

At IAS Part 57 of the Supreme Court of the State of New York, County of New York, at the Courthouse, 111 Centre Street, in the County, City and State of New York, on the 25th day of September 2015.

P R E S E N T:

HON. JENNIFER G. SCHECTER, J.S.C.

In the Matter of

Index No.: 452879/14

the Liquidation of

ORDER TO SHOW CAUSE

ESSENCE HEALTHCARE OF NEW YORK, INC.

Based on the affirmation of Melissa A. Pisapia (the "Pisapia Aff"), an attorney with the New York Liquidation Bureau, the organization that carries out the duties of Anthony J. Albanese, Acting Superintendent of Financial Services of the State of New York in his capacity as liquidator (the "Liquidator") of Essence Healthcare of New York, Inc. ("Essence"), dated the 22nd day of September, 2015, and the exhibits attached thereto, upon all other papers previously submitted and all proceedings heretofore had herein;

NOW, on motion of the Liquidator, and after due deliberation having been had thereon,

LET all creditors, claimants and persons interested in the affairs of Essence or counsel *appear and* show cause before this Court at IAS Part 57 thereof *rm 623* at the Courthouse located at 111 Centre Street, in the County, City and State of New York, on the 9th day of December, 2015 (the "Return Date") at 2:30 o'clock p.m., or as soon thereafter as counsel can be heard, why an order should not be made, pursuant to Article 74 of the New York Insurance Law (the "Insurance Law"), *inter alia*, (i) approving the Liquidator's report on the status of and request to close the

Essence liquidation proceeding (the "Liquidation Proceeding") and the financial transactions delineated in such report; (ii) authorizing the payment of administrative expenses, including such expenses for the closing of the Liquidation Proceeding; (iii) authorizing the Liquidator to distribute, after payment of administrative expenses, the remainder of Essence's assets to Essence Healthcare, Inc. ("Essence Inc"), Essence's owner; (iv) terminating and closing the Liquidation Proceeding; (v) finding that the Liquidator, and his successors in office and their agents and employees, are entitled to judicial immunity for any cause of action of any nature against them, individually or jointly, for any acts or omissions when acting in good faith, in accordance with the orders of this Court, and/or in the performance of their duties pursuant to Insurance Law Article 74; (vi) releasing and discharging the Liquidator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and (vii) granting the Liquidator such other and further relief as this Court deems appropriate and just;

AND, sufficient cause having been alleged therefor, it is hereby

ORDERED, that the Liquidator shall give notice of this application by (i) posting this Order to Show Cause and its supporting papers on the Internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> at least fifteen (15) days before the Return Date; and (ii) publishing the notice substantially in the form attached as Exhibit 1 to the Pisapia Aff in *The New York Post*, or a newspaper of similar circulation, once a week for two consecutive weeks, such publication shall commence within thirty (30) days of the date of this Order to Show Cause; and it is further

ORDERED, that answering papers, either in support of or in opposition to the relief sought herein (the "Answering Papers"), shall be served on the Liquidator at the following address:

Acting Superintendent of Financial Services of the State of New York
as Liquidator of Essence Healthcare of New York, Inc.
110 William Street
New York, New York 10038
Attention: General Counsel

at least seven (7) days before the Return Date, and that any Answering Papers, together with an affidavit of service, shall be filed with the Court on or before the Return Date.

Oral Argument
Directed

JSC

L19060

ENTER



J.S.C.

HON. JENNIFER G. SCHECTER
J.S.C.

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

-----X
In the Matter of

Index No.: 452879/14

the Liquidation of

AFFIRMATION

ESSENCE HEALTHCARE OF NEW YORK, INC.
-----X

Melissa A. Pisapia, an attorney at law duly admitted to practice before the Courts of the State of New York, hereby affirms the following to be true under the penalties of perjury:

1. I am an attorney with the New York Liquidation Bureau (the "NYLB"), the organization that carries out the duties of Anthony J. Albanese, Acting Superintendent of Financial Services of the State of New York in his capacity as liquidator (the "Liquidator") of Essence Healthcare of New York, Inc. ("Essence"), and submit this affirmation upon information and belief, based on my review of the Essence files maintained by the NYLB, and the conversations I have had with employees of the Liquidator in support of the Liquidator's application to approve the report on the status of and request to close the liquidation proceeding of Essence (the "Report"), annexed hereto as Exhibit 2.

