn, Special Deputy Superintendent (the "Special Deputy"), as her agent to carry out her duties as Liquidator. The Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 180 Maiden Lane, New York, New York 10038. The Order provides that:

- I. The Liquidator is permitted to deal with the property and business of Atlantis in Atlantis' name or in the name of the Liquidator;
- II. All persons and entities are permanently enjoined and restrained from wasting the assets of Atlantis, and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Atlantis' business or disposing of Atlantis' property;
- III. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or the proceeding, obtaining any preferences, judgments, attachments, or other liens, making any levy against Atlantis, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Atlantis, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to the proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;
- IV. The Liquidator is vested with all rights in Atlantis' contracts and agreements, however described, and the Liquidator is permitted to, in her discretion, reject any executory contracts to which Atlantis is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
- V. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of Atlantis' funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;

- VI. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, Plans, underwriting data, any reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Atlantis shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
- VII. The Liquidator is authorized, permitted, and allowed to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Atlantis, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments, without the further approval of the Court;
- VIII. The date by which all claims against Atlantis, other than the Liquidator's claim for administrative expenses ("Administrative Claims"), and all evidence supporting such claims, must be submitted to the Liquidator ("Bar Date") is the earlier of: (a) the contractual deadline for the submission of claims established in a Plan or a contract between Atlantis and a hospital or other provider of healthcare services ("Provider") for the provision of such services to beneficiaries under the Plans ("Members"); or (b) the date that is six (6) months after the issuance of the Order, and all claims submitted after the Bar Date are barred and discharged;
- IX. All claims against Atlantis submitted for the first time after issuance of the Order, and all evidence supporting such claims, shall be filed using the electronic portal for the submission of claims located on the website www.nylbpoc.org on or before the Bar Date;
- X. Immunity is extended to the Superintendent in her capacity as Liquidator of Atlantis, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XI. Atlantis is insolvent pursuant to Insurance Law § 7402(a);
- XII. The Liquidator may at any time make further application to the Court for such further and different relief as she sees fit;
- XIII. The Court shall retain jurisdiction over this matter for all purposes; and
- XIV. All communications relating to Atlantis and to the liquidation proceeding thereof should be addressed to:

New York Liquidation Bureau
180 Maiden Lane, 15th Floor
Attention: General Counsel
New York, New York 10038
(212) 341-6400

A copy of the Order may be viewed at <http://www.nylb.org>. To the extent there are any discrepancies between this notice and the Order, then the verbiage of the Order controls.

LINDA A. LACEWELL
Acting Superintendent of Financial Services
of the State of New York as Liquidator of
Atlantis Health Plan, Inc.

DAVID AXINN
Special Deputy Superintendent
and Agent of the Liquidator

EXHIBIT 2

[Affidavit of Stephen J. Wiest]

healthcare services for Members through a network of hospitals and other healthcare service providers (“Providers”). Atlantis also provided non-government sponsored coverage to individuals and companies. Atlantis is not authorized to conduct business in any other state.

3. Atlantis’ business office is located at 5600 Mariner Street, Suite 200, Tampa, Florida 33609.

4. Atlantis is a wholly-owned subsidiary of Atlantis Health Systems, Inc. (“AHS”). Effective January 5, 2011, America’s 1st Choice N.Y. Holding, LLC (“America’s 1st”) purchased 82 percent of AHS’ common stock. Dr. Kiran Patel is the sole shareholder of America’s 1st.

5. Effective January 1, 2015, Atlantis ceased providing non-government sponsored coverage, but continued to offer Plans with MA-PD Coverage to Members in the five counties of New York City (Bronx, Kings, New York, Queens and Richmond), along with healthcare services for such Members through the Providers.

6. By a letter agreement dated December 9, 2015 (the “CMS Letter,” a copy of which is annexed as Exhibit “A”), the U.S. Centers for Medicare & Medicaid Services (“CMS”) and Atlantis mutually consented to the termination of Atlantis’ contract with CMS to provide MA–PD Coverage, effective February 1, 2016.

7. All of Atlantis’ remaining Plans were terminated effective February 1, 2016, and Atlantis has no other Plans in effect.

8. All relevant business records are filed by Atlantis and maintained at DFS’ offices in New York County at One State Street, New York, New York 10004.

9. By a written resolution dated October 24, 2012, a copy of which is annexed as Exhibit “B” (the “Board Resolution”), Atlantis’ directors unanimously consented to the entry of an order of liquidation pursuant to Insurance Law Article 74.

10. The Board Resolution’s consent to liquidation was conditioned on the occurrence of one or more specified events, one of which was a determination by the Superintendent that Atlantis was insolvent at any time after November 30, 2012 and failed to cure the insolvency within the period designated by the Superintendent.

11. DFS has monitored the financial condition of Atlantis for several years, and the Superintendent has determined Atlantis to be insolvent under Insurance Law § 7402(a). In an e-mail dated December 17, 2018, a copy of which is annexed as Exhibit “C,” Dr. Patel, the sole shareholder of Atlantis’ indirect majority shareholder (§ 4, *supra*), acknowledged that Atlantis is insolvent and “cannot cure the insolvency.” Accordingly, Atlantis consents to being placed into liquidation.

12. Atlantis’ most recent audited financial statement, for the year ending December 31, 2016 (the “2016 Statement”, annexed hereto as Exhibit “D”), showed that Atlantis’ reported reserves and other liabilities exceeded its assets by \$1,040,302. Atlantis did not file an audited financial statement for the year ending December 31, 2017; however, Atlantis’ unaudited financial statement for 2017 (the “2017 Statement,” annexed hereto as Exhibit “E”) showed that Atlantis’ reported reserves and other liabilities exceeded its assets by \$1,050,775. Atlantis’ financial statements demonstrate that Atlantis is insolvent.

Stephen J. Wiest

Stephen J. Wiest
Deputy Bureau Chief, Health Bureau
New York State Department of Financial Services

Sworn to before me this
29 day of January, 2019

Martha A. Lees
Notary Public

MARTHA A. LEES
Notary Public, State of New York
No. 02LE6129105
Qualified in Kings County
Commission Expires 06/21/21

EXHIBIT A

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
7500 Security Boulevard
Baltimore, Maryland 21244-1850



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

December 9, 2015

Dr. Kiran C. Patel
Chairman of the Board, Atlantis Health Plan, Inc., dba Easy Choice Health Plan of New York
5600 Mariner Street, Suite 200
Tampa, Florida 33607

Subject: Atlantis Health Plan, Inc., dba Easy Choice Health Plan of New York - Contract H9285 Termination by Mutual Consent

Dear Dr. Patel,

Upon your signature below, this letter will formalize Atlantis Health Plan, Inc.'s (dba Easy Choice Health Plan of New York) and the Centers for Medicare & Medicaid Services' (CMS) agreement to terminate by mutual consent their Medicare Advantage Prescription Drug Plan (MA-PD) contract H9285, effective 12:01 AM ET February 1, 2016, pursuant to 42 CFR §§ 422.508 and 423.508.

By agreeing to this termination, Atlantis Health Plan, Inc. acknowledges its obligation to ensure the timely transfer of any data and files requested by CMS under 42 CFR § 423.508(d). CMS will provide you with additional information concerning data submissions in subsequent correspondence. Moreover, Atlantis Health Plan, Inc. acknowledges its continuing obligations to maintain records and to grant access to its records and facilities pursuant to 42 CFR §§ 422.504(d) and 423.504(d)(2)(i-iii).

Please execute this agreement and electronically transmit the executed agreement in portable data file (PDF) format to Stacy Davis at stacy.davis@cms.hhs.gov, or fax it to (410) 786-1583. Should you have any questions regarding this agreement, please contact Ms. Davis at (410) 786-7813.


Sincerely,


Kathryn Coleman
Director

Page Two— Atlantis Health Plan, Inc. Mutual Termination

**Agreement between Atlantis Health Plan, Inc., dba Easy Choice Health Plan of New York,
and CMS for the Mutual Termination of Atlantis Health Plan, Inc., Contract H9285**

For Atlantis Health Plan, Inc., dba Easy Choice Health Plan of New York:



Dr. Kiran C. Patel
Chairman of the Board

12/9/2015
Date

For Centers for Medicare & Medicaid Services, Medicare Drug & Health Plan Contract
Administration Group:



Kathryn Coleman
Director

12/10/15
Date

EXHIBIT B

ATLANTIS HEALTH PLAN, INC.

RESOLUTION

Upon motion duly made, seconded and carried the following resolution was adopted by the unanimous affirmative vote of the directors present at the time of the vote at a duly called meeting of the board of directors of Atlantis Health Plan, Inc., a New York corporation doing business as Easy Choice Health Plan of New York (the "Corporation"), with a quorum being present:

RESOLVED, that if the Superintendent of Financial Services of the State of New York ("Superintendent") determines that

- (1) the Corporation is insolvent, within the meaning of New York Insurance Law Section 1309, at any time subsequent to November 30, 2012, and fails to eliminate the insolvency within such period as designated by the Superintendent;
- (2) the Corporation's total capital and surplus as of September 30, 2014, is below the contingent reserve required for a health maintenance organization pursuant to 10 N.Y.C.R.R. § 98-1.11(e)(1);
- (3) the Corporation shall not have received, by November 13, 2012, a cash payment in the amount of \$3,000,000 from Dr. Kiran C. Patel, pursuant to the January 3, 2011 promissory note in the amount of \$3,000,000 made by America's 1st Choice N.Y. Holdings, LLC, and personally guaranteed by Dr. Kiran C. Patel, to the order of the Corporation;
- (4) the Corporation has failed to pay the liabilities it owes to the New York Market Stabilization Pools for the years 2007, 2008, 2009, and 2010, at a rate of 35% of the full amount owed, within five business days after receiving from the Market Stabilization Pool Administrator an updated invoice that reflects the revised amounts that the Corporation owes to the New York Market Stabilization Pools; or
- (5) any payment due to the Corporation pursuant to the \$5,000,000 note dated October 24, 2012 made by Kiran C. Patel, M.D. to the order of the Corporation shall not have been made when due;

then upon receipt of the Superintendent's written determination that any one or more of the above conditions exists, the Corporation hereby consents, and shall be deemed to have consented, to the entry of an order of rehabilitation or an order of liquidation, as determined by the Superintendent, pursuant to Article 74 of the New York Insurance Law; and it is further

RESOLVED that if the Superintendent determines to commence a proceeding pursuant to Article 74 of the New York Insurance Law, then the Corporation consents to the commencement of such proceeding in the Supreme Court of the State of New York, County of New York, at any time; and it is further

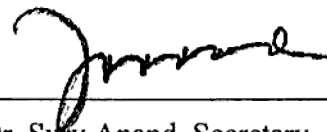
RESOLVED, that the Secretary is authorized to certify a copy of these resolutions as having been adopted by this Board; and it is further

RESOLVED, that the President be and hereby is authorized and directed to execute and deliver to the Superintendent such further documents as may be necessary or desirable to carry out the purpose and intent of the foregoing resolutions; and it is further

RESOLVED, that no action by the Corporation or any of its officers or directors that has the intent or effect of amending, rescinding, or changing in any way these resolutions shall be effective unless the Corporation shall have first obtained the Superintendent's written approval of such action.

I have compared the foregoing with the resolutions adopted by the Board of Directors of Atlantis Health Plan, Inc. at a special meeting held at 45 Broadway, NY, NY 10006, a quorum being present, on the 24th day of October, 2012, as recorded in the minute book of said Corporation, and I hereby certify that the same is a true, correct and complete copy thereof and that such resolutions have not been rescinded or modified and are still in full force and effect as of the current date.

IN WITNESS WHEREOF, I have set my hand on this 24 day of October, 2012.



Dr. Sury Anand, Secretary

EXHIBIT C

From: [Wiest, Stephen \(DFS\)](#)
To: [Richard Rubinstein](#); [Eric Hong](#)
Cc: [Gralton, Christine A \(DFS\)](#); [Wong, KaloDaisy \(DFS\)](#); [Shanai, Ervys \(DFS\)](#)
Subject: Fwd: Atlantis
Date: Monday, December 17, 2018 10:30:44 AM

Please see below email string. Let me know if you need anything further at this time. Thanks.

Sent from my iPhone

Begin forwarded message:

From: <IselinH@gtlaw.com>
Date: December 17, 2018 at 10:19:32 AM EST
To: <Stephen.Wiest@dfs.ny.gov>, <christine.gralton@dfs.ny.gov>
Subject: FW: Atlantis



See below.

From: Kiran Patel [<mailto:drkirancpatel@yahoo.com>]
Sent: Monday, December 17, 2018 10:00 AM
To: Iselin, Harold (Shld-ALB-HC-GovLP) <IselinH@gtlaw.com>
Subject: Re: Atlantis

I will accept on behalf of Atlantis

On Monday, December 17, 2018, 9:28:05 AM EST, <IselinH@gtlaw.com> wrote:

Please confirm that you will accept service in Florida. Thanks.

From: Kiran Patel [<mailto:drkirancpatel@yahoo.com>]
Sent: Monday, December 17, 2018 8:31 AM
To: Iselin, Harold (Shld-ALB-HC-GovLP) <IselinH@gtlaw.com>
Subject: Re: Atlantis

Harold the company cannot cure the insolvency

Sent from my iPhone

On Dec 17, 2018, at 8:17 AM, <IselinH@gtlaw.com> <IselinH@gtlaw.com> wrote:

See below.

From: Wiest, Stephen (DFS) [<mailto:stephen.wiest@dfs.ny.gov>]
Sent: Friday, December 14, 2018 12:38 PM
To: Iselin, Harold (Shld-ALB-HC-GovLP) <IselinH@gtlaw.com>
Subject: Atlantis

Hi Harold,

Hope all is well.

We are close to putting Atlantis into Liquidation. In this regard, our Liquidation Bureau (LB) folks are looking for a formal statement (an email from you in lieu of a principle at the Company, which as you know have been difficult to get a hold of, would be sufficient) that the Company cannot cure the insolvency.

Similarly, the LB is seeking a formal statement (again an e-mail is okay) from either you or a principle of the HMO agreeing to service in Florida.

Please let me know if you have any questions.

Thanks.

Steve

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 such information.

EXHIBIT D

**STATUTORY BASIS FINANCIAL
STATEMENTS ATLANTIS HEALTH PLAN,
INC.
(A wholly owned subsidiary of
ATLANTIS HEALTH SYSTEMS, INC.)
December 31, 2016 and 2015
With Independent Accountant's Report**

ATLANTIS HEALTH PLAN, INC.
(A wholly owned subsidiary of
ATLANTIS HEALTH SYSTEMS, INC.)
December 31, 2016 and 2015
CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statutory Basis Statements of Admitted Assets, Liabilities and Capital Deficit	3
Statutory Basis of Statements of Operations	4
Statutory Basis Statements of Changes in Capital Deficit	5
Statutory Basis Statements of Cash Flows	6
Notes to Statutory Basis Financial Statements	7 - 17



Judson B. Baggett | 6815 Dairy Road
 MBA, CPA, CVA, Partner | Zephyrhills, FL 33542
 Marci Reutimann | (813) 788-2155
 CPA, Partner | (813) 782-8606

Independent Auditors' Report

The Board of Directors
 Atlantis Health Plan, Inc.

