

PRESENT: HON. ALEXANDER M. TISCH
JSC

At IAS Part 18 of the Supreme Court of the State of New York, at the courthouse located at 71 Thomas St, in the City, County, and State of New York, on the 31 day of Dec, 2024.

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

In the Matter of

Index No. 453438/2024

the Application of

ORDER TO SHOW CAUSE

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

Liquidation

MS #1

CRYSTAL RUN HEALTH PLAN, LLC

Based on the verified petition ("Verified Petition") of Adrienne A. Harris, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on November 14, 2024, the supporting Affirmation of Alice W. McKenney, dated October 9, 2024 ("McKenney Aff."), and the exhibits and schedules attached thereto, and ~~it appearing that the relief sought~~ sufficient reason having been alleged ~~should be granted;~~ 99

NOW, on motion of Letitia James, Attorney General of the State of New York, attorney for the Superintendent, and after due deliberation having been had thereon;

LET, Crystal Run Health Plan, LLC ("CRHP") and all creditors, claimants, and interested persons show cause before this Court at the Courthouse located at 71 Thomas St, in the City, County, and State of New York, on the 15 day of January, 2025, at 10³⁰ o'clock A.m., or as soon thereafter as counsel can be heard ("Return Date"), why an order substantially in the form of the order annexed as Exhibit 1 to the Verified Petition (the "Liquidation Order") should not be

made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*: (1) placing CRHP into liquidation under Insurance Law Article 74; (2) appointing the Superintendent, and her successors in office, as liquidator of CRHP ("Liquidator"); (3) directing the Liquidator to take possession of CRHP's property and to liquidate CRHP's business and affairs; (4) vesting title to all of CRHP's property, contracts, and rights of action and all of its books and records, wherever located, in the Liquidator and her successors; (5) permitting the Liquidator to deal with the property and business of CRHP in CRHP's name or in the name of the Liquidator; (6) granting the injunctions provided for in Insurance Law § 7419(a), permanently enjoining and restraining all persons and entities from wasting the assets of CRHP, and permanently enjoining and restraining all persons and entities, except as authorized by the Liquidator, from transacting CRHP's business or disposing of CRHP's property; (7) granting the injunctions provided for in Insurance Law § 7419(b), permanently enjoining and restraining all persons and entities from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments, or other liens, or making any levy against CRHP, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, CRHP, 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) vesting all rights in CRHP's contracts and agreements, however described, in the Liquidator and permitting the Liquidator to, in her discretion, reject any contracts to which CRHP 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) requiring that any bank, savings and loan association, other financial institution, or any other entity or person, that or who has on deposit or in its or their possession, custody or control any of CRHP'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) requiring that Crystal Run Health Transformation Holdings, LLC and all other persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, health plans ("Plans"), underwriting data, any reinsurance or other insurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to, or relating to CRHP 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) authorizing, permitting, and allowing 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 CRHP, and further authorizing 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 this Court; (12) establishing a date by which all claims against CRHP, other than the Liquidator's claims for administrative expenses, and all evidence supporting such claims, must be submitted to the Liquidator ("Bar Date") that is the earlier of: (a) the contractual time period established for the timely submission of claims in all Plans or agreements between CRHP 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 from the date of entry of the Liquidation Order sought in this petition, and providing that all claims submitted after the Bar Date are barred and discharged; (13) requiring that all claims against CRHP submitted for the first time after the issuance of the Liquidation Order, and all evidence supporting such claims, be filed via email to crystalrun@nylb.org or mail to New York Liquidation Bureau, 180 Maiden Lane, 14th Floor, New York, NY 10038, Attn: Receiver Operations, on or before the Bar Date; (14) providing, in accordance with Insurance Law § 4307(d), that: (a) no Member shall be liable to any Provider for any services covered by CRHP; (b) no Provider shall collect, or attempt to collect, any amounts owed by CRHP from any Member; and (c) no Provider shall maintain any action against any Member to recover any such amount (except that the foregoing shall not apply in respect of any coinsurance amounts, copayments, and/or deductibles owed by any Member); (15) authorizing the Liquidator, in her discretion, to refrain from adjudicating claims of any class unless and until she determines that it is likely that the CRHP estate will have sufficient assets to pay claims of such class; (16) extending immunity to the Superintendent in her capacity as Liquidator of CRHP, 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; and (17) granting such other and further relief as the Court may deem proper and just.

AND, sufficient cause having been ^{alleged} shown therefor, pursuant to Insurance Law § 7418(a)(1), let service of a copy of this order to show cause and its supporting papers be made ^{personal service on or before December 10, 2024} (i) by ~~overnight delivery within five (5) days after the entry of this Order to Show Cause upon~~ Crystal Run Health Plan, LLC, Attention: Stephen Zeng, Executive Director, 109 Rykowski Lane,

Middletown, NY 10941; and (ii) by posting on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least 15 days prior to the Return Date; and such service shall be deemed good and sufficient service; and it is hereby

ORDERED, that all answering papers and supporting documentation ("Answering Papers") ^{if any, by e-filing on or before January 8, 2025} be served on the Superintendent so as to be received at least seven days prior to the Return Date, and that service on the Superintendent shall be made by email or overnight carrier at the following addresses:

Office of the Attorney General
28 Liberty Street
New York, NY 10005
Att'n: Noam Lerer
noam.lerer@ag.ny.gov
HON. ALEXANDER M. TISCH
with a copy to

New York Liquidation Bureau
180 Maiden Lane, 15th Floor
New York, New York 10038
Att'n: General Counsel
legal@nylb.org

and any such Answering Papers shall be e-filed with the Court at least seven days before the Return Date; and it is further

ORDERED, that pursuant to Insurance Law § 7419(a), pending the ^{hearing} ~~determination~~ of this ^{motion} ~~application~~, CRHP, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, and managers, and all other persons, are hereby restrained, except as authorized by the Superintendent, from transacting CRHP's business or disposing of CRHP's property, and all persons are restrained from wasting any of CRHP's assets; and it is further

ORDERED, that pursuant to New York Insurance Law § 7419(b), pending ^{the hearing} ~~a determination~~ on this ^{motion} ~~application~~, CRHP, its officers, directors, shareholders, members, trustees, agents, servants, employees, attorneys, and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments, or other liens, or making any levy or commencing or prosecuting any actions or proceedings against CRHP or its assets, and all actions or proceedings against CRHP are stayed; *And it is further*

ORDERED that proof of service shall be e-filed on or before Jan. 8, 2025.

ORAL ARGUMENT
DIRECTED

(W)

ISC

ENTER

(Signature)

J. S. C.

HON. ALEXANDER M. TISCH