2. By order dated February 24, 2015 (the "Liquidation Order"), this Court placed Essence into liquidation under Article 74 of the New York Insurance Law (the "Insurance Law").

3. The Liquidation Order vested the Liquidator with, among other things, the responsibility for:

- a. marshaling Essence's assets;
- b. providing notice of entry of the Liquidation Order to Essence's creditors, claimants and interested persons; and

- c. otherwise liquidating Essence's business pursuant to Article 74 of the Insurance Law.

4. The Liquidator's Report describes the status of the Liquidation Proceeding and that the affairs of the Essence estate permit (i) administrative expenses to be paid; (ii) distribution of the remainder of Essence's assets after administrative expenses are paid; and (iii) termination of the Liquidation Proceeding.

CLAIMS IN THE LIQUIDATION PROCEEDING AND THE BAR DATE

5. Under paragraph 13 of the Liquidation Order, the date that is five (5) months after the entry of the Liquidation Order is established as the bar date by which all claims by any claimant against Essence 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 and directed the Liquidator to publish notice of the Liquidation Order in *The New York Post* and on the NYLB website. The Liquidator complied with the Court's order and published notice of Essence's liquidation proceeding in *The New York Post* and posted the same notice on the NYLB website. The notice informed creditors, claimants and persons interested in Essence that any and all claims against Essence or its insureds must be submitted to the Liquidator on or before the date that is five (5) months after the date of entry of the Liquidation Order.

6. As of July 24, 2015, the date that is five months after the entry of the Liquidation Order, no claims against Essence or its insureds were presented to the Liquidator. To date, no "late claims" have been presented to the Liquidator.

7. In addition, the Liquidator reviewed Essence's books and records and determined that Essence had no creditors other than its owner, Essence Healthcare, Inc. ("Essence Inc.").

THE LIQUIDATION PROCEEDING IS RIPE FOR CLOSURE

8. The Liquidator has marshaled the assets of Essence, and has reviewed the estate's books and records and has determined that the only creditor in the Essence estate is Essence Inc.

9. The Liquidator has complied with all directives of this Court. The Liquidation Proceeding has been completed and the Liquidator has fulfilled his obligations. The Liquidator wishes to close the Liquidation Proceeding and, after payment of administrative expenses, pay all remaining monies to Essence Inc. Therefore, it is respectfully submitted that the Report and the financial transactions delineated in such report should be approved, the Liquidator, his predecessors and successors in office, and their agents, attorneys and employees, should be discharged and the Liquidation Proceeding should be terminated and closed.

10. Finally, the Liquidator requests that the NYLB and its employees be vested with judicial immunity for actions taken in this proceeding. A receiver, such as the Liquidator, is entitled to judicial immunity, and has no personal liability for actions performed in good faith when acting within his or her official capacity and within the scope of the authority granted by the receivership order. *Copeland v. Salomon*, 56 N.Y.2d 222 (1982); *Kaufman Props. & Assoc., LLC v. 2 Ct. St., LLC*, 51 A.D.3d 1206 (3d Dep't 2008); *Ocean Side Inst. Ind., Inc. v. United Presbyterian Residence*, 254 A.D.2d 337 (2d Dep't 1998); *Jacynicz v. 73 Seaman Assoc.*, 270 A.D.2d 83 (1st Dep't 2000); *Bankers Fed. Sav. FSB v. Off West Broadway Devs.*, 227 A.D.2d 306 (1st Dep't 1996). Judicial immunity has been applied to receivers or liquidators in New York Insurance Law Article 74 proceedings. *In re Executive Life Insurance Company of New York*, 103 A.D.3d 631, 634 (2d Dep't 2013); *In re Liquidation of U.S. Capital Ins. Co.*, 36 Misc.3d 635 (2012), 948 N.Y.S.2d 549 (Sup. Ct., N.Y. Cty. 2012). In the instant Article 74 proceeding, the Liquidation Order delegated judicial functions to the Liquidator who, at all

times, acted in good faith and within the scope of the authority set forth in the Liquidation Order. Thus, the Liquidator, and the employees of the NYLB, who carried out the duties of the Liquidator, are entitled to judicial immunity under the applicable case law. *Id.*