Report on the Financial Statements

We have audited the accompanying statutory basis financial statements of Atlantis Health Plan, Inc. (a New York Corporation) (the "Company"), which comprise the statutory basis statement of admitted assets, liabilities, and capital and surplus (deficit) as of December 31, 2016 and 2015, and the related statutory statements of operations and changes in capital and surplus (deficit), and cash flows for the year then ended, and the related notes to the statutory basis financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these statutory basis financial statements in accordance with accounting practices prescribed or permitted by the New York State Department of Financial Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statutory basis financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these statutory basis financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statutory basis financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statutory basis financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the statutory basis financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the statutory basis financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statutory basis financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for adverse opinion on generally accepted accounting principles

As described in Note 2 to the statutory basis financial statements, the entity prepared the financial statements on the basis of accounting practices prescribed or permitted by the New York State Department of Financial Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the New York State Department of Financial Services.

The effects on the financial statements of the variances between these accounting practices described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

1

Adverse opinion on generally accepted accounting principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on Generally Accepted Accounting Principles paragraph, the statutory basis financial statements referred to above do not present fairly the financial position of the Company as of December 31, 2016 and 2015, or the results of its operations or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion on statutory basis of accounting

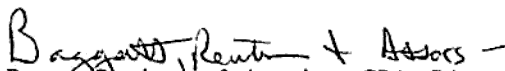
In our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus (deficit) of Atlantis Health Plan, Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in accordance with accounting practices prescribed or permitted by the New York State Department of Financial Services described in Note 2.

Emphasis of a Matter Regarding Winding Down of Operations

Uncertainty exists due to the final winding down of the operations of the entity. The financial statements have not been adjusted in regard to this process, the impacts of which we do not believe can be quantified; we therefore cannot determine materiality of the impact to the financial statements.

Emphasis of a Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company is in the process of winding down, has a capital deficiency, and it is more likely than not that its liabilities exceed its assets. These issues raise substantial doubt about the Company's ability to continue as a going concern. As the Company is in the process of winding down, management has not prepared a plan to address these issues. The financial statements do not include any adjustments that may result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.


Baggett, Reutimann, & Associates, CPAs, PA
Certified Public Accountants
Zephyrhills, Florida

July 6, 2017

ATLANTIS HEALTH PLAN, INC.
(A wholly owned subsidiary of
ATLANTIS HEALTH SYSTEMS, INC.)

Statutory Basis Statements of Admitted Assets, Liabilities and Capital Deficit
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ADMITTED ASSETS		
Cash and short-term-investments	\$ (50,876)	\$ (114,204)
Restricted cash	2,433,719	1,859,577
Premium receivables, net of nonadmitted assets of \$3,192,456 in 2016 and \$3,202,904 in 2015.	-	-
Amounts receivable from reinsurers	-	573,632
	<u>\$ 2,382,843</u>	<u>\$ 2,319,005</u>
 LIABILITIES AND CAPITAL DEFICIT		
Liabilities		
Claims and claim adjustment expense unpaid, net	\$ 1,676,191	\$ 1,873,582
Accounts payable and accrued expenses	1,296,812	1,317,750
Due to related parties	<u>450,142</u>	<u>450,142</u>
Total current liabilities	<u>3,423,145</u>	<u>3,641,474</u>
Total liabilities	<u>3,423,145</u>	<u>3,641,474</u>
Capital deficit		
Contributed and other surplus	44,371,533	44,019,467
New York State contingency reserve fund	32,127	480,107
Accumulated deficit	<u>(45,443,962)</u>	<u>(45,822,043)</u>
Total capital deficit	<u>(1,040,302)</u>	<u>(1,322,469)</u>
Total liabilities and capital deficit	<u>\$ 2,382,843</u>	<u>\$ 2,319,005</u>

See accompanying notes to financial statements and independent auditor's report

ATLANTIS HEALTH PLAN, INC.
(A wholly owned subsidiary of
ATLANTIS HEALTH SYSTEMS, INC.)
Statutory Basis of Statements of Operations
For the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Premium revenue (net of reinsurance)	\$ 259,045	\$ 3,843,973
Expenses		
Medical	3,678	1,977,576
Prescription	-	797,650
General and administrative	<u>510,068</u>	<u>1,399,190</u>
	<u>513,746</u>	<u>4,174,416</u>
Operating loss	<u>(254,701)</u>	<u>(330,443)</u>
Other income, net		
Interest income	510	393
Other non-operating income	102,642	628,082
Penalties	<u>-</u>	<u>(407,332)</u>
	<u>103,152</u>	<u>221,143</u>
Net loss	\$ <u>(151,549)</u>	\$ <u>(109,300)</u>

See accompanying notes to financial statements and independent auditor's report

ATLANTIS HEALTH PLAN, INC.
(A wholly owned subsidiary of
ATLANTIS HEALTH SYSTEMS, INC.)
Statutory Basis Statements of Changes in Capital Deficit
For the years ended December 31, 2016 and 2015

	Contributed and <u>Other Surplus</u>	NYS Contingent <u>Reserve Fund</u>	Accumulated <u>Deficit</u>	<u>Total</u>
Balance-December 31, 2014	\$ 41,194,893	\$ 4,943,604	\$ (50,151,371)	\$ (4,012,874)
Net loss	-	-	(109,300)	(109,300)
Contributed capital	2,824,574	-	-	2,824,574
Decrease in contingent reserve fund	-	(4,463,497)	4,463,497	-
Increase in nonadmitted assets	-	-	(24,869)	(24,869)
Balance-December 31, 2015	44,019,467	480,107	(45,822,043)	(1,322,469)
Net loss	-	-	(151,549)	(151,549)
Capital contributed	352,066	-	-	352,066
Decrease in contingent reserve fund	-	(447,980)	447,980	-
Decrease in nonadmitted assets	-	-	81,650	81,650
Balance-December 31, 2016	<u>\$ 44,371,533</u>	<u>\$ 32,127</u>	<u>\$ (45,443,962)</u>	<u>\$ (1,040,302)</u>

See accompanying notes to financial statements and independent auditor's report

ATLANTIS HEALTH PLAN, INC.
(A wholly owned subsidiary of
ATLANTIS HEALTH SYSTEMS, INC.)
Statutory Basis Statements of Cash Flows
For the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums collected net of reinsurance	\$ 269,494	\$ 4,688,829
Interest received	510	393
Miscellaneous income	<u>30,642</u>	<u>628,082</u>
Total	<u>300,646</u>	<u>5,317,304</u>
Benefit and loss related payments	(13,341)	(8,704,034)
Commissions, expenses paid and aggregate write-ins for deductions	<u>(575,533)</u>	<u>(1,806,522)</u>
Total	<u>(588,874)</u>	<u>(10,510,556)</u>
Net cash used in operating activities	<u>(288,228)</u>	<u>(5,193,252)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/Decrease in restricted cash	(574,142)	2,299,607
Reinsurance refunded	<u>573,632</u>	<u>-</u>
Net cash provided/(used) by investing activities	<u>(510)</u>	<u>2,299,607</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Other cash provided	<u>352,066</u>	<u>3,249,846</u>
Net cash provided by financing activities	<u>352,066</u>	<u>3,249,846</u>
Net increase in cash and short-term investments	63,328	356,201
Non-restricted cash, beginning of year	<u>(114,204)</u>	<u>(470,405)</u>
Non-restricted cash, end of year	<u>\$ (50,876)</u>	<u>\$ (114,204)</u>
NET LOSS	\$ (151,549)	\$ (109,300)
Adjustments to reconcile net loss to cash used by operating activities:		
Decrease in premium receivables	10,447	306,718
Decrease in other current assets	71,202	538,138
Increase in claims and adjustment expenses unpaid	(197,391)	(5,318,029)
Increase in accrued and other liabilities	<u>(20,937)</u>	<u>(610,779)</u>
NET CASH USED BY OPERATING ACTIVITIES	\$ (288,228)	\$ (5,193,252)
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for income taxes		<u>\$ 259,045</u>

See accompanying notes to financial statements and independent auditor's report

ATLANTIS HEALTH PLAN, INC.
(A wholly owned subsidiary of
ATLANTIS HEALTH SYSTEMS, INC.)
Notes to Statutory Basis Financial Statements

Note 1 - Organization and Description of Business

Atlantis Health Plan, Inc. ("AHP" or the "Company"), doing business as Easy Choice Health Plan of New York is a wholly owned subsidiary of Atlantis Health Systems, Inc. ("AHS" or the "Parent"). AHP was organized as a New York "Article 44" health maintenance organization ("HMO") and received its certificate of authority from the New York State Department of Health (the "Department") on May 17, 2000.

The Company's primary goal is to provide cost-effective, high-quality health care in New York City through its networks of hospitals, physicians and ancillary healthcare providers. The Company believes that it can best achieve this goal by placing health care professionals in the position of managing the financing and delivery of health care services.

During 2015, AHP sold managed care plans to groups and individuals in the New York City area. The Company's target market consists of primarily small groups with less than 50 employees and sole proprietors. Products consist of HMO and Point of Service ("POS") contracts, which provide for varying levels of coverage. HMO products require the insured to receive all non-emergency care from contracted participating providers. POS products have an out-of-network benefit subject to deductibles and coinsurance.

Insolvency and Winding Down of Operations

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, even though the decision has been made to wind down the business. This assumes continuing operations and the realization of assets and liabilities in the normal course of business. It is possible, even likely, that the company's liabilities exceed its realizable assets. Overall, there is substantial doubt about the ability of the entity to continue as a going concern within one year after the date that the financial statements are issued. See also Note 14, Contingencies

As described more fully in note 1, required reserves the Company is required to maintain is a minimum contingency reserve of \$32,127 as of December 31, 2016 pursuant to New York State Department of Financial Services (NYSDFS) regulations. Due to historical underwriting losses and insufficient capital, the Company has a capital and surplus shortfall of \$1,040,302 as of December 31, 2016.

As a result of the Company's capital and surplus shortfall, the New York State Department of Financial Services ("NYSDFS") is closely monitoring the operations of the Company. NYSDFS has the authority to, among other things, take over control of the day-to-day operations of the Company and/or initiate liquidation proceedings and revocation of the Company's HMO license.

On October 24, 2012, the Company entered into a resolution that, if the Superintendent of Financial Services of the State of New York determines that the Company is insolvent, fails to meet required contingency reserves or fails to collect any payment due pursuant to a \$5,000,000 note from the principle owner of the Parent dated October 24, 2012 (see note 2, permitted practice), then upon receipt of the Superintendent's written determination that any one of the conditions exists, the Company consents to the entry of an order of rehabilitation or an order of liquidation, as determined by the Superintendent, pursuant to Article 74 of the New York Insurance Law. In addition, the Company is prohibited from issuing dividends until such time as its contingent reserve deficiency is cured and the authority is granted by the Superintendent. The Company continues to work with the Superintendent of Financial Services in order to meet minimum capital and surplus requirements. By exiting the commercial business effective December 31, 2014, the required contingency reserve was reduced significantly.

As stated above, during 2015, management began winding down operations and is no longer issuing new insurance coverage. In order to continue in this manner, required additional funding was provided by a significant owner. This was done to facilitate the continued functioning for fulfillment of claims previously accrued. The impacts of this process has not been quantified by management, and the materiality of these impacts is uncertain. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

ATLANTIS HEALTH PLAN, INC.
(A wholly owned subsidiary of
ATLANTIS HEALTH SYSTEMS, INC.)
Notes to Statutory Basis Financial Statements

Note 1 - Organization and Description of Business (continued)

Required Reserves

The Company is required to maintain a reserve, pursuant to NYSDFS regulations, which is based upon 12.5% of the Company's net premium income for the current fiscal year. At December 31, 2016, the Company had a capital deficit of \$1,040,302 resulting in a required reserve shortfall of \$1,072,429. At December 31, 2015, the Company had a capital deficit of \$1,322,469 resulting in a required reserve shortfall of \$1,802,576. Failure to comply with such NYSID regulations could result in a termination of the Plan.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying statutory basis financial statements have been prepared in conformity with accounting practices prescribed or permitted by the New York State Department of Financial Services. Such practices vary from accounting principles generally accepted in the United States ("U.S. GAAP"). The more significant differences from U.S. GAAP are as follows:

NYSDFS has adopted, with certain modifications, the National Association of Insurance Commissioners ("NAIC") codified statutory accounting principles ("Codification"), which became effective in January 2001.

Under NYSDFS guidelines, the Company may only record electronic data processing ("EDP") equipment and software (net of accumulated depreciation) as admitted assets if the cost of such systems is greater than or equal to \$50,000, and those costs should be amortized in full over a period not to exceed 10 years. Codification permits the recognition of EDP equipment and software as admitted assets; however, those assets are limited to 3% of a reporting entity's capital and surplus as required to be shown on the statutory statement of admitted assets of the reporting entity for its most recently filed statement with the domiciliary state commissioner adjusted to exclude any EDP equipment and operating system software, net deferred taxes and net positive goodwill.

A reconciliation of the Company's net loss and capital deficit between Codification and NYSDFS guidelines is shown below:

	2016	2015
Net loss, under Codification	\$ (151,549)	\$ (109,300)
Adjustments	-	-
Net loss, under NYSDFS guidelines	\$ (151,549)	\$ (109,300)
Capital Deficit Under Codification	\$ (1,040,302)	\$ (1,322,469)
NYSID prescribed practices		
EDP equipment and software, net	-	-
Capital Deficit under NYSDFS guidelines	\$ (1,040,302)	\$ (1,322,469)

The significant policies followed under Codification which differ from U.S. GAAP are summarized as follows: (a) furniture and equipment, except certain computer equipment, are considered nonadmitted assets and are charged to surplus, (b) accounts receivable over 90 days are considered nonadmitted assets and are charged to surplus, (c) investments in bonds are reflected at amortized cost, (d) certain prepaid expenses are considered nonadmitted, (e) acquisition costs, such as commissions, premium taxes, and other items, have been charged to operations, whereas related premium income is taken into earnings on a pro rata basis over the periods covered by the policies; and (f) deferred federal income taxes are recognized subject to limitations, with changes in deferred taxes recorded in surplus, rather than income tax expense (benefit).

ATLANTIS HEALTH PLAN, INC.
(A wholly owned subsidiary of
ATLANTIS HEALTH SYSTEMS, INC.)
Notes to Statutory Basis Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

Permitted Practice

On October 24, 2012, the principal owner of the Parent executed a \$5,000,000 Promissory Note (the "Note") to the order of the Company. The Note does not meet the definition of an admitted asset, as prescribed by the NAIC Statutory Accounting Practices and Procedures Manual.

However, in accordance with the terms of a resolution adopted by the board of directors of the Company dated October 24, 2012, the Company consented to an order of rehabilitation or an order of liquidation, as determined by the Superintendent of Financial Services of the State of New York (the "Superintendent"), pursuant to Article 74 of the New York Insurance Law, if the Superintendent determines that one or more specified conditions exist. One of those conditions is that any payment due to the Company pursuant to the Note shall not have been made when due.

To the extent that the Note is performing, and based on the fact that the Superintendent could proceed with an order of rehabilitation or an order of liquidation if it was determined that any payment due to the Company was not made when due, the New York State Department of Financial Services would allow the Company to report as an admitted asset the remaining unpaid balance on the Note as a permitted practice. The Note is recognized as an admitted asset totaling \$3,054,445 as of December 31, 2013. As of December 31, 2014, the Note was paid in full.