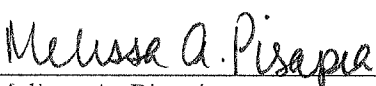
11. The Liquidator also requests that this Court issue the accompanying Order to Show Cause approving a return date for a hearing on the Liquidator's application to be held before this Court at least thirty (30) days after the date of issuance of the Order to Show Cause.

12. No previous application for the relief sought herein has been made to this or any other court or judge thereof.

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WHEREFORE, it is respectfully requested that this Court enter an Order (i) approving the Report and the financial transactions delineated in such report; (ii) authorizing the payment of administrative expenses, including such expenses for the closing of the Liquidation Proceeding; (iii) authorizing the Liquidator to distribute, after payment of administrative expenses, the remainder of Essence's assets to Essence Inc., Essence's owner; (iv) terminating and closing the Liquidation Proceeding; (v) finding that the Liquidator, and his successors in office and their agents and employees, are entitled to judicial immunity for any cause of action of any nature against them, individually or jointly, for any acts or omissions when acting in good faith, in accordance with the orders of this Court, and/or in the performance of their duties pursuant to Insurance Law Article 74; (vi) releasing and discharging the Liquidator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and (vii) granting the Liquidator such other and further relief as this Court deems appropriate and just.

Dated: New York, New York
September 22, 2015



Melissa A. Pisapia

L19060

EXHIBIT 1

**IN THE MATTER OF THE LIQUIDATION OF
ESSENCE HEALTHCARE OF NEW YORK, INC.
Supreme Court County of New York
Index No.: 452879/14**

NOTICE

On February 24, 2015, Essence Healthcare of New York, Inc. ("Essence") was placed into liquidation and, the Acting Superintendent of Financial Services of the State of New York and his successors in office were appointed liquidator ("Liquidator") of Essence.

The Liquidator has, pursuant to Article 74 of the New York Insurance Law, appointed Scott D. Fischer, Special Deputy Superintendent ("Special Deputy"), as his agent for the liquidation of Essence. The Special Deputy carries out his duties through the New York Liquidation Bureau ("NYLB"), which is located at 110 William Street, New York, New York 10038. The Liquidator has submitted an application to the Court seeking an order: (i) approving the Liquidator's report on the status of and request to close the Essence liquidation proceeding ("Liquidation Proceeding") and the financial transactions delineated in such report; (ii) authorizing the payment of administrative expenses, including such expenses for the closing of the Liquidation Proceeding; (iii) authorizing the Liquidator to distribute, after payment of administrative expenses, the remainder of Essence's assets to Essence Healthcare, Inc., Essence's owner; (iv) terminating and closing the Liquidation Proceeding; (v) finding that the Liquidator, and his successors in office and their agents and employees, are entitled to judicial immunity for any cause of action of any nature against them, individually or jointly, for any acts or omissions when acting in good faith, in accordance with the orders of the Court, and/or in the performance of their duties pursuant to Insurance Law Article 74; (vi) releasing and discharging the Liquidator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and (vii) granting the Liquidator such other and further relief as the Court deems appropriate and just.

The Return Date on the Liquidator's application is scheduled for the ____ day of ____, 2015, at ____:____.m., at the Courthouse, 111 Centre Street, IAS Part 57, in the County, City and State of New York. If you wish to object to the Liquidator's application, you or your counsel must serve a written statement setting forth your objections and all supporting documentation ("Answering Papers") upon the Liquidator at least seven (7) days prior to the Return Date and any Answering Papers, together with an affidavit of service, shall be filed with the Court on or before the Return Date. Service on the Liquidator shall be made by first class mail at the following address:

Acting Superintendent of Financial Services of the State of New York
as Liquidator of Essence Healthcare of New York, Inc.
Attention: General Counsel
110 William Street
New York, New York 10038

The Liquidator's application is available for inspection at <http://www.nylb.org>. In the event of any discrepancy between this notice and the documents submitted to Court, the documents control.

Requests for further information should be directed to the NYLB, Creditor and Ancillary Operations at (212) 341-6421.

Dated: [Insert Date]

ANTHONY J. ALBANESE
Acting Superintendent of Financial Services
of the State of New York as Liquidator of
Essence Healthcare of New York, Inc.

EXHIBIT 2

**REPORT ON THE STATUS OF AND REQUEST TO CLOSE THE LIQUIDATION
PROCEEDING OF ESSENCE HEALTHCARE OF NEW YORK, INC.**

Anthony J. Albanese, Acting Superintendent of Financial Services of the State of New York (the "Superintendent") as liquidator (the "Liquidator") of Essence Healthcare of New York, Inc. ("Essence") has appointed certain agents, to carry out, through the New York Liquidation Bureau (the "NYLB"), the responsibilities of the Liquidator. The Liquidator, by Scott D. Fischer, Special Deputy Superintendent and Agent, hereby submits this Liquidator's report on the status of the Essence liquidation proceeding (the "Liquidation Proceeding") and respectfully requests that such proceeding be closed.

INTRODUCTION

Supreme Court, New York County, Index Number 452879/14, (the "Supervising Court") entered an order (the "Liquidation Order") on February 24, 2015 (the "Liquidation Order Date"), pursuant to which this Liquidation Proceeding was commenced. As described more fully below, Essence was licensed to underwrite insurance policies in the State of New York only.

The Liquidation Order charged the Liquidator with, among other things, the responsibility for:

- a. marshaling Essence's assets;
- b. providing notice of entry of the Liquidation Order to Essence's creditors, claimants and interested persons; and
- c. otherwise liquidating Essence's business pursuant to Article 74 of the New York Insurance Law (the "Insurance Law").

The Liquidator submits this report on the status of and request to close the Essence Liquidation Proceeding (the "Report") to apprise the Supervising Court on the status of the Liquidation Proceeding and to seek: (i) approval of the Report and the financial transactions

delineated in such report; (ii) authorization for the payment of administrative expenses, including such expenses for the closing of the Liquidation Proceeding; (iii) authorization to distribute, after payment of administrative expenses, the remainder of Essence's assets to Essence Healthcare, Inc. ("Essence Inc."), Essence's owner and only creditor; (iv) termination and closure of the Liquidation Proceeding; (v) a finding that the Liquidator, and his successors in office and their agents and employees, are entitled to judicial immunity for any cause of action of any nature against them, individually or jointly, for any acts or omissions when acting in good faith, in accordance with the orders of the Supervising Court, and/or in the performance of their duties pursuant to Insurance Law Article 74; (vi) release and discharge of the Liquidator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and (vii) a grant of such other and further relief as the Supervising Court deems appropriate and just.

BACKGROUND

Essence, a health maintenance organization ("HMO"), was incorporated in the State of New York on or about February 27, 2009. The New York State Department of Health ("DOH") issued Essence a conditional certificate of authority on or about May 15, 2009, pursuant to the provisions of Article 44 of the New York Public Health Law. The conditions were removed from Essence's certificate of authority as of November 16, 2009, at which time Essence was eligible to commence enrolling Medicare-only members.

Essence's certificate of authority permitted Essence to operate as an HMO and provide Medicare Advantage and Part D Prescription Drug coverage to Medicare beneficiaries via a network of healthcare providers within Wayne and Monroe counties in New York State.

Essence became a wholly-owned subsidiary of Essence Inc. on the same date that it was incorporated. Essence Inc. is a wholly-owned subsidiary of Essence Group.