Cash and Short-term Investments

Cash and short-term investments represent cash balances and investments with maturities of one year or less at the date of purchase, and are valued at cost, which approximates fair value. Under U.S. GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less. Cash and short-term investments are deposited with high quality financial institutions. At times such amounts may exceed the FDIC insured limits. In addition, certain cash and short-term investments include investments in money market mutual fund securities, which are not insured by the FDIC.

Concentrations of Credit Risk

Concentrations of Credit Risk Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and premiums receivable.

The Company manages its cash credit risk by depositing cash with high credit quality financial institutions. At times, such amounts may exceed federally insured limits. As of December 31, 2016, the Company had cash on deposit with financial institutions of approximately \$2,382,843, of which \$2,132,843 exceeded such limits.

Restricted Cash

New York Codes, Rules and Regulations require each HMO operating under the authority of Article 44 of the Public Health Law to establish an escrow deposit account for the protection of the enrollees, with a balance to be maintained at the greater of (i) 5% of the estimated expenditures for health care services for the subsequent year or (ii) \$100,000. The Company is only allowed to withdraw funds from the escrow account in the event of imminent termination of the program, and such withdrawal would require obtaining written approval from the NYSDFS. As of December 31, 2016 and 2015, the Company was in compliance with this requirement.

Premium Revenue, Unearned Premium and Premium Receivables

All of the Company's products are written as "Community Rated" products. The Company files its premium rates with the NYSID on a periodic basis. Retrospective rating is not applicable. Renewal pricing is as filed with the NYSID. The Company is subject to "Minimum Loss Ratios" on certain of its products - see Note 10 for further description. Subscriber contracts are on a yearly basis subject to cancellation by the employer group upon 30 days written notice.

ATLANTIS HEALTH PLAN, INC.
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Notes to Statutory Basis Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

Premium revenue consists of earned subscriber premiums and revenue generated from Medicare and Medicaid. The Company's contract with CMS and the state of New York entitles the Company to receive premium payments from CMS and the state of New York on behalf of each Medicare and Medicaid beneficiary enrolled in the Company's plans, generally on a per member, per month basis (PMPM). Subscriber premiums are recorded as revenue during the month for which the subscribers enrolled members are entitled to service.

Premiums collected in advance are deferred and reported as unearned premium revenue.

Premium receivables consist of amounts uncollected from subscribers. Uncollected amounts 90 days past due are treated as non-admitted.

Premiums from Medicare are generally fixed by contract in advance of the period during which the health care is covered. Each of the Company's Medicare plans submit rate proposals to CMS, generally by county or service area, in June for each Medicare plan that will be offered beginning January 1 of the subsequent year. Premium rates are adjusted with respect to each of the Company's Medicare plan members based on their aggregate health status and risk score.

Premiums for Medicaid are generally fixed by contract with the state of New York and vary based on county or service area.

Medical Expenses

Medical expenses, including hospital inpatient, hospital outpatient services and primary and specialty physician services, are recorded as expenses in the period in which services are provided and are based on actual paid and accrued claims plus an estimate for incurred but not reported claims. Inpatient hospitalization claims are paid primarily on a per diem basis, case rate basis or discounted charges. Network physicians and specialists are paid at contracted service rates. Out of network claims are paid at usual and customary rates net of applicable deductibles and coinsurance.

Prescription expenses

Prescription expenses are paid through a third-party pharmacy benefits manager on a fee for service basis. Prescription expenses are recorded in the period in which the prescriptions are filled.

Use of Estimates

The preparation of statutory-basis financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates underlying the accompanying financial statements include the allowance for doubtful premiums receivable and medical claims payable.

Claims and claim adjustment expenses

The liability for claims incurred (both reported and unreported) but not paid in the current year is estimated based upon certain actuarial assumptions, which consider anticipated levels of incurred claims based upon enrollment demographics and historical trends. In addition, a provision is made for claims processing costs. Adjustments to the amounts previously recorded, resulting from the continual review process, as well as differences between estimates and ultimate payments, will be reflected in the financial statements when such adjustments become known or estimable.

ATLANTIS HEALTH PLAN, INC.
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Notes to Statutory Basis Financial Statements

Note 2 - Summary of Significant Accounting Policies (continued)

The Company abides by the New York State Prompt Pay Law, which provides for interest to be paid on claims not processed within certain time frames. Related interest expense amounted to approximately \$0 and \$0 in 2016 and 2015, respectively, which is included in medical expenses in the accompanying statements of operations.

Advertising Expense

Advertising costs are expensed as incurred and totaled approximately \$0 and \$0 for the years ended December 31, 2016 and 2015, respectively.

Federal Income Tax

AHP is included under an agreement with AHS to file a consolidated Federal income tax return, which is prepared on an accrual basis. Pursuant to a Federal tax allocation agreement, any tax provision or benefit is determined for AHP based upon its separate return basis taxable income.

Deferred income tax assets ("DTAs") and liabilities ("DTLs") represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in Statement of Statutory Accounting Principles ("SSAP") No. 101. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared.

Gross DTAs are first reduced by a statutory valuation allowance adjustment ("adjusted gross DTAs"). Adjusted gross DTAs are then admitted as prescribed by SSAP 101.

Provider Advances

Provider advances consist of estimated overpayments of claims and expenses and advances to providers under contracts. Pursuant to statutory accounting principles, the Company does not admit provider advances that do not meet the offsetting of liabilities requirements.

Provider Capitations

The Company incurs monthly capitation fees as specified in contracts with certain providers which are assuming some or all of the medical risk expense. Provider capitations are included in the hospital and medical benefits amount in the accompanying statutory statements of revenue, expenses, and surplus.

Reinsurance

Reinsurance premiums are reported as a reduction to premium income and any reinsurance recoveries are reported as a reduction to medical claims expense.

Recently Adopted Accounting Changes

In June 2014, the NAIC issued SSAP 106, Affordable Care Assessments ("ACA Assessment"), to separately present the guidance related to the ACA Assessment previously included within SSAP No. 35R. The Plan has adopted this guidance effective January 1, 2014. Also in 2014, the NAIC issued SSAP No. 107, Accounting for the Risk-Sharing Provisions of the Affordable Care Act. The Affordable Care Act ("ACA") established three risk sharing programs for health insurance issuers offering commercial health insurance. These programs are known as risk adjustment, reinsurance and risk corridors. SSAP No. 107 defines the accounting treatment for each of the programs and requires extensive disclosures. SSAP No. 106 provides specific guidance related to the assessment of the annual fee (the health insurer fee) mandated to be paid to the federal government by health insurers under Section 9010 of the ACA. Beginning January 1, 2014, these revisions require (1) that the health insurer fee be recognized in full on January 1 of the fee year (the calendar year in which the assessment must be paid to the federal government), in the operating expense category of insurance taxes, licenses and fees, excluding federal income taxes and (2) that in each data year preceding a fee year, a reporting entity pro-ratably accrue by reclassifying from unassigned funds (surplus) to aggregate write-ins for special surplus funds an amount equal to its estimated subsequent fee year assessment. This reclassification has no impact on total capital and is reversed in full on January 1 of the fee year beginning with fee years starting on January 1, 2015 and after. See also Note 14, Contingencies

ATLANTIS HEALTH PLAN, INC.
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Notes to Statutory Basis Financial Statements

Note 3 - Income Taxes

The Company accounts for income taxes in accordance with the provisions of Statement of Statutory Accounting Principles No. 10R "Income Taxes" ("SSAP 10R") as modified by NYSID regulations. Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Under NYSID regulations and SSAP 10R, net deferred tax assets are deemed admitted assets to the extent they meet certain criteria prescribed by the regulations.

Deferred tax assets as of December 31, 2016 and 2015 were nonadmitted assets because they did not meet the recognition criteria under NYSID regulations and SSAP 10R. The components of the net deferred tax assets are as follows:

	December 31, 2016		
	Ordinary	Capital	Total
Total gross deferred tax assets	\$ 16,427,264	\$	\$ 16,427,264
Statutory valuation allowance adjustment	(16,427,264)	_____	(16,427,264)
Adjusted gross deferred tax asset			
Deferred tax assets nonadmitted			
Subtotal net deferred tax assets	_____	_____	_____
Deferred tax liabilities	_____	_____	_____
Net admitted deferred tax assets/(liabilities)	\$ _____	\$ _____	\$ _____
	December 31, 2015		
	Ordinary	Capital	Total
Total gross deferred tax assets	\$ 16,139,879	\$	\$ 16,139,879
Statutory valuation allowance adjustment	(16,139,879)	_____	(16,139,879)
Adjusted gross deferred tax asset			
Deferred tax assets nonadmitted			
Subtotal net deferred tax assets	_____	_____	_____
Deferred tax liabilities	_____	_____	_____
Net admitted deferred tax assets/(liabilities)	\$ _____	\$ _____	\$ _____
	Change		
	Ordinary	Capital	Total
Total gross deferred tax assets	\$ 287,385	\$	\$ 287,385
Statutory valuation allowance adjustment	(287,385)	_____	(287,385)
Adjusted gross deferred tax asset			
Deferred tax assets nonadmitted			
Subtotal net deferred tax assets	_____	_____	_____
Deferred tax liabilities	_____	_____	_____
Net admitted deferred tax assets/(liabilities)	\$ _____	\$ _____	\$ _____

ATLANTIS HEALTH PLAN, INC.
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Notes to Statutory Basis Financial Statements

Note 3 - Income Taxes (continued)

There were no admitted gross DTAs under any component of SSAP No. 101 for the year ended December 31, 2016.

The Company does not have any significant tax planning strategies to admit gross DTA's.

There are no deferred tax liabilities that were not recognized at December 31, 2016 or 2015.

There was no current income tax for the years ended December 31, 2016 and 2015.

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of December 31, 2016 and 2015 are as follows:

	2016	2015	Change
Deferred tax assets:			
Ordinary			
Discounting of unpaid losses	\$	\$	\$
Unearned Premium reserve			
Net operating loss carryforward	14,784,166	14,643,347	140,819
Nonadmitted assets	1,643,098	1,496,532	146,566
Other			
Total ordinary deferred tax assets	<u>16,427,264</u>	<u>16,139,879</u>	<u>287,385</u>
Statutory valuation allowance adjustment	(16,427,264)	(16,139,879)	(287,385)
Nonadmitted ordinary deferred tax assets			
Admitted ordinary deferred tax assets			
Capital			
Investments			
Total capital deferred tax assets			
Statutory valuation allowance adjustment			
Nonadmitted capital deferred tax assets			
Admitted capital deferred tax assets			
Admitted deferred tax assets			
Deferred tax liabilities			
Ordinary			
Other			
Ordinary deferred tax liabilities			
Capital			
Investments			
Capital deferred tax assets			
Total deferred tax assets			
Net admitted deferred tax assets	<u>\$</u>	<u>\$</u>	<u>\$</u>

ATLANTIS HEALTH PLAN, INC.
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Notes to Statutory Basis Financial Statements

Note 3 - Income Taxes (continued)

The change in net deferred income taxes is comprised of the following:

	December 31,	December 31	Change
	2016	2015	
Total deferred tax assets	\$ 16,427,264	\$ 16,139,879	\$ 287,385
Total deferred tax liabilities			
Net deferred tax assets	16,427,264	16,139,879	287,385
Statutory valuation allowance adjustment	(16,427,264)	(16,139,879)	(287,385)
Net deferred tax assets			
Tax effect of unrealized gains (losses)			
Statutory valuation allowance adjustment allocated to unrealized			
Change in net deferred income tax	\$ _____	\$ _____	\$ _____

The company recorded a full valuation allowance as of December 31, 2016 and 2015 offsetting its total deferred tax assets since management believes it is not more likely than not that the net deferred tax assets will be realized.

The provision for Federal income taxes is different from that which would be obtained by applying the statutory Federal income tax rate to income (loss) before income taxes. The nature of the items causing this difference are primarily non admitted assets, deferred tax valuation allowance, nondeductible expenses and prior year true ups.

At December 31, 2015, the Company had approximately \$43,100,000 of operating losses, some of which will be limited due to acquisition of the Parent on January 5, 2011 per IRC Section 382. The 2016 tax return has not been finalized.

The Company does not have any amounts for 2016 and 2015 that are available for recoupment in the event of future net losses. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

The Company's federal income tax return is consolidated with the Company's parent, Atlantic Health Systems, Inc.

Note 4 - Related Party Transactions

On January 5, 2011, the Company's parent, AHS, closed a sale of approximately 82% of its stock. Upon closing the sale, a \$5,000,000 deposit received in 2010 was converted to equity. Also, as part of the closing, the Company received an additional \$16,000,000 in capital funding in the form of Promissory Notes. As of December 31, 2014, the Promissory Notes were paid in full.

During the years ended December 31, 2016 and 2015, the Company paid approximately \$0 and \$31,707, respectively for claims reimbursement in the ordinary course of business to various health care professionals who are shareholders of the Parent.

The Patient Protection and Affordable Care Act of 2010, Section 9010, requires covered entities engaged in the business of providing health insurance for United States health risks to pay an annual fee based on net premiums written. The Company's annual fee on Health Insurance Providers for December 31, 2015 was \$450,142, which was paid on behalf of the Company, by a related entity. No fees were incurred nor paid for 2016.

During 2016, AHS contributed capital to the Company in that amount of \$352,066.

ATLANTIS HEALTH PLAN, INC.
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Notes to Statutory Basis Financial Statements

Note 5 - Medical Claims Payable

Activity in medical claims payable is summarized as follows:

	2016	2015
Balance, beginning of year	\$ 1,873,572	\$ 7,191,611
Incurred related to:		
Claims and claim adjustment expense current period	1,751	2,775,226
Claims and claim adjustment expense prior period	-	-
Total incurred	1,751	2,775,226
Paid related to:		
Claims and claim adjustment expense current period	13,341	2,770,331
Claims and claim adjustment expense prior period	185,791	5,322,934
Total paid	199,132	8,093,265
Balance, end of year	\$ 1,676,191	\$ 1,873,572

Note 6 - Reinsurance and Government Programs

Reinsurance

The Company limits its losses on individual claims through a commercial stop loss reinsurance policy. Under the reinsurance policy, the Company is reimbursed for eligible hospital services and medical services in excess of \$500,000 per member per contract year for 2016 and 2015, respectively, with a \$2,000,000 maximum covered expense per member per year subject to applicable reinsurance limits, deductibles, and coinsurance amounts, and a \$2,000,000 maximum covered lifetime expense per member.

As the primary insurer, the Company is not relieved of its obligation to cover eligible reinsurance claims in the event the commercial reinsurer is unable to meet its liabilities. The Company reviews the financial condition of its reinsurer at least annually to ensure that it maintains a minimum creditworthiness rating.

Reinsurance premiums of \$0 and \$16,026 for the years ended December 31, 2016 and 2015, respectively, were reduced from premium income. For the years ended December 31, 2016 and 2015, there were recoveries of \$0 and \$145,353 respectfully under this commercial reinsurance policy.

Government Programs

As of December 31, 2016 and 2015, \$0 and \$573,632 of reinsurance recoverable are included in amounts receivable from reinsurer, respectively, all from New York State Insurance Department under various reinsurance pools monitored by NYSID. Under the guidance of the Statements of Statutory Accounting Principles (SSAP) No. 84 "Certain Health Care Receivables and Receivables Under Government Insured Plans" these receivables are all admitted regardless of the amount of time they are outstanding.