Essence ceased writing business in 2011. On December 1, 2011, DOH reissued Essence's certificate of authority with the condition that Essence was precluded from enrolling individuals and offering managed care products. Instead, Essence was limited to performing only those activities related to the payment of remaining liabilities. As of March 31, 2014, Essence had zero unpaid claims and no liabilities.

Essence's board of directors consented to the entry of an order of liquidation pursuant to Insurance Law Article 74 in the Supreme Court of the State of New York, County of New York, by signing a Joint Action By Written Consent of the Board of Directors and the Sole Shareholder of Essence, effective as of January 1, 2014, which was later adopted by a resolution dated March 26, 2014. On February 24, 2015, Essence was placed into liquidation.

The Liquidator completed all activities related to this Liquidation Proceeding by August 31, 2015, and therefore selected that date for closing Essence's books (the "Closing Date").

FINANCIAL CONDITION OF ESSENCE

Essence's comparative balance sheet as of the Liquidation Order Date and the Closing Date and the statement of changes of cash and invested assets for the period between the Liquidation Order Date and the Closing Date (collectively, the "Financial Statements") are attached hereto collectively as Exhibit A.

A. As of the Liquidation Order Date

The Liquidator conducted a review of Essence's financial position as of the Liquidation Order Date and found that Essence had assets totaling \$3,075,728, which consisted of cash and investments in the amount of \$2,975,727 and \$100,001 in statutory deposits with the New York

State Department of Financial Services; and liabilities totaling zero, which left Essence with a surplus in the amount of \$3,075,728.

B. As of the Closing Date

As of the Closing Date, Essence had total assets in the amount of \$3,042,156 and total remaining liabilities in the amount of \$3,042,156. Naturally, over the course of the Liquidation Proceeding, the Liquidator has incurred and paid certain expenses of Liquidation, as provided for by the New York Insurance Law (*See* N.Y. Ins. L. §7422(b)) and without which the Liquidation Proceeding could not have occurred. Such payments are no longer liabilities. The only remaining liabilities, as detailed below, include: (a) the actually incurred but as yet unpaid expenses of the Liquidation Proceeding; (b) the anticipated but not yet incurred or paid expenses that are associated with this closing report and the financial transactions delineated herein; and (c) the claim of the company's 100% owner for the balance of the assets of the company.

1. Collection of Assets - Receipt from Statutory Deposits

As of the Closing Date, the Liquidator received \$100,002¹ from statutory deposits with the New York State Department of Financial Services.

2. Administrative Expenses

The functions of the Superintendent as statutory liquidator under Article 74 of the Insurance Law are carried out by the NYLB, which maintains facilities and staff to conduct all receiverships under the Superintendent's administration. The administrative expenses of the NYLB are divided proportionately among the companies in receivership, including Essence. *See* N.Y. Ins. L. §7422(b). Administrative expenses include salaries and payroll taxes, employee benefits (such as contributions to employee health insurance and pension costs), rent and other office overhead, such as insurance, office equipment and supplies, printing, postage and

¹ Fractions of dollars are omitted in this report, but are included in the accompanying exhibits.

telephone and internet service (collectively, “Administrative Expenses”). More specifically, the Administrative Expenses incurred to liquidate Essence are calculated by an electronic timekeeping system used to record the amount of time that each NYLB employee works directly on the Essence liquidation. Based on the amount of direct time charged by the NYLB’s staff to individual estates, including Essence, the NYLB allocates Administrative Expenses on a *pro-rata* basis to all estates.

In addition, there are certain direct expenses allocable to the estate such as the cost of publishing the Liquidation Order and direct work billed by the NYLB staff to the Essence liquidation, including the in-take, review and maintenance of the books and records of the estate, taking control of and managing the estates’ assets, preparing financial statements, periodic review of the status of claims against the estate, the preparation and filing of legal documents, effecting required legal notices, and related administrative tasks.