Note 7 - Benefit Plan

The Company maintains a 401(k) profit sharing plan covering all full time employees. The Company may make a discretionary contribution of 10% of each employee's annual 401(k) contribution if the employee is with the Company at the end of the fiscal year. The Company contributed \$0 for the years ended December 31, 2016 and 2015. The Company provides health benefits to its employees through its own plan.

Note 8 - Claims Surcharges Payable

The New York Health Care Reform Act of 1996 ("HCRA") deregulated the State's inpatient hospital reimbursement system. It also authorized a series of payor and provider surcharges and assessments to fund health care initiatives, which had been historically supported under the prior regulatory system.

ATLANTIS HEALTH PLAN, INC.
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Notes to Statutory Basis Financial Statements

Note 8 - Claims Surcharges Payable (continued)

Under HCRA, all non Medicare payors are required to make surcharge payments for the subsidization of indigent care and health care initiatives including graduated medical expenses. The surcharge will vary by payor and apply to a broad array of health care services that are delivered to members in certain New York State facilities. Under HCRA, payors have the option of submitting these payments to the New York State Department of Health's pool administrator or directly to providers.

The Company has elected to submit payments directly to the Department of Health's pool administrator. Payables to the pool for the years ended December 31, 2016 and 2015 amounted to \$0 and \$0, respectively and are recorded in the Statement of Operations as Medical Expenses.

Adjustments to this estimated liability will be recorded in the period in which such adjustments become known or estimatable. Actual results may differ materially from management's estimate.

Note 9 - Dividend Restrictions

At December 31, 2016 and 2015, there was no portion of the Company's profits that may be paid as ordinary dividends to stockholders without prior approval from the New York State Department of Financial Services.

Note 10 - Commitments and Contingencies

Lease Commitments

The Company terminated their office lease that expired in 2019. The Company leases new office space under a month to month lease, which was also terminated during 2015. Rent expense for the years ended December 31, 2016 and 2015 was \$2,003 and \$55,628, respectively. Rent expense is recognized on the straight line method in accordance with SSAP No. 22. There are no future minimum rental payments subsequent to December 31, 2016.

Contract with Application Service Provider

The Company has an agreement with an Application Service Provider ("ASP") to provide the Company's primary systems applications as well as a limited amount of administrative services related to data input and reporting. Fees payable to the ASP under this arrangement are based on a per member per month and a per user per month basis subject to certain minimums. Payments to the ASP were \$0 and \$59,205 in 2016 and 2015, respectively, and were charged to general and administrative expenses.

Market Stabilization Pools

The New York State Community Rating Law requires insurers and HMOs writing small employer (groups with fewer than 50 eligible employees) and individual (nongroup) business to participate in certain market stabilization pools established primarily for the purpose of spreading claim risk among carriers. Under the Community Rating Law there are two major Pools: a pool for direct pay and small group contracts excluding Medicare Supplemental contracts ("non Med Supp Pool") and a pool for Medicare Supplemental contracts ("Med Supp Pool"). The Company participates in the non Med Supp Pool only because it is not engaged in selling Medicare Supplemental policies.

Minimum Loss Ratio Requirements

The NYSID has a requirement that HMO's have a minimum loss ratio ("MLR") of no less than 85% or 80% on certain lines of business. If the MLR falls below the minimum, the Company is required to either issue a dividend or credit to all members who had a policy that was in effect at any time during the reporting calendar year. Any dividend or credit would be specific to the line of business and its respective MLR. For the year ended December 31, 2015, AHP was not required to issue a rebate. The 2016 MLR calculation under HHS guidelines has not been calculated as of this date, however, the Company does not anticipate being required to issue rebates for 2016.

ATLANTIS HEALTH PLAN, INC.
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Notes to Statutory Basis Financial Statements

Note 11 - Settlement of Claims

During the year ended December 31, 2016 and 2015, the Company settled various claims for less than the incurred amount. The company is continuing its efforts to settle claims.

Note 12 - Litigation

The Company is involved in various lawsuits in the normal course of business. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provision for any contingent liabilities that may result has been made in the financial statements. Management believes that losses resulting from these matters, if any, would be covered under the Company's professional liability insurance policy and would not have a material effect on the financial position of the Company.

Note 13- Subsequent Events

Subsequent events have been reviewed in accordance with SSAP No. 9R, Subsequent Events, for both annual statement reporting and through issuance of these audited financial statements. Subsequent events were initially reviewed through July 6, 2017 for annual statement reporting, which is the date when the annual statement was issued and filed with the NYSID and these audited statements were available to be issued.

Note 14 - Uncertainties, Contingencies and Risks

In the process of winding up its business, the Company is negotiating with numerous creditors and agencies to mitigate amounts owed. As the amounts involved have not yet been specifically determined, the amounts noted here have not been recorded on the Company's financial records or financial statements. Several providers and provider companies have lodged complaints against the Company in regard to reduced payments to providers, and the Company's legal advisors are continuing to negotiate a settlement to these claims. The Company potentially owes approximately \$416,000 in back taxes to New York State, with the State also seeking penalties and interest in excess of \$862,000. These amounts are still under litigation and management is continuing to seek a settlement for these. The Company also has possible liabilities to New York State pursuant to the Health Care Reform Act (HCRA), which likely exceeds \$1 million. The Company has also been contacted by the Department of Health and Human Services Centers for Medical and Medicaid Services (CMS) seeking over \$8 million in payments as part of the federal risk adjustment and risk corridor programs (insurance programs designed to balance insurer risks in the individual and small group markets). This debt has been referred to the U.S. Treasury's Debt management Services, and is still under litigation. See also Note 2, Recently Adopted Accounting Changes.

EXHIBIT E



ANNUAL STATEMENT

For the Year Ended December 31, 2017
of the Condition and Affairs of the

Atlantis Health Plan Inc

NAIC Group Code.....0000, 0 (Current Period) (Prior Period)
 Organized under the Laws of New York
 Licensed as Business Type HMO
 Incorporated/Organized 04/17/1995
 Statutory Home Office
 Main Administrative Office
 Mail Address
 Primary Location of Books and Records
 Internet Web Site Address
 Statutory Statement Contact

NAIC Company Code..... 55280
 State of Domicile or Port of Entry New York
 Is HMO Federally Qualified? Yes [] No []
 Commenced Business 09/01/2000

Employer's ID Number..... 98-7654321
 Country of Domicile United States

5600 Mariner Street Suite 200 Tampa, FL 33609
 (Street and Number) (City or Town, State, Country and Zip Code)
5600 Mariner Street Suite 200 Tampa, FL 33609
 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
5600 Mariner Street Suite 200 Tampa, FL 33609
 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)
5600 Mariner Street Suite 200 Tampa, FL 33609
 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

(Name) (Area Code) (Telephone Number) (Extension)
 (E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Kiran Patel MD	Chairman	2.	
3.		4.	

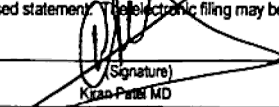
OTHER

DIRECTORS OR TRUSTEES

Kiran Patel MD

State of.....
County of.....

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.

 _____ (Signature) Kiran Patel MD 1. (Printed Name) Chairman (Title)	_____ (Signature) 2. (Printed Name) (Title)	_____ (Signature) 3. (Printed Name) (Title)
---	--	--

Subscribed and sworn to before me
This 16 day of July 2018



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 _____



Statement as of December 31, 2017 of the **Atlantis Health Plan Inc**

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....			0	
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 \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....0, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	2,433,719		2,433,719	2,382,843
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	2,433,719	0	2,433,719	2,382,843
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....			0	
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	3,202,904	3,202,904	0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	561,000	561,000	0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	446,872	446,872	0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	475,447	475,447	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	7,119,942	4,686,223	2,433,719	2,382,843
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	7,119,942	4,686,223	2,433,719	2,382,843

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Miscellaneous Receivable.....	235,548	235,548	0	
2502. Amounts Due from Providers.....	239,899	239,899	0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	475,447	475,447	0	0

Statement as of December 31, 2017 of the **Atlantis Health Plan Inc**

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	1,676,191		1,676,191	1,676,191
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....			0	
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	1,358,161		1,358,161	1,296,812
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	450,142		450,142	450,142
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	3,484,494	0	3,484,494	3,423,145
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	44,404,841	44,371,533
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	32,127
31. Unassigned funds (surplus).....	XXX	XXX	(45,455,818)	(45,443,962)
32. Less treasury stock at cost:				
32.10.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.20.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	(1,050,775)	(1,040,302)
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	2,433,719	2,382,843

DETAILS OF WRITE-INS

2301.....			0	
2302.....			0	
2303.....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	0	0	0	0
2501.....	XXX	XXX		
2502.....	XXX	XXX		
2503.....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001. NYS Contingent Reserve Fund.....	XXX	XXX		32,127
3002.....	XXX	XXX		
3003.....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	32,127

Statement as of December 31, 2017 of the **Atlantis Health Plan Inc**

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX		317
2. Net premium income (including \$.....0 non-health premium income).....	XXX		259,045
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	2,018	103,152
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	2,018	362,197
Hospital and Medical:			
9. Hospital/medical benefits.....			13,341
10. Other professional services.....			
11. Outside referrals.....			
12. Emergency room and out-of-area.....			
13. Prescription drugs.....			27,328
14. Aggregate write-ins for other hospital and medical.....	0	0	(36,991)
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	0	0	3,678
Less:			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....	0	0	3,678
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....			
21. General administrative expenses.....		13,672	510,068
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	0	13,672	513,746
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(11,654)	(151,549)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....			
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....			
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	0	0
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.....	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	(11,654)	(151,549)
31. Federal and foreign income taxes incurred.....	XXX		
32. Net income (loss) (Lines 30 minus 31).....	XXX	(11,654)	(151,549)

DETAILS OF WRITE-INS

0601. Other Non-operating Income.....	XXX	2,018	102,642
0602. Non-deductible fines and penalties.....	XXX		510
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	2,018	103,152
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401. Pharmacy Creditor Write-off.....			(27,328)
1402. Provider Settlements.....			(9,663)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	(36,991)
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	0

Statement as of December 31, 2017 of the **Atlantis Health Plan Inc**

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting period.....	(1,040,302)	(1,322,470)
34. Net income or (loss) from Line 32.....	(11,654)	(151,549)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (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.....		71,202
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....	1,181	352,067
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.....	0	10,448
48. Net change in capital and surplus (Lines 34 to 47).....	(10,473)	282,168
49. Capital and surplus end of reporting period (Line 33 plus 48).....	(1,050,775)	(1,040,302)

DETAILS OF WRITE-INS

4701. Change in premium receivable.....		10,448
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	0	10,448

Statement as of December 31, 2017 of the **Atlantis Health Plan Inc****CASH FLOW**

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....		259,045
2. Net investment income.....		
3. Miscellaneous income.....	2,018	31,352
4. Total (Lines 1 through 3).....	2,018	290,397
5. Benefit and loss related payments.....		(372,563)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	13,671	510,068
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....		
10. Total (Lines 5 through 9).....	13,671	137,505
11. Net cash from operations (Line 4 minus Line 10).....	(11,654)	152,892
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....		
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	0	0
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	1,181	352,067
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	57,251	136,609
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	58,432	488,676
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	46,778	641,568
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	2,386,941	1,745,373
19.2 End of year (Line 18 plus Line 19.1).....	2,433,719	2,386,941

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
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Statement as of December 31, 2017 of the **Atlantis Health Plan Inc**

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plans	Title XVIII Medicare	Title XX Medicaid	Other Health	Other Non-Health
1. Net premium income.....	0									
2. Change in unearned premium reserves and reserve for rate credit.....	0									
3. Fee-for-service (net of \$.....0 medical expenses).....	0									
4. Risk revenue.....	0									
5. Aggregate write-ins for other health care related revenues.....	0									
6. Aggregate write-ins for other non-health care related revenues.....	2,018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,018
7. Total revenues (Lines 1 to 6).....	2,018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,018
8. Hospital/medical benefits.....	0									
9. Other professional services.....	0									
10. Outside referrals.....	0									
11. Emergency room and out-of-area.....	0									
12. Prescription drugs.....	0									
13. Aggregate write-ins for other hospital and medical.....	0									
14. Incentive pool, withhold adjustments and bonus amounts.....	0									
15. Subtotal (Lines 8 to 14).....	0									
16. Net reinsurance recoveries.....	0									
17. Total hospital and medical (Lines 15 minus 16).....	0									
18. Non-health claims (net).....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,671
19. Claims adjustment expenses including \$.....0 cost containment expenses.....	0									
20. General administrative expenses.....	13,671									
21. Increase in reserves for accident and health contracts.....	0									
22. Increase in reserve for life contracts.....	0									
23. Total underwriting deductions (Lines 17 to 22).....	13,671	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,671
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	(11,654)									(11,654)

DETAILS OF WRITE-INS

0501.....	0									
0502.....	0									
0503.....	0									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0									
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0									
0601. Other Non-operating income.....	2,018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,018
0602.....	0									
0603.....	0									
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0									
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above).....	2,018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,018
1301.....	0									
1302.....	0									
1303.....	0									
1398. Summary of remaining write-ins for Line 13 from overflow page.....	0									
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above).....	0									

07/15/2018 4:42:06 PM

Statement as of December 31, 2017 of the Atlantis Health Plan Inc

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)				.0
2. Medicare supplement				.0
3. Dental only				.0
4. Vision only				.0
5. Federal employees health benefits plan				.0
6. Title XVIII - Medicare				.0
7. Title XIX - Medicaid				.0
8. Other health				.0
9. Health subtotal (Lines 1 through 8)	0	0	0	0
10. Life				.0
11. Property/casualty				.0
12. Totals (Lines 9 to 11)	0	0	0	0

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Statement as of December 31, 2017 of the **Atlantis Health Plan Inc**

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	0									
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	0									
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	1,676,191	1,676,191								
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	1,676,191	1,676,191								
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0									
5. Accrued medical incentive pools and bonuses, current year.....	0									
6. Net healthcare receivables (if).....	0									
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	0									
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	0									
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0									
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	0									
12. Incurred benefits:										
12.1 Direct.....	1,676,191	1,676,191								
12.2 Reinsurance assumed.....	0									
12.3 Reinsurance ceded.....	0									
12.4 Net.....	1,676,191	1,676,191								
13. Incurred medical incentive pools and bonuses.....	0									

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

07/15/2018 4:42:06 PM

Statement as of December 31, 2017 of the Atlantis Health Plan Inc

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	1,676,191	1,676,191								
1.2 Reinsurance assumed.....	0	0								
1.3 Reinsurance ceded.....	0	0								
1.4 Net.....	1,676,191	1,676,191								
2. Incurred but unreported:										
2.1 Direct.....	0	0								
2.2 Reinsurance assumed.....	0	0								
2.3 Reinsurance ceded.....	0	0								
2.4 Net.....	0	0								
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0	0								
3.2 Reinsurance assumed.....	0	0								
3.3 Reinsurance ceded.....	0	0								
3.4 Net.....	0	0								
4. Totals:										
4.1 Direct.....	1,676,191	1,676,191								
4.2 Reinsurance assumed.....	0	0								
4.3 Reinsurance ceded.....	0	0								
4.4 Net.....	1,676,191	1,676,191								

Statement as of December 31, 2017 of the **Atlantis Health Plan Inc**

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year				Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 +3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year				
1. Comprehensive (hospital and medical)			1,676,191			1,676,191		
2. Medicare supplement								
3. Dental only								
4. Vision only								
5. Federal employees health benefits plan								
6. Title XVIII - Medicare								
7. Title XX - Medicaid								
8. Other health								
9. Health subtotal (Lines 1 to 8)	0	0	1,676,191	0		1,676,191	0	
10. Healthcare receivables (a)								
11. Other non-health								
12. Medical incentive pools and bonus amounts								
13. Totals (Lines 9 - 10 + 11 + 12)	0	0	1,676,191	0		1,676,191	0	

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

Statement as of December 31, 2017 of the **Atlantis Health Plan Inc**

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 +3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)			1,676,191		1,676,191	
2. Medicare supplement						
3. Dental only						
4. Vision only						
5. Federal employees health benefits plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	0	0	1,676,191	0	1,676,191	0
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	0	0	1,676,191	0	1,676,191	0

(a) Excludes \$.....0 loans or advances to providers not yet repensed.

EXHIBIT 3

[Prior orders of liquidation for other estates]

FILED: QUEENS COUNTY CLERK 07/25/2017 09:38 AM

INDEX NO. 703264/2017

NYSCEF DOC. NO. 60

15BROCK GWFAK -> 3123230461

RECEIVED NYSCEF: 07/25/2017

ATLAS Part 39 of the Supreme Court of the State of New York, County of Queens, at the courthouse located at 25-10 Court Square, Long Island City, New York, on the 25 day of July, 2017.

PRESENT:

HON. LESLIE J. PURIFICACION, J.S.C.

In the Matter of

the Application of

Maria T. Vullo, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

FIDUCIARY INSURANCE COMPANY OF AMERICA

Index No. 703264/2017

ORDER OF LIQUIDATION

FILED JUL 25 2017 COUNTY CLERK QUEENS COUNTY

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order appointing the Superintendent and her successors in office as liquidator ("Liquidator") of Fiduciary Insurance Company of America ("Fiduciary") and directing the Liquidator to take possession of the property of Fiduciary and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on February 24, 2017 (the "Petition"), the affidavit of Marc Allen, sworn to on February 16, 2017, and the exhibits and schedules annexed thereto, this Court finds that:

1. Fiduciary is insolvent within the meaning of Section 1309(a) of the New York Insurance Law ("Insurance Law"); and
2. Fiduciary should be placed into liquidation under Insurance Law Article 74 because: (i) its board of directors and shareholders unanimously consented to the entry of an

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INDEX NO. 703264/2017

NYSCEF DOC. NO. 60

ASBODA-GWPKR -> 2122330161

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order of liquidation: (ii) it is insolvent; (iii) it has refused to submit specified reports and other financial information to the Superintendent as required by the Insurance Law; and (iv) permitting Fiduciary to remain in business would be hazardous to policyholders, creditors, and the public at large; and

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Petition for an order of liquidation ("Order") is granted;
2. The Superintendent and her successors in office are appointed Liquidator of Fiduciary;
3. The Liquidator is directed to take possession of Fiduciary's property and liquidate Fiduciary's business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to Fiduciary's property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of Fiduciary in Fiduciary's name or in the name of the Liquidator;
6. All persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Fiduciary's business (including the issuance of insurance policies) or from the waste or disposition of Fiduciary's property;
7. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Fiduciary, its assets or any part thereof and commencing or prosecuting any actions or proceedings against the Superintendent as Liquidator of Fiduciary, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Articles 74 and 76 in relation thereto;
8. All parties to actions, lawsuits, and special or other proceedings in which Fiduciary's policyholders or insureds are a party or are obligated to defend a party

FILED: QUEENS COUNTY CLERK 07/25/2017 09:38 AM

NYSCEF DOC. NO. 60

25000A GWFAX 07 21 09 10467

INDEX NO. 703264/2017

RECEIVED NYSCEF: 07/25/2017

- pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of this Order;
9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator or with the Administrator for a period of 90 days from the date of entry of this Order;
 10. The Liquidator is vested with all rights in Fiduciary's contracts and agreements, however described, and is permitted, in her discretion, to reject any executory contracts to which Fiduciary is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
 11. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Fiduciary's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution, and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
 12. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Fiduciary shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
 13. The Liquidator is authorized, permitted, and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Fiduciary, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of this Court;
 14. All existing insurance policies of Fiduciary will be cancelled at 12:01 a.m. local time on the date that is 60 days after the entry of this Order (the "Cancellation Date");

03/20/2017 3:43 PM

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Page 12 of 12

- 15. All claims against Fiduciary, including all evidence to establish the existence of an actual loss under a policy, must be presented to the Liquidator by the date that is one year after the Cancellation Date (the "Bar Date"), except that the Bar Date shall not apply to the Liquidator's claims for administrative expenses or to claims for reimbursement submitted by the Security Funds (as defined in the accompanying Petition);
- 16. The Liquidator is authorized, in her discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law § 7434(a)(1)(iii)-(ix)) unless and until she believes, exercising her discretion, that adjudication of such claims would be in the best interests of the estate;
- 17. Immunity is extended to the Superintendent in her capacity as Liquidator of Fiduciary, her successors in office, the New York Liquidation Bureau and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- 18. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
- 19. The Liquidator may at any time make further application to this Court for such further and different relief as she sees fit;
- 20. The Liquidator shall serve a copy of this Order upon: John J. Hession, Executive Vice-President and General Counsel, Fiduciary Insurance Company of America, 45-07 Davis Street, 3rd Floor, Long Island City, New York 11101, by overnight delivery or by certified mail;
- 21. The Liquidator shall provide notice of this Order to the holders of the Remaining Policies (as defined in the accompanying Petition) by: (i) by first-class mail to the holders of the Remaining Policies within 30 days of entry of this Order; (ii) publication of notice of this Order, in a form substantially similar to the one attached hereto as Annex A, in the *New York Post* once a week for two consecutive weeks, commencing within 30 days of entry of this Order; and (iii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days of entry of this Order;
- 22. This Court shall retain jurisdiction over this matter for all purposes;

RECEIVED NYSCEF: 07/25/2017
INDEX NO. 703264/2017

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FILED: QUEENS COUNTY CLERK 07/25/2017 09:38 AM

NYSCEF Doc. NO. 60

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INDEX NO. 703264/2017

RECEIVED NYSCEF: 07/25/2017

23. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF QUEENS

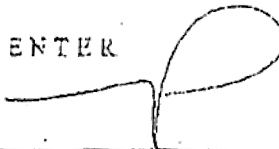
-----X
In the Matter of

the Liquidation of

FIDUCIARY INSURANCE COMPANY OF AMERICA
-----X

24. All further papers in this proceeding shall bear the above amended caption.

ENTER



J.S.C.

HON. LEBLIE J. FURUKACOW

JUL 12 2017

FILED
JUL 25 2017
COUNTY CLERK
QUEENS COUNTY

FILED: NEW YORK COUNTY CLERK 12/28/2016 10:41 AM

INDEX NO. 452041/2016

NYSCEF DOC. NO. 10

RECEIVED NYSCEF: 12/28/2016

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: JOAN M. KENNEY
J.S.C. Justice

PART 8

Vullo, MARIA T.

INDEX NO. 452041-16

American Medical AND Life Insurance Company

MOTION DATE

MOTION SEQ. NO. 001

The following papers, numbered 1 to 10, were read on this motion to/for

Notice of Motion/Order to Show Cause - Affidavits - Exhibits No(s). 1-10

Answering Affidavits - Exhibits No(s).

Replying Affidavits No(s).

Upon the foregoing papers, it is ordered that the motion is granted in its entirety. The relief sought in the Petition is granted in its entirety. The motion is granted as per the terms of the attached Order.

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

Dated: 12/21/16

JOAN M. KENNEY J.S.C.

- 1. CHECK ONE: [X] CASE DISPOSED [] NON-FINAL DISPOSITION
2. CHECK AS APPROPRIATE: MOTION IS: [] GRANTED [] DENIED [] GRANTED IN PART [] OTHER
3. CHECK IF APPROPRIATE: [] SETTLE ORDER [] SUBMIT ORDER
[] DO NOT POST [] FIDUCIARY APPOINTMENT [] REFERENCE

At IAS Part 8 of the Supreme Court of the State of New York, County of New York, at the courthouse located at 71 Thomas Street, New York City, New York, on the 21st day of December, 2016.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the Matter of

Index No. 452041/2016

the Application of

ORDER

Maria T. Vullo, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

AMERICAN MEDICAL AND LIFE INSURANCE COMPANY.

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order placing American Medical and Life Insurance Company ("AMLI") into liquidation, appointing the Superintendent and her successors in office as liquidator ("Liquidator") of AMLI, and directing the Liquidator to take possession of the property of AMLI and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on October 14, 2016 (the "Petition"), the affidavit of James Regalbuto, sworn to on October 14, 2016, and the exhibits and schedules annexed thereto, this Court finds that:

without opposition
JMK
JOAN M. KENNEY
J.S.C.

1. AMLI is insolvent within the meaning of New York Insurance Law ("Insurance Law") § 1309(a); and

2. AMLI should be placed into liquidation under Insurance Law Article 74 because: (i) AMLI's board of directors unanimously consented to the entry of an order of liquidation; (ii) AMLI is insolvent; and (iii) AMLI has been found, after examination, to be in such condition that its further transaction of business will be hazardous to its policyholders, creditors or the public.

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the Petition for an order of liquidation ("Order") is granted;
2. The Superintendent and her successors in office are appointed Liquidator of AMLI;
3. The Liquidator is directed to take possession of AMLI's property and liquidate AMLI's business and affairs in accordance with Insurance Law Article 74;
4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to AMLI's property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of AMLI in AMLI's name or in the name of the Liquidator;
6. All persons and entities are permanently enjoined and restrained from wasting the assets of AMLI, and are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting AMLI's business or disposing of AMLI's property;
7. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against AMLI, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, AMLI, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;

8. The Liquidator is vested with all rights in AMLI's contracts and agreements, however described, and is permitted to, in her discretion, reject any executory contracts to which AMLI is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
9. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of AMLI's funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
10. All persons or entities having property, papers (including attorney work product and documents held by attorneys), and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to, or relating to AMLI shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over, and deliver such property and/or information to the Liquidator;
11. The Liquidator is authorized, permitted, and allowed to sell, assign, or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of AMLI, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments, without the further approval of this Court;
12. All existing insurance policies of AMLI will be cancelled as of 12:01 a.m. local time on the date that is 180 days after the entry of this Order;
13. The date that is nine months after the entry of this Order is established as the bar date by which all claims by any claimant against AMLI or its insureds (other than the Liquidator's claim or the claims of the Life Insurance Guaranty Corporation of New York, including those described in Insurance Law Section 7713(d), for administrative expenses (collectively, "Administrative Claims")), and all supporting documentation evidencing such claims, must actually be received by the Liquidator (the "Bar Date"), and all claims and supporting documentation served upon the Liquidator after the Bar Date are time-barred;
14. The Liquidator is authorized, in her discretion, to refrain from adjudicating claims other than Administrative Claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests

of the estate; or (b) it is certain that the AMLI estate will have sufficient assets to pay claims of such class;

- 15. Immunity is extended to the Superintendent in her capacity as Liquidator of AMLI, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- 16. The Liquidator may at any time make further application to this Court for such further and different relief as she sees fit;
- 17. The Liquidator shall serve a copy of this Order by overnight delivery upon: (a) Sydney Tucker Taylor, President, American Medical and Life Insurance Company, 299 Park Avenue, 6th Floor, New York, New York 10171; (b) each policyholder as shown on AMLI's books and records under AMLI policies that, to the best of the Liquidator's knowledge, remain in force as of the date of entry of this Order; and (c) any person or entity who or that timely filed and served papers in opposition to the relief sought;
- 18. The Liquidator shall provide notice of this Order to all creditors, claimants, and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached hereto as Annex A, in *Insurance Advocate*, for two consecutive publication periods, commencing within 30 days of entry of this Order; and (ii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
- 19. This Court shall retain jurisdiction over this matter for all purposes;
- 20. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
 COUNTY OF NEW YORK
 -----X
 In the Matter of

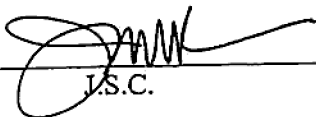
 the Liquidation of

 AMERICAN MEDICAL AND LIFE
 INSURANCE COMPANY.
 -----X

- 21. All further papers in this proceeding shall bear the above amended caption.

ENTER

12/21/16



J.S.C.

ANNEX A

[Form of Notice of Liquidation Order]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6400

To all persons or entities interested in the affairs of
AMERICAN MEDICAL AND LIFE INSURANCE COMPANY

Notice is Hereby Given:

Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, County of New York ("Court"), entered on _____, 2016, as the liquidator (the "Liquidator") of American Medical and Life Insurance Company ("AMLI") and, as such, has been: (i) directed to take possession of AMLI's property and liquidate AMLI's business and affairs in accordance with New York Insurance Law ("Insurance Law") Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to AMLI's property, contracts, rights of action, and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed David Axinn, Special Deputy Superintendent (the "Special Deputy"), as her agent to carry out her duties as Liquidator. The Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides that:

- I. The Liquidator is permitted to deal with the property and business of AMLI in AMLI's name or in the name of the Liquidator;
- II. All persons and entities are permanently enjoined and restrained from wasting the assets of AMLI, and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting AMLI's business or disposing of AMLI's property;
- III. All persons and entities are permanently enjoined and restrained from interfering with the Liquidator or the proceeding, obtaining any preferences, judgments, attachments, or other liens, making any levy against AMLI, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, AMLI, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to the proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto;
- IV. The Liquidator is vested with all rights in AMLI's contracts and agreements, however described, and the Liquidator is permitted to, in her discretion, reject any executory contracts to which AMLI is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
- V. Any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody, or control any of AMLI's funds, accounts (including escrow accounts), or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;

- VI. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to AMLI shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
- VII. The Liquidator is authorized, permitted, and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of AMLI, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of the Court;
- VIII. All existing insurance policies of AMLI will be cancelled as of 12:01 a.m. local time on the date that is 180 days after the entry of the Order;
- IX. The date that is nine months after the entry of the Order is established as the bar date by which all claims by any claimant against AMLI or its insureds (other than the Liquidator's claim or the claims of the Life Insurance Guaranty Corporation of New York, including those described in Insurance Law Section 7713(d), for administrative expenses (collectively, "Administrative Claims")), and all supporting documentation evidencing such claims, must actually be received by the Liquidator (the "Bar Date"), and all claims and supporting documentation served upon the Liquidator after the Bar Date are time-barred;
- X. The Liquidator is authorized, in her discretion, to refrain from adjudicating claims of any class other than Administrative Claims or policyholder claims unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is certain that the AMLI estate will have sufficient assets to pay claims of such class;
- XI. Immunity is extended to the Superintendent in her capacity as Liquidator of AMLI, her successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XII. AMLI is insolvent within the meaning of Insurance Law § 1309(a);
- XIII. The Liquidator may at any time make further application to the Court for such further and different relief as she sees fit;
- XIV. The Court shall retain jurisdiction over this matter for all purposes.
- XV. All communications relating to AMLI and to the liquidation proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
Attention: General Counsel

New York, New York 10038
(212) 341-6400

A copy of the Order may be viewed at <http://www.nylb.org>. To the extent there are any discrepancies between this notice and the Order, then the verbiage of the Order controls.