As of the Closing Date, \$36,487 in Administrative Expenses were charged to the Liquidator, \$33,573 of which were paid from the Liquidation Order Date through July 31, 2015, and \$2,914 of which were incurred during August 2015, but not yet paid. The total Administrative Expenses of \$36,487 are broken out in a detailed spreadsheet attached hereto as Exhibit B and include: \$15,961 for the salaries of the Liquidator’s staff; \$10,826 for employee relations and welfare (*e.g.*, payroll taxes, health insurance and pension contributions); \$3620 for rent and related expenses (*e.g.*, insurance, office equipment and printing); \$294 for professional fees (*e.g.*, payroll services and consultants); \$5,055 for general and administrative expenses, of which \$4,138 was paid for the publication of the Essence liquidation notice in *The New York Post*, \$7 was paid to serve a copy of the Liquidation Order on the former President of Essence by

certified mail, and \$910 for other expenses including information technology and telephone services; and \$727 for other miscellaneous expenses, such as taxes and insurance.

In addition, the Liquidator estimated and reserved the following additional Administrative Expenses and direct costs in order to finally wrap-up the Liquidation Proceeding in its entirety: (1) Administrative Expenses for the month of September at the average monthly expense rate incurred for the months of February through August 2015 in the amount of \$4,621; (2) final closing costs following the entry of an order closing the Liquidation Proceeding, consisting of \$3,175 in salaries and overhead, \$15,000 attributable to Essence for its share of the Liquidator's required annual audit of estates under administration under Insurance Law Section 7405(g)(2); and (3) the cost of giving notice of the closing order by publication in the approximate amount of \$4,100, which is based on the previous cost of publishing the Liquidation Order and the Superintendent's long experience in publishing similar notices. The total additional estimate and reserve to close the Essence estate is \$26,896.

Based on the foregoing, all of the Liquidator's Administrative Expenses and direct costs, total of \$63,383 (i.e., the \$36,487 of incurred expenses and the \$26,896 of reserved expense), which amounts to approximately 2% of the total assets of Essence administered by the Liquidator during the Liquidation Proceeding.

3. Liabilities

As of the Closing Date, Essence had liabilities totaling \$3,042,156, consisting of the owner's claim of \$3,012,346, the \$2,914 of Administrative Expense incurred but not paid for August 2015, and the reserved closing costs set forth above in the amount \$26,896.

4. Distribution of Assets

As of the Closing Date, the Liquidator has not distributed any of Essence's assets other than those direct expenses paid as detailed above.

THE LIQUIDATION PROCEEDING

In accordance with the Supervising Court's directives as set forth in the Liquidation Order, the Liquidator published notice of Essence's liquidation in *The New York Post*, once a week for two consecutive weeks, and posted the same notice on the Internet web page maintained by the NYLB at <http://www.nylb.org>. The notice informed creditors, claimants and interested persons to present their claims against Essence or its insureds within five months from the date of entry of the Liquidation Order Date. Paragraph 13 of the Essence Liquidation Order required the Liquidator to keep the estate open for a minimum of five (5) months in order to allow any claimants sufficient time to submit and perfect their claims against Essence or its insureds. The estate has now been open for seven (7) months for this purpose and as of no claims against the Essence estate have been received other than that of the owner, Essence Inc. To date, no "late claims" have been presented to the Liquidator. Additionally, in order to comply with Insurance Law Section 7433(b)(2), the Liquidator reviewed Essence's books and records and determined that Essence had no creditors, other than Essence Inc. As such, there are no claims against the Essence estate other than the Essence Inc. claim.

Therefore, the assets available after the payment of administrative expenses of Essence are to be distributed to Essence Inc., as the owner of Essence. Further, other than paying administrative expenses and Essence Inc. there is no further action that the Liquidator needs to take to wind-down Essence and close its estate.