MARIA T. VULLO
Superintendent of Financial Services of
the State of New York as Liquidator of
American Medical and Life Insurance
Company

DAVID AXINN
Special Deputy Superintendent
and Agent of the Liquidator

FILED: NEW YORK COUNTY CLERK 01/29/2015 12:02 PM

INDEX NO. 160307/2014

NYSCEF DOC. NO. 17

RECEIVED NYSCEF: 01/29/2015

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: BANNON Justice

PART 42

BENJAMIN M. LAWSKY

INDEX NO. 160307/14

EVERRADY INSURANCE COMPANY

MOTION DATE

MOTION SEQ. NO. 01

The following papers, numbered 1 to , were read on this motion to/for

Notice of Motion/Order to Show Cause — Affidavits — Exhibits No(s).

Answering Affidavits — Exhibits No(s).

Replying Affidavits No(s).

Upon the foregoing papers, it is ordered that this motion is granted per the attached Order.

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

Dated: 12/3/14

HON. NANCY M. BANNON J.S.C.

- 1. CHECK ONE: CASE DISPOSED, NON-FINAL DISPOSITION
2. CHECK AS APPROPRIATE: MOTION IS: GRANTED, DENIED, GRANTED IN PART, OTHER
3. CHECK IF APPROPRIATE: SETTLE ORDER, SUBMIT ORDER, DO NOT POST, FIDUCIARY APPOINTMENT, REFERENCE

At IAS Part 42 of the Supreme Court of the State of New York, County of New York, at the courthouse located at 111 Centre Street, New York City, New York, on the 3rd day of December, 2014.

P R E S E N T:

HON. NANCY M. BANNON, J.S.C

-----x

In the Matter of

Index No. 160307/2014

the Application of

ORDER OF LIQUIDATION

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

EVEREADY INSURANCE COMPANY.

-----x

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order appointing the Superintendent and his successors in office as liquidator ("Liquidator") of Eveready Insurance Company ("Eveready") and directing the Liquidator to take possession of the property of Eveready and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on October 9, 2014, the affidavit of James Davis, sworn to on October 8, 2014, and the exhibits annexed thereto, this Court finds that:

1. Eveready was incorporated in the State of New York on or about August 8, 1963 and commenced business on May 1, 1965;
2. Eveready is licensed to transact the business of insurance in accordance with paragraphs (13) (Personal Injury Liability), (14) (Property Damage Liability), and (19) (Motor

Vehicle and Aircraft Physical Damage) of Section 1113(a) of the New York Insurance Law (“Insurance Law”) and is licensed to transact the business of insurance only in the State of New York. Eveready writes primarily private-passenger auto liability and physical damage insurance, plus a small amount of commercial auto insurance in downstate New York;

3. Eveready’s statutory office is located at 59 Maiden Lane, New York City, New York 10038-4502;

4. Eveready is insolvent;

5. On July 7, 2014, Eveready’s Board of Directors unanimously passed a written consent for the entry of an order of liquidation pursuant to Insurance Law Article 74;

6. Eveready is subject to the Insurance Law and, in particular, to Article 74 thereof; and

7. It is in the best interest of all persons concerned that, based upon Article 74 of the Insurance Law, the Superintendent should be appointed Liquidator and directed to take possession of the property of Eveready, to liquidate its business and affairs, and be vested with title to all of Eveready’s property, contracts and rights of action; and

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the petition for an order of liquidation (“Order”) is granted;
2. The Superintendent and his successors in office are appointed Liquidator of Eveready;
3. The Liquidator is directed to take possession of Eveready’s property and liquidate Eveready’s business and affairs in accordance with Insurance Law Article 74;

4. The Liquidator is vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order and with title to Eveready's property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of this Order;
5. The Liquidator may deal with the property and business of Eveready in Eveready's name or in the name of the Liquidator;
6. All persons are permanently enjoined and restrained from wasting the assets of Eveready, and are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Eveready's business (including the issuance of insurance policies) or disposing of Eveready's property;
7. All parties are permanently enjoined and restrained from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Eveready, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Eveready, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Article 74 in relation thereto;
8. All parties to actions, lawsuits, and special or other proceedings (other than those brought by Eveready) in which Eveready, its policyholders or insureds are a party or obligated to defend a party or provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of this Order;
9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is vested with all rights in Eveready's contracts and agreements, however described, and is permitted to, in his discretion, reject any executory contracts to which Eveready is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;
11. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Eveready's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings

and loan association or other financial institution; and/or (c) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;

12. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Eveready shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
13. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in his discretion, he deems to be in the best interest of the creditors of Eveready, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of this Court;
14. ALL EXISTING INSURANCE POLICIES OF EVEREADY WILL BE CANCELLED AT THE EARLIEST OF: (A) 30 DAYS FROM THE GIVING OF NOTICE OF SUCH CANCELLATION BY EVEREADY, IF SUCH NOTICE IS REQUIRED BY AN INSURANCE POLICY OR APPLICABLE LAW; (B) THE STATED EXPIRATION OR TERMINATION DATE AND TIME OF THE INSURANCE POLICY; (C) THE EFFECTIVE DATE AND TIME OF A REPLACEMENT INSURANCE POLICY OF THE SAME TYPE ISSUED BY ANOTHER INSURER REGARDLESS OF WHETHER THE COVERAGE IS IDENTICAL COVERAGE; (D) THE EFFECTIVE DATE AND TIME THAT THE EVEREADY INSURANCE POLICY OBLIGATION IS TRANSFERRED TO ANOTHER INSURER OR ENTITY AUTHORIZED BY LAW TO ASSUME SUCH OBLIGATION; OR (E) 12:01 A.M. LOCAL TIME ON THE DATE THAT IS 30 DAYS AFTER THE ENTRY OF THIS ORDER;
15. The date that is one year after the entry of this Order is established as the bar date by which all claims by any claimant against Eveready or its insureds, other than the Liquidator's claim for administrative expenses, must be actually be received by the Liquidator, including all evidence supporting the liquidation of such claims;
16. The Liquidator is authorized, in his discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate;
17. Immunity is extended to the Superintendent and his successors in office in his capacity as Liquidator of Eveready, the New York Liquidation Bureau, and their

agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;

18. Eveready is insolvent;
19. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
20. In accordance with Insurance Law Section 7432(b), all claims against Eveready must be presented to the Liquidator within four months of the date of entry of this Order;
21. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
22. The Liquidator shall serve a copy of this Order upon: Marc Wollerstein, President, Eveready Insurance Company, 59 Maiden Lane, New York, New York 10038-4502, by overnight delivery or by certified mail;
23. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of notice of this Order, in a form substantially similar to the one attached hereto as Exhibit A, in the *New York Daily News*, once a week for two consecutive publication periods, commencing within 30 days of entry of this Order; and (ii) posting this Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;
24. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered;
25. The notice prescribed in paragraph 23 above is sufficient notice to all persons interested in Eveready;
26. This Court shall retain jurisdiction over this matter for all purposes;

27. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

In the Matter of

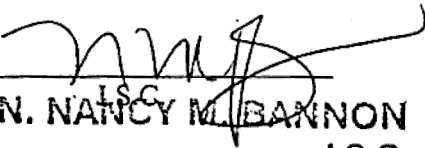
the Liquidation of

EVEREADY INSURANCE COMPANY.

-----X

28. All further papers in this proceeding shall bear the above amended caption.

ENTER



HON. NANCY M. BANNON
J.S.C.

EXHIBIT A

[Form of Notice]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6400

To all persons or entities interested in the affairs of
EVEREADY INSURANCE COMPANY

Notice is Hereby Given:

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, County of New York ("Court"), entered _____, 2014, as the liquidator (the "Liquidator") of Eveready Insurance Company ("Eveready") and, as such, has been: (i) directed to take possession of Eveready's property and liquidate Eveready's business and affairs in accordance with New York Insurance Law ("Insurance Law") Article 74; and (ii) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order and with title to Eveready's property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of the Order. The Liquidator has, pursuant to Insurance Law Article 74, appointed Scott D. Fischer, Acting Special Deputy Superintendent (the "Acting Special Deputy"), as his agent to carry out his duties as Liquidator. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides:

- I. The Liquidator is permitted to deal with the property and business of Eveready in Eveready's name or in the name of the Liquidator;
- II. All persons are permanently enjoined and restrained from wasting the assets of Eveready, and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Eveready's business (including the issuance of insurance policies) or disposing of Eveready's property;
- III. All parties are permanently enjoined and restrained from interfering with the Liquidator or the proceeding, obtaining any preferences, judgments, attachments or other liens, making any levy against Eveready, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Eveready, or the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to the proceeding or the discharge of their duties under Article 74 in relation thereto;
- IV. All parties to actions, lawsuits, and special or other proceedings (other than those brought by Eveready) in which Eveready, its policyholders or insureds are a party or obligated to defend a party or provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise, are enjoined and restrained from proceeding with any discovery, court proceedings or other litigation tasks or procedures, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of an order of liquidation;
- V. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of an order of liquidation;
- VI. The Liquidator is vested with all rights in Eveready's contracts and agreements, however described and permitting the Liquidator to, in his discretion, reject any executory contracts to which Eveready is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection;

- VII. Any bank, savings and loan association, other financial institution or any other entity or person, that has on deposit or in its possession, custody or control any of Eveready's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and/or (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding;
- VIII. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Eveready shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
- IX. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in his discretion, he deems to be in the best interest of the creditors of Eveready, and is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of the Court;
- X. ALL EXISTING INSURANCE POLICIES OF EVEREADY WILL BE CANCELLED AT THE EARLIEST OF: (A) 30 DAYS FROM THE GIVING OF NOTICE OF SUCH CANCELLATION BY EVEREADY, IF SUCH NOTICE IS REQUIRED BY AN INSURANCE POLICY OR APPLICABLE LAW; (B) THE STATED EXPIRATION OR TERMINATION DATE AND TIME OF THE INSURANCE POLICY; (C) THE EFFECTIVE DATE AND TIME OF A REPLACEMENT INSURANCE POLICY OF THE SAME TYPE ISSUED BY ANOTHER INSURER REGARDLESS OF WHETHER THE COVERAGE IS IDENTICAL COVERAGE; (D) THE EFFECTIVE DATE AND TIME THAT THE EVEREADY INSURANCE POLICY OBLIGATION IS TRANSFERRED TO ANOTHER INSURER OR ENTITY AUTHORIZED BY LAW TO ASSUME SUCH OBLIGATION; OR (E) 12:01 A.M. LOCAL TIME ON THE DATE THAT IS 30 DAYS FROM THE ENTRY OF AN ORDER OF LIQUIDATION OF EVEREADY;
- XI. The date that is one year after the entry of the Order is established as the bar date by which all claims by any claimant against Eveready or its insureds, other than the Liquidator's claim for administrative expenses, must actually be received by the Liquidator, including all evidence supporting the liquidation of such claims;
- XII. The Liquidator is authorized, in his discretion, to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate;
- XIII. Immunity is extended to the Superintendent in his capacity as Liquidator of Eveready and his successors in office, the New York Liquidation Bureau, and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74;
- XIV. Eveready is insolvent;

- XV. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
- XVI. In accordance with Insurance Law Section 7432(b), all claims against Eveready must be presented to the Liquidator within four months of the date of entry of the Order;
- XVII. The Liquidator may at any time make further application to the Court for such further and different relief as he sees fit;
- XVIII. The Court shall retain jurisdiction over this matter for all purposes.
- XIX. All communications relating to Eveready and to the liquidation proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
Attention: Acting Special Deputy Superintendent
New York, New York 10038
(212) 341-6400

BENJAMIN M. LAWSKY
Superintendent of Financial Services of
the State of New York as Liquidator
of Eveready Insurance Company

SCOTT D. FISCHER
Acting Special Deputy Superintendent
and Agent for the Superintendent as
Liquidator of Eveready Insurance Company

FILED: NEW YORK COUNTY CLERK 12/24/2013

INDEX NO. 452122/2013

Scanned to New York EF on 12/23/13

RECEIVED NYSCEF: 12/24/2013

SUPREME COURT OF THE STATE OF NEW YORK -- NEW YORK COUNTY

PRESENT: RAKOWER
Justice

PART 15

LAWSKY, BENJAMIN M.

INDEX NO.

452122/13

MOTION DATE

ICM INSURANCE COMPANY

MOTION SEQ. NO.

01

MOTION CAL. NO.

The following papers, numbered 1 to _____ were read on this motion to/for _____

Notice of Motion/ Order to Show Cause -- Affidavits -- Exhibits ...

PAPERS NUMBERED

Answering Affidavits -- Exhibits _____

Replying Affidavits _____

Cross-Motion: Yes No

Upon the foregoing papers, it is ordered that this motion

See attached order.

Dated: 12/23/2013


HON. EILEEN A. RAKOWER
J.S.C.

Check one: FINAL DISPOSITION NON-FINAL DISPOSITION

Check if appropriate: DO NOT POST REFERENCE

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

At IAS Part 15 of the Supreme Court of the State of New York, County of New York, at the courthouse located at _____, New York, New York, on the 23 day of December, 2013.

P R E S E N T:

HON. EILEEN A. RAKOWER, J.S.C

-----X

In the Matter of

Index No. 452122/13

the Application of

ORDER OF LIQUIDATION

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

ICM INSURANCE COMPANY.

-----X

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order appointing the Superintendent and his successors in office as liquidator ("Liquidator") of ICM Insurance Company ("ICM") and directing the Liquidator to take possession of the property of ICM and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified the 21st day of November, 2013, the affidavit of Jean Marie Cho, sworn to on November 21, 2013, and the exhibits annexed thereto, this Court finds that:

1. ICM was incorporated under the laws of the State of New York on or about September 23, 1981;

2. ICM is licensed to transact the business of insurance in accordance with paragraphs (4)–(7), (9), (12)–(14), and (19)–(21) of New York Insurance Law Section 1113(a) (“Insurance Law”);

3. ICM’s principal office, as disclosed in its Quarterly Statement as of March 31, 2013, is located at 521 Fifth Avenue, New York, NY 10175;

4. On September 18, 2013, ICM’s Board of Directors unanimously passed a resolution consenting to the entry of a liquidation order pursuant to Insurance Law Article 74;

5. ICM is insolvent;

6. ICM is subject to the Insurance Law and, particularly, to Article 74 thereof;

7. It is in the best interest of all persons concerned that, based upon Article 74 of the Insurance Law, the Superintendent should be appointed Liquidator and directed to take possession of the property of ICM, to liquidate its business and affairs, and be vested with title to all of ICM’s property, contracts and rights of action; and

NOW, on motion of the Honorable Eric T. Schneiderman, Attorney General of the State of New York, it is hereby

ORDERED as follows:

1. The relief requested in the petition for an order of liquidation (“Order”) is granted and ICM is declared to be insolvent;
2. The Superintendent is appointed Liquidator of ICM and is: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; (ii) vested with title to ICM’s property, contracts, rights of action and all of its books and records, wherever located, as of the date of entry of this Order; and (iii) directed to liquidate ICM’s business and affairs in accordance with Insurance Law Article 74;
3. The Liquidator may deal with the property and business of ICM in ICM’s name or in the name of the Liquidator;

4. All persons are permanently enjoined and restrained from wasting the assets of ICM and permanently enjoined and restrained, except as authorized by the Liquidator, from disposing of ICM's property;
5. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of ICM and all other persons other than the Liquidator and his agents are permanently enjoined and restrained from: (i) transacting ICM's business, except as authorized by the Liquidator; or (ii) interfering with this proceeding or the Liquidator in the possession, control and management of ICM's property or in the discharge of his duties;
6. All persons are permanently enjoined and restrained from commencing or prosecuting any action or proceeding against ICM, the Liquidator or the New York Liquidation Bureau ("Bureau"), or their present or former employees, attorneys or agents with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto;
7. All persons are permanently enjoined and restrained from obtaining any preference, judgment, attachment or other lien, or making any levy against ICM, its assets or any part thereof;
8. All parties to actions, lawsuits, and special or other proceedings (other than those brought by ICM) in which ICM, its policyholders or insureds are a party or obligated to defend a party or to provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from proceeding with any discovery, court proceeding or other litigation task or procedure, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of this Order;
9. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is vested with all rights in ICM's contracts and agreements, including leases, tax agreements, insurance policies and employment contracts, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination;
11. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or other securities of ICM at the best price obtainable at such times and upon such terms and conditions as, in

his discretion, he deems to be in the best interest of the creditors of ICM, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments without the further approval of this Court;

12. ICM and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property, papers (including attorney work product) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance contracts, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to or relating to ICM, shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator;
13. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to ICM shall maintain and preserve all information in its possession relating in any way to ICM, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by ICM and is directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees;
14. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control any of ICM's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Liquidator; (ii) transfer title of such funds, accounts or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; (iv) transfer funds from such bank, savings and loan association or other financial institution; and/or (v) take any other action necessary for the proper conduct of the liquidation proceeding;
15. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
16. In accordance with Insurance Law Section 7405(f), the Liquidator is hereby permitted to make distributions of ICM's assets to the New York Property/Casualty Insurance Security Fund and similar guaranty funds of other states in accordance with such statute, and any agreement to be

- entered into among the Liquidator and such guaranty fund is hereby approved and the Liquidator is authorized to enter into and perform such agreement;
17. All existing insurance policies of ICM shall terminate at 12:01 A.M. local time on the earliest of 30 days from the entry of this order, 30 days from the giving of notice of such cancellation, if such notice is required by an insurance policy or applicable law, or upon the date and time stated in the policy;
 18. May 16, 2014 is the bar date by which all claims by any claimant against ICM or its insureds, other than the Liquidator's claims for administrative expenses, must be actually received by the Liquidator;
 19. December 31, 2014 is the final date by which evidence supporting the liquidation of any claim presented by the foregoing bar date must be actually received by the Liquidator;
 20. The Liquidator, in his discretion, is authorized to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate;
 21. Immunity is extended to the Superintendent in his capacity as Liquidator of ICM and his successors in office and their agents and employees, including the Bureau, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74;
 22. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
 23. The Liquidator shall serve the copy of this Order upon: Marc Tract, Katten Muchin Roseman LLP, 575 Madison Ave, New York, NY 10022, attorneys for ICM Insurance Company, by overnight delivery or by certified mail;
 24. The Liquidator shall provide notice of this Order to all creditors, claimants and interested persons by: (i) publication of the notice of this Order in *The New York Times*, National Edition, once a week for two consecutive weeks, commencing within thirty days of entry of this Order in a form substantially similar to the one attached hereto as Exhibit A; and (ii) posting this Order on the Internet web page maintained by the Bureau at <http://www.nylb.org> within 15 days after the entry of this Order;

- 25. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered;
- 26. The notice prescribed in decretal paragraphs 23 and 24 hereof is sufficient notice to all persons interested in ICM;
- 27. This Court shall retain jurisdiction over this matter for all purposes;
- 28. The caption for this proceeding is hereby amended as follows:

SUPREME COURT OF THE STATE OF NEW YORK
 COUNTY OF NEW YORK

-----X

In the Matter of

the Liquidation of

ICM INSURANCE COMPANY.

-----X

- 29. All further papers in this proceeding shall bear the above amended caption.

ENTER



J.S.C.

EXHIBIT A

[Form of Notice]

NEW YORK LIQUIDATION BUREAU
110 WILLIAM STREET
NEW YORK, NEW YORK 10038
(212) 341-6755

To all persons or entities
interested in the affairs of
ICM INSURANCE COMPANY
Notice is Hereby Given:

Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York ("Superintendent"), has been appointed by an order (the "Order") of the Supreme Court of the State of New York, New York County ("Court"), entered _____, 2013, as the liquidator (the "Liquidator") of ICM Insurance Company ("ICM") and, as such, has been: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in the Order; (ii) vested with title to ICM's property, contracts, rights of action and all its books and records, wherever located, as of the date of entry of the Order; and (iii) directed to liquidate ICM's business and affairs in accordance with Insurance Law Article 74. The Liquidator has, pursuant to Insurance Law Article 74, appointed Michael J. Casey, Acting Special Deputy Superintendent of Insurance (the "Acting Special Deputy") as his agent to carry out his duties as Liquidator. The Acting Special Deputy carries out his duties through the New York Liquidation Bureau ("Bureau"), 110 William Street, New York, New York 10038. The Order provides:

- I. The Liquidator may deal with the property and business of ICM in ICM's name or in the name of the Liquidator.
- II. All persons are permanently enjoined and restrained from wasting the assets of ICM and permanently enjoined and restrained, except as authorized by the Liquidator, from disposing of ICM's property.
- III. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of ICM and all other persons other than the Liquidator and his agents are permanently enjoined and restrained from: (i) transacting ICM's business, except as authorized by the Liquidator; or (ii) interfering with this proceeding or the Liquidator in the possession, control and management of ICM's property or in the discharge of his duties.
- IV. All persons are permanently enjoined and restrained from commencing or prosecuting any action or proceeding against ICM, the Liquidator or the New York Liquidation Bureau ("Bureau"), or their present or former employees, attorneys or agents with respect to this proceeding or the discharge of their duties under Article 74 in relation thereto.
- V. All persons are permanently enjoined and restrained from obtaining any preference, judgment, attachment or other lien, or making any levy against ICM, its assets or any part thereof.
- VI. All parties to actions, lawsuits, and special or other proceedings (other than those brought by ICM) in which ICM, its policyholders or insureds are a party or obligated to defend a party or to provide a defense of any matter insured pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from proceeding with any discovery, court proceeding or other litigation task or procedure, including, but not limited to, conferences, trials, applications for judgment or proceedings on settlement or judgment, for a period of 180 days from the date of entry of this Order.
- VII. All persons who have first party policyholder loss claims are enjoined and restrained from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order.

VIII. The Liquidator is vested with all rights in ICM's contracts and agreements, including leases, tax agreements, insurance policies and employment contracts, however described, unless the Liquidator expressly terminates such contracts or agreements, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of termination.

IX. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or other securities of ICM at the best price obtainable at such times and upon such terms and conditions as, in his discretion, he deems to be in the best interest of the creditors of ICM, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments without the further approval of this Court.

X. ICM and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property, papers (including attorney work product) and/or information, including, but not limited to, insurance policies, underwriting data, reinsurance contracts, claims files (electronic or paper), software programs, and/or bank records owned by, belonging to or relating to ICM, shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator.

XI. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to ICM shall maintain and preserve all information in its possession relating in any way to ICM, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by ICM and is directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees.

XII. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to ICM shall maintain and preserve all information in its possession relating in any way to ICM, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by ICM and is directed, upon the Liquidator's request, to promptly submit all such information to the Liquidator or his designees.

XIII. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74.

XIV. In accordance with Insurance Law Section 7405(f), the Liquidator is hereby permitted to make distributions of ICM's assets to the New York Property/Casualty Insurance Security Fund and similar guaranty funds of other states in accordance with such statute, and any agreement to be entered into among the Liquidator and such guaranty fund is hereby approved and the Liquidator is authorized to enter into and perform such agreement;

XV. ALL EXISTING INSURANCE POLICIES OF ICM SHALL TERMINATE AT 12:01 A.M. LOCAL TIME ON THE EARLIEST OF 30 DAYS FROM THE ENTRY OF THE ORDER, 30 DAYS FROM THE GIVING OF NOTICE OF SUCH CANCELLATION, IF SUCH NOTICE IS REQUIRED BY AN INSURANCE POLICY OR APPLICABLE LAW, OR UPON THE DATE AND TIME STATED IN THE POLICY.

XVI. MAY 16, 2014 IS THE BAR DATE BY WHICH ALL CLAIMS BY ANY CLAIMANT AGAINST ICM OR ITS INSUREDS, OTHER THAN THE LIQUIDATOR'S CLAIMS FOR ADMINISTRATIVE EXPENSES, MUST BE ACTUALLY RECEIVED BY THE LIQUIDATOR.

XVII. DECEMBER 31, 2014 IS THE FINAL DATE BY WHICH EVIDENCE SUPPORTING THE LIQUIDATION OF ANY CLAIM PRESENTED BY THE FOREGOING BAR DATE MUST BE ACTUALLY RECEIVED BY THE LIQUIDATOR.

XVIII. The Liquidator, in his discretion, is authorized to refrain from adjudicating some or all claims falling into Classes three through nine (N.Y. Ins. Law Sec. 7434(a)(1)(iii)-(ix)) unless and until he reasonably believes that adjudication of such claims would be in the best interests of the estate

XIX. Immunity is extended to the Superintendent in his capacity as Liquidator of ICM and his successors in office and their agents and employees including the Bureau, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of the Court, or in the performance of their duties pursuant to Insurance Law Article 74.

XX. The Liquidator may at any time make further application to the Court for such further and different relief as he sees fit.

XXI. The court shall retain jurisdiction over this matter for all purposes.

XXII. All communications relating to ICM and to the Liquidation Proceeding thereof should be addressed to:

New York Liquidation Bureau
110 William Street, 15th Floor
New York, New York 10038
(212) 341-6400

BENJAMIN M. LAWSKY
Superintendent of Financial Services of
the State of New York as Liquidator
of ICM Insurance Company

MICHAEL J. CASEY
Acting Special Deputy Superintendent
and Agent for the Superintendent as
Liquidator of ICM Insurance Company

Index no.: 452122/13
SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

In the Matter of

the Application of

**Benjamin M. Lawsky, Superintendent of Financial
Services of the State of New York, for an order to take
possession and liquidate the business and affairs of**

ICM INSURANCE COMPANY.

ORDER OF LIQUIDATION

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York

120 Broadway, 24th Floor New York, NY 10271
Tel: (212) 416-8301
Fax: (212) 416-6009 / 6075 / 6076 (not for service)

At IAS Part 10 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 60 Centre Street, New York, New York, on the 30 day of September, 2010.

P R E S E N T:

HON. JUDITH J. GISCHE, J.S.C.

-----X

In the Matter of

the Application of

James J. Wrynn, Superintendent of Insurance of the State of New York, for an order to take possession of the property of and rehabilitate

COLONIAL COOPERATIVE INSURANCE COMPANY.

-----X

Index No.: 400236/10

ORDER OF LIQUIDATION

Petitioner, James J. Wrynn, Superintendent of Insurance of the State of New York ("Superintendent"), having moved this Court by order to show cause ("Order to Show Cause") for an order to convert the rehabilitation proceeding of Colonial Cooperative Insurance Company ("CCIC") to a liquidation proceeding, and the Rehabilitator having provided CCIC claimants and creditors with notice of the relief sought, by posting the notice of the Order to Show Cause on the Internet web page maintained by the New York Liquidation Bureau at least 30 days prior to the return date, and no objections having been received, and upon reading and filing the petition of the Superintendent, duly verified the 20th day of August, 2010, the affidavit of Francesca G. Bliss, Assistant Special Deputy Superintendent, sworn to August 11, 2010, and the affidavit of Peter Giacone, Chief Financial Officer of the New York Liquidation Bureau, sworn to August 11, 2010, and the exhibits attached thereto, this Court finds that:

1. CCIC was placed into rehabilitation and the Superintendent was appointed rehabilitator ("Rehabilitator") by order of this Court ("Rehabilitation Order") entered March 1, 2010;
 2. The Rehabilitation Order found that a Mandatory Control Event under New York Insurance Law ("Insurance Law") Section 1324(g) had occurred with regard to CCIC;
 3. The Rehabilitation Order found that CCIC consented to the entry of the Rehabilitation Order;
 4. Further efforts to rehabilitate CCIC would be futile;
 5. CCIC is insolvent;
 6. CCIC is subject to the Insurance Law and, particularly, to Article 74 thereof;
- and
7. It is in the best interest of all persons concerned that the Superintendent be vested with title to all CCIC's property, contracts and rights of action and directed to liquidate its business and affairs;

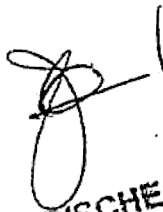
NOW, on motion of the Honorable Andrew M. Cuomo, Attorney General of the State of New York, it is hereby ORDERED as follows:

1. The relief requested in the petition for an order of liquidation is granted and CCIC is found to be insolvent;
2. The rehabilitation proceeding of CCIC instituted in the Supreme Court, New York County, is terminated;
3. The Superintendent, and his successors in office, are appointed liquidator ("Liquidator") of CCIC and are: (i) vested with all powers and authority expressed or implied under Insurance Law Article 74, in addition to the powers and authority set forth in this Order; (ii) vested with title to CCIC's property, contracts, rights of action and all its books and records, wherever located, as of the date of entry of this Order; and (iii) directed to liquidate CCIC's business and affairs in accordance with Insurance Law Article 74;

4. The Liquidator may deal with the property and business of CCIC in its name or in the name of the Liquidator;
5. The officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates of CCIC and all other persons other than the Superintendent and his agents are permanently enjoined and restrained, except as authorized by the Superintendent, from: (i) transacting the business of CCIC, (ii) wasting or disposing of or permitting to be done any act or thing that might waste or dispose of CCIC's property; (iii) interfering with the Liquidator in the possession, control and management of CCIC's property or in the discharge of his duties; and (iv) disclosing the name, address or contact information of CCIC's policyholders, or any other information that is proprietary to CCIC's or not in the public domain, except as may be authorized by the Liquidator;
6. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against CCIC, the Liquidator or the New York Liquidation Bureau, its employees, attorneys and/or agents with respect to any claims against CCIC;
7. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against CCIC's assets or any part thereof;
8. All parties to actions, lawsuits, and special or other proceedings ("Litigation") in which CCIC is obligated to defend a party pursuant to an insurance policy, bond, contract or otherwise are enjoined and restrained from prosecuting, advancing or otherwise taking any action within such Litigation, including but not limited to trials, hearings conferences or other court proceedings, motions or other requests to the court of any nature, proceedings on default, settlements or judgments, service of documents, discovery or any other litigation tasks or procedures for a period of 180 days from the date of entry of this Order;
9. All persons who have first-party policyholder no-fault loss claims pursuant to Article 51 of the Insurance Law against CCIC are enjoined from presenting and filing claims with the Liquidator for a period of 90 days from the date of entry of this Order;
10. The Liquidator is authorized, permitted and allowed to sell, assign or transfer any and all stocks, bonds or securities of CCIC at market price or better, or if there is no market price, at the best price obtainable at private sale at such times and upon such terms and conditions as, in his discretion, he deems is in the best interest of the creditors of CCIC, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments;