RELIEF SOUGHT

The Liquidator submits this Report in order to describe to the Supervising Court the status of the Liquidation Proceeding and to inform the Supervising Court that the affairs of the Essence estate permit administrative expenses to be paid and termination of the Liquidation Proceeding. In support of the Liquidator's recommendations stated herein, the Liquidator has submitted to the Supervising Court the affirmation of Melissa A. Pisapia, an attorney with the NYLB, together with supporting documentation annexed to the affirmation. Based on the Liquidator's compliance with his statutory mandate, including the marshaling of assets of Essence, together with the fulfillment of all his duties and obligations as set forth in the Liquidation Order, the Liquidator requests that the Supervising Court issue an order, which:

- a. approves the Report and the financial transactions delineated in such report;
- b. authorizes the payment of administrative expenses, including such expenses for the closing of the Liquidation Proceeding;
- c. authorizes the Liquidator to distribute, after payment of administrative expenses, the remainder of Essence's assets to Essence Inc., Essence's owner;
- d. terminates and closes the Liquidation Proceeding;
- e. finds that the Liquidator, and his successors in office and their agents and employees, are entitled to judicial immunity for any cause of action of any nature against them, individually or jointly, for any acts or omissions when acting in good faith, in accordance with the orders of the Supervising Court, and/or in the performance of their duties pursuant to Insurance Law Article 74;

- f. releases and discharges the Liquidator, his predecessors and successors in office, and their agents, attorneys and employees, from any and all liability arising from their acts or omissions in connection with the Liquidation Proceeding; and
- g. grants the Liquidator such other and further relief as the Supervising Court may deem appropriate and just.

Dated: New York, New York
September 22, 2015



Scott D. Fischer
Special Deputy Superintendent and Agent of
Anthony J. Albanese, Acting Superintendent
of Financial Services of the State of New
York as Liquidator of Essence Healthcare of
New York, Inc.

L19060

EXHIBIT A

ESSENCE HEALTHCARE OF NEW YORK, INC
STATEMENT OF ASSETS

	Aug. 31, 2015	Feb. 24, 2015
Unrestricted Assets		
Cash-Unrestricted	\$ 3,042,156	\$ 2,975,727
Short-Term Investments	-	-
Bonds, Preferred Stocks, and Common Stocks	-	-
Total Cash and Invested Assets	\$ 3,042,156	\$ 2,975,727
Investment in Subsidiary	-	-
Other Invested Assets	-	-
Reinsurance Recoverables on Paid Losses and LAE	-	-
Less: Allowance for Uncollectible Reinsurance Recoverable	-	-
Net Reinsurance Recoverable on Paid Losses and LAE	-	-
Reinsurance Recoverables on Unpaid Losses and Unpaid LAE	-	-
Less: Allowance for Uncollectible Reinsurance Recoverable	-	-
Net Reinsurance Recoverable on Unpaid Losses and LAE	-	-
Receivable from Affiliates	-	-
Accrued Investment Income	-	-
Other Assets	-	-
Total Unrestricted Assets	3,042,156	2,975,727
Restricted Assets:		
Restricted - Statutory Deposits in This or Other States	-	100,001
Restricted - Other	-	-
Total Restricted Assets	-	100,001
Total Assets	\$ 3,042,156	\$ 3,075,728

ESSENCE HEALTHCARE OF NEW YORK, INC
STATEMENT OF LIABILITIES

	Aug. 31, 2015	Feb. 24, 2015
Secured Claims	-	-
Class I - Administrative Claims:	29,810	-
Class II - Claims and Related Costs:		
Guaranty Fund Claims:		
Allowed Claims:		
Administrative Claims Expenses	-	-
Loss Adjustment Expenses (LAE)	-	-
Loss Claims	-	-
Unearned and Advance Premium Claims	-	-
Total Allowed Claims	-	-
Less Advance Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims:		
Administrative Claims Expenses	-	-
Loss Adjustment Expenses (LAE)	-	-
Loss Claim Reserves	-	-
Unearned and Advance Premium Claims	-	-
Total Non-Allowed Claims	-	-
Total Guaranty Fund Claims:	-	-
Creditor Claims:		
Allowed Claims:		
Loss Claims	-	-
Unearned and Advance Premium Claims	-	-
Total Allowed Claims	-	-
Less Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims:		
Loss Claims Reserves	-	-
Unearned and Advance Premium Claims	-	-
Loss Adjustment Expenses (LAE)	-	-
Total Non-Allowed Claims	-	-
Total General Creditor Claims	-	-
IBNR	-	-
Total Class II Claims and Related Costs:	-	-
Class III - Federal Government Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class III Claims	-	-
Class IV - Employee Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class IV Claims	-	-