11. In accordance with Insurance Law Section 7405, all contracts and agreements, including all leases, tax sharing agreements and employment contracts of CCIC, however described, shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this Order unless expressly assumed in writing by the Liquidator;
12. CCIC and each of its officers, directors, shareholders, members, depositories, trustees, policyholders, agents, servants, employees, attorneys, managers and affiliates, and all firms, corporations, associations and other persons or entities having any property belonging to or relating to CCIC, including but not limited to business records, insurance policies, claims files (electronic or paper), software programs, bank records or any tangible or intangible items of value, shall preserve such property and are directed, upon the Liquidator's request, to promptly assign, transfer, turn over and deliver such property to the Liquidator or his designees;
13. Any person or entity providing claims processing services, data processing services, electronic records retention services or other information technology services to CCIC shall maintain and preserve all information in its possession ("Information") relating in any way to CCIC, wherever located, including but not limited to all documents, data, electronic files and records, computer equipment (*i.e.*, servers and printers), software programs and software licenses owned or leased by CCIC and are directed, upon the Liquidator's request, to promptly submit all such Information to the Liquidator or his designees;
14. Any bank, savings and loan association, other financial institution or any other entity or person, which has on deposit or in its possession, custody or control of any of CCIC's funds, accounts or assets shall immediately, upon the Liquidator's request and direction: (i) turn over custody and control of such funds, accounts or assets to the Liquidator; (ii) transfer title of such funds, accounts or assets to the Liquidator; (iii) change the name of such accounts to the name of the Liquidator; (iv) withdraw funds from such bank, savings and loan association or other financial institution; or (v) take any lesser action necessary for the proper conduct of the liquidation proceeding;
15. Any distribution of assets shall be in accordance with the priorities set forth in Insurance Law Article 74;
16. Judicial immunity is extended to the Superintendent in his capacity as liquidator and his successors in office and their agents and employees and such immunity is extended to them for any cause of action of any nature against them, individually or jointly, for any action or omission by any one or more of them when acting in good faith, in accordance with this Order, or in the performance of their duties pursuant to Insurance Law Article 74;

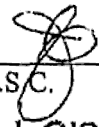
- 17. The Liquidator may at any time make further application to this Court for such further and different relief as he sees fit;
- 18. The Liquidator shall provide notice of this order to all creditors, claimants and other interested persons by: (a) service of a copy of this Liquidation Order upon Kenneth Pangburn, former President of CCIC, as designated agent for service of process, by regular mail and certified mail, return receipt requested, on or before the 29th day of October 2010; (b) posting this Liquidation Order on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> within 30 days after the entry of this Liquidation Order; (c) publication of the notice of this Liquidation Order in Business Insurance once a week in two consecutive publication weeks, commencing within four weeks of entry of this Order, in a form substantially similar to the one attached hereto.
- 19. Such notice shall inform all creditors, claimants and other interested persons that this Order has been entered.
- 20. The notice prescribed in decretal paragraph 18 hereof is sufficient notice to all persons interested in CCIC;
- 21. This Court shall retain jurisdiction over this matter for all purposes;
- 22. All further papers in this proceeding shall bear the caption:


JUDITH J. GISCHE, J.S.C.

“In the Matter of
 the Liquidation of
 COLONIAL COOPERATIVE INSURANCE COMPANY”

SEP 30 2010

ENTER



 J.S.C.
JUDITH J. GISCHE, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK — NEW YORK COUNTY

PRESENT: JUDITH J. GISCHE, J.S.C.
Justice

PART 10

*for Re: Colonial Cooperative
Answers*

INDEX NO. 40023610

MOTION DATE _____

MOTION SEQ. NO. 03

MOTION CAL. NO. _____

The following papers, numbered 1 to _____ were read on this motion to/for _____

Notice of Motion/ Order to Show Cause — Affidavits — Exhibits _____

Answering Affidavits — Exhibits _____

Replying Affidavits _____

FILED
OCT 04 2010
COUNTY CLERK'S OFFICE
NEW YORK

PAPERS NUMBERED

Cross-Motion: Yes No

Upon the foregoing papers, it is ordered that this motion

The OSC has been served on all appropriate parties & no one has appeared either in person or in writing to oppose the relief sought. It is therefore granted on default in accordance with a separate order signed this date.

Dated: 9/30/10

JUDITH J. GISCHE, J.S.C. J.S.C.

Check one: FINAL DISPOSITION NON-FINAL DISPOSITION

Check if appropriate: DO NOT POST REFERENCE

SUBMIT ORDER/ JUDG. SETTLE ORDER/ JUDG.

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE FOR THE FOLLOWING REASON(S):

Index No.: 400236/10

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

In the Matter of

the Liquidation of

COLONIAL COOPERATIVE INSURANCE COMPANY.

ORDER OF LIQUIDATION

JOHN PEARSON KELLY

Attorney for Superintendent of Insurance as Liquidator

Office and Post Office Address, Telephone

New York Liquidation Bureau
123 William Street
New York, NY 10038-3889
(212) 341-6755
Fax (212) 608-3398

ATTORNEY CERTIFICATION

The undersigned, an attorney admitted to practice in the courts of New York State, certifies that, upon information, belief and reasonable inquiry, the contentions in the above referenced document(s) are not frivolous.

Dated: September 30, 2010
New York, New York

Melvin Browning
Melvin Browning

[] NOTICE OF ENTRY

that the within is a (certified) true copy of a
duly entered in the office of the clerk of the within named court on the
day of 20

[] NOTICE OF SETTLEMENT

that an order
settlement to the HON.
of which the within is a true copy will be presented for
one of the judges of the within named court, at
20 at
on

Dated:

Yours, etc.

JOHN PEARSON KELLY

Attorney for Superintendent of Insurance
as Liquidator

Office and Post Office Address, Telephone

New York Liquidation Bureau
123 William Street
New York, NY 10038-3889
(212) 341-6755
Fax (212) 608-3398

At IAS Part 7 of the Supreme Court of the State of New York, County of New York at the Courthouse, 111 Centre Street, New York, New York on the 15 day of June 2005.

PRESENT:

HON. FAVIOLA SOTO,

JUSTICE

-----x

In the Matter of

Index No.: 401876/05

the Application of

ORDER OF LIQUIDATION

HOWARD MILLS, Superintendent of Insurance of the State of New York, for an order to take possession of and liquidate the business and affairs of and dissolve

REALM NATIONAL INSURANCE COMPANY

FILED

JUN 15 2005

COUNTY CLERK'S OFFICE
NEW YORK

Petitioner, Howard Mills, Superintendent of Insurance of the State of New York (the "Superintendent"), having moved this court for an order to take possession of the property of and liquidate the business and affairs and dissolve the corporate charter of Realm National Insurance Company ("REALM");

NOW, upon reading and filing the petition of the Superintendent, duly verified on the 10th day of June, 2005, the exhibits annexed thereto; the emergency affidavit of Howard Mills, dated June 10, 2005; and it appearing to my satisfaction that:

1. REALM is a New York corporation, with its principal office in New York County;
2. REALM is insolvent;

3. REALM has consented to an order of liquidation being entered against it in the Supreme Court, County of New York:

4. REALM is amenable to the Insurance Law of the State of New York and particularly to Article 74 thereof;

5. REALM should be dissolved and its corporate charter annulled and forfeited.

6. It is impossible to reinsure in whole or in part the existing policy obligations of REALM pursuant to Section 7405 (c) of the Insurance Law;

7. REALM is in such condition that its further transaction of business would be hazardous to its policyholders, creditors or to the public;

8. It is in the best interest of all persons concerned that the Superintendent be directed to take possession of the property and liquidate the business and affairs and dissolve the corporate charter of REALM.

NOW, on motion of the Honorable Eliot Spitzer, Attorney General of the State of New York, it is hereby ORDERED as follows:

1. The petition is granted;
2. REALM is insolvent;
3. The Superintendent, and his successors in office as Superintendent, are appointed liquidator of REALM, authorized and directed to immediately take possession of its property, are vested with title to its property, contracts and rights of action and directed to liquidate its business and affairs in accordance with Article 74 of the Insurance Law. The Superintendent as Liquidator may deal with the property and business of REALM in its name or in the name of the Superintendent, as Liquidator;
4. In accordance with Insurance Law § 7432 (b), all claims against REALM must be presented to the Superintendent, as Liquidator, within four months of the date of entry of this order;

5. In accordance with Insurance Law § 7433 (b)(2), all persons who appear on REALM's books and records as policyholders or claimants as of the date of entry of this order shall be deemed to have duly filed proofs of claim prior to the last day set for filing claims;
6. All former policyholders of REALM whose policies expired within three (3) years of the date of entry of this order shall be deemed to have duly filed a proof of claim prior to the last day set for filing claims;
7. The Superintendent, as Liquidator, shall provide notice, by publication in the New York Times, National Edition and the Journal of Commerce once a week for two consecutive weeks commencing within three weeks of entry of this order, to all other creditors, claimants and interested persons to present claims within four months of the date of entry of this order;
8. The Superintendent, as Liquidator, shall provide notice by publication in one newspaper in the capital cities of each state in the United States wherein REALM is licensed to do business, once a week for two successive weeks within the period allowed for the presenting of claims, the newspaper to be selected by the Liquidator at his discretion;
9. In the event one or more Insurance Departments and/or Guaranty Funds or Associations of foreign states, that have adopted the Uniform Insurers Liquidation Act, in which REALM was licensed to do business, desire to give formal notice to policyholders and creditors in their respective State Insurance Departments or Guaranty Fund or Association, the Superintendent, as Liquidator, may permit the giving of such notice as he in his discretion may find desirable;
10. The notice prescribed herein is sufficient notice to all persons interested in REALM;
11. All outstanding insurance policies, bonds, and other insurance obligations, if any, issued and undertaken by REALM shall terminate and all liability thereunder shall cease and be fixed as of 12:01 a.m. on the thirtieth day after entry of this order or upon cancellation or procurement of replacement policies, bonds or insurance coverage, whichever is earlier;

12. In accordance with Insurance Law § 7405, all other contracts, leases, tax sharing agreements, employment contracts, and obligations of REALM, however described, shall terminate and all liability thereunder shall cease and be fixed as of the date of entry of this order unless ratified by the Superintendent, as Liquidator;
13. The Superintendent, as Liquidator, is relieved of the provisions set forth in Section 7405(c) of the Insurance Law to reinsure in whole or in part the policy obligations of REALM;
14. The Superintendent, as Liquidator, is authorized, permitted and allowed to sell, assign, or transfer any and all real or personal property, stocks, bonds or securities of REALM at market price or better, or if there is no market price, at the best price obtainable at private sale at such times and upon such terms and conditions, as in his discretion, he deems is in the best interest of the creditors of REALM, and he is further authorized to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers, and assignments;
15. REALM, its officers, directors, depositories, trustees, agents, servants, employees, attorneys, and all other persons, having any property or records belonging or relating to REALM, including, but not limited to insurance policies, loss, claim or legal files are directed to assign, transfer, set over and deliver to the Superintendent, as Liquidator, all such property or records;
16. Any persons, firms, corporations, or associations having any books, papers or records relating to the business of REALM shall preserve them and submit them to the Superintendent, as Liquidator, for examination and copying at all reasonable times;
17. The officers, directors, shareholders, trustees, agents, servants, employees, attorneys, and managers of REALM, and all other persons are permanently enjoined and restrained from the transaction of REALM's business, the waste or disposition of its property, interfering with the Superintendent, as Liquidator, in the possession, control and management of the property of REALM or in the discharge of his duties;
18. All persons are permanently enjoined and restrained from commencing or prosecuting any actions or proceedings against REALM, the Superintendent, as Liquidator of REALM, or the New York Liquidation Bureau, its employees, attorneys and agents with respect to claims against REALM;

19. All persons are permanently enjoined and restrained from obtaining preferences, judgments, attachments or other liens, or making any levy against REALM's assets or any part thereof;
20. All parties to lawsuits in this state and all other states and territories of the United States, are hereby enjoined and restrained from proceeding with, including but not limited to, any discovery, pre-trial conferences, trial, application for judgment or proceeding on judgments or settlements in such actions at law, suits in equity, special or other proceedings in which REALM is obligated to defend by virtue of its insurance contract and any and all actions being defended by a primary or other underlying insurer where such primary or underlying insurer has tendered or offered its full policy limits or where said policy limits have been exhausted by payment of the underlying insurer's aggregate and REALM is the next excess of umbrella layer of insurance for a period of 180 days from the date hereof;
21. Those persons who may have first-party or New York Comprehensive Automobile Insurance Reparations Act (No-Fault) policyholder loss claims against REALM coming within the purview of Article 76 of the Insurance Law are enjoined from presenting and filing such claims in this proceeding for 90 days from the date of entry of this order;
22. The corporate charter of REALM is relinquished, forfeited, surrendered and annulled, and REALM is dissolved;
23. The Superintendent of Insurance as Liquidator, may at any time make further application to this court for such further and different relief as he sees fit;
24. All further papers in this proceeding shall bear the caption:

"In the Matter of

the Liquidation of

REALM NATIONAL INSURANCE COMPANY"

25. The Superintendent, as Liquidator, shall serve a conformed copy of this order upon the county clerk and the clerk of the trial support office for amendment of the court and computer records.

ENTER


HON. FAVIOLA SOTO

FILED
JUN 15 2005
COUNTY CLERKS OFFICE
NEW YORK

SUPREME COURT: NEW YORK COUNTY

Sir:
Please take notice that the within is a true copy of duly filed and entered in the office of the clerk of County, on the day of 20

Yours, etc.,
ELIOT SPITZER
Attorney General.

Attorney for

Office and Post Office Address
120 Broadway, New York, N.Y. 10271

To

Attorney for

In the Matter of
the Application of
HOWARD MILLS, Superintendent of Insurance of the State of New York, for an order to take possession of and liquidate the business and affairs of and dissolve

REALM NATIONAL INSURANCE COMPANY

Sir

Please take notice that the within will be presented for settlement and signature herein to the HON. one of the judges of the within named Court, at in the Borough of City of New York, on the day of 200 , at A. M

Date, N.Y.,

Yours, etc.,
ELIOT SPITZER
Attorney General,

Attorney for

Office and Post Office Address
120 Broadway, New York, N.Y. 10271

To:

ORDER OF LIQUIDATION

ELIOT SPITZER
Attorney General

Attorney for the Superintendent of Insurance

Office and Post Office Address
120 Broadway, New York, N.Y. 10271
Tel. (212) 416-8658

Personal service of a copy of

within.

is admitted this day of

.....20

FILED JUN 15 2008 COUNTY CLERK'S OFFICE NEW YORK

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----x
In the Matter of
The Application of

Index No.: 450297/2019

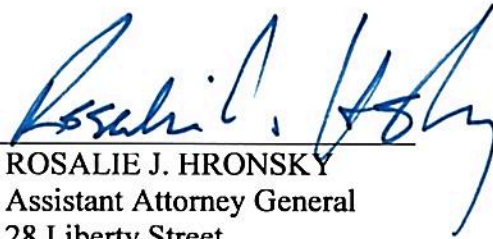
Linda A. Lacewell, Acting Superintendent of Financial
Services of the State of New York, for an order to take
Possession and liquidate the business and affairs of

ATLANTIS HEALTH PLAN, INC.
-----x

In accordance with Part 130, I advise that the following papers are attached:

- Order to Show Cause
- Verified Petition
- Affidavit

LETITIA JAMES
Attorney General of the State of New York

By: 

ROSALIE J. HRONSKY
Assistant Attorney General
28 Liberty Street
New York, NY 10005
(212) 416-8658