ESSENCE HEALTHCARE OF NEW YORK, INC
STATEMENT OF LIABILITIES

	Aug. 31, 2015	Feb. 24, 2015
Class V - State and Local Government Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class V Claims	-	-
Class VI - General Creditors:		
Allowed General Unsecured Creditor Claims (Other than	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non Allowed General Unsecured Creditor Claims (Other than		
Reinsurance Related)	-	-
Total General Unsecured Creditor Claims (Other than Reinsurance	-	-
Reinsurance Related Unsecured Claims	-	-
Less: Dividends	-	-
Total Reinsurance Related Unsecured Claims	-	-
Total Class VI Claims	-	-
Class VII - Late Filed Claims:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class VII Claims	-	-
Class VIII - Section 1307 (Shareholder) Loans:		
Allowed Claims:	-	-
Less: Dividends	-	-
Total Allowed Claims	-	-
Non - Allowed Claims	-	-
Total Class VIII Claims	-	-
Class IX - Share Holder Claims:		
Allowed Claims:	3,012,346	-
Less: Dividends	-	-
Total Allowed Claims	3,012,346	-
Non - Allowed Claims	-	-
Total Class IX Claims	3,012,346	-
Other Liabilities	-	-
Total Liabilities	3,042,156	-
Liquidator's Surplus (Deficit)	\$ -	\$ 3,075,728
Total Liabilities and Liquidator's Surplus (Deficit)	\$ 3,042,156	\$ 3,075,728

ESSENCE HEALTHCARE OF NEW YORK, INC
STATEMENT OF CHANGES IN CASH AND INVESTED ASSETS
FROM FEBRUARY 24, 2015 TO AUGUST 31, 2015

Receipts:		
Released from Statutory Deposits	\$	100,002
Total Receipts		100,002
Disbursements:		
Salaries		14,510
Employee Relations & Welfare		9,805
Rent and Related Expenses		3,323
Professional Fees		240
General and Administrative Expenses		5,005
Other Expense		690
Total Disbursements		33,573
Net Increase (Decrease) of Receipts Over Disbursements		66,429
Cash and Invested Assets (Unrestricted), as of February 24, 2015		2,975,727
Unrealized Gain / (Loss) on Investments		-
Cash and Invested Assets (Unrestricted), as of August 31, 2015	\$	3,042,156

EXHIBIT B

Essence Healthcare of New York, Inc											
Expenses Breakdown from Inception to August 31, 2015											
Categories	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	Incurrd and Paid - Feb to July 2015	Incurrd but not Paid - August 2015	Cumulative Total from Inception to August 31, 2015		
Salaries											
Salaries - Total:	2,188.38	7,652.27	1,141.72	1,718.53	577.46	1,231.18	14,509.54	1,452.03	15,961.57		
Employee Relations & Welfare											
Payroll Taxes	163.93	579.50	132.54	85.48	43.15	91.96	1,096.56	108.37	1,204.93		
Payroll Taxes - FUTA	3.82	2.03	0.38	-	-	-	6.23	-	6.23		
Payroll Taxes - SUI	29.58	28.98	2.26	0.13	-	0.22	61.17	-	61.17		
Health Insurance	764.11	2,647.45	65.79	850.85	208.10	477.67	5,013.97	536.92	5,549.89		
Disability Insurance	(0.85)	23.78	0.18	(3.01)	1.66	(0.65)	21.11	(1.04)	20.07		
Workers Compensation	(13.86)	68.37	10.87	6.36	5.18	11.12	88.14	13.26	101.40		
Pension Assessment	644.82	1,929.39	295.92	281.21	142.32	304.75	3,498.41	363.64	3,862.05		
Employee Training/Tuition	1.03	0.04	4.20	2.17	0.32	0.81	8.57	2.08	10.65		
Employee Relations & Welfare - Total:	1.76	6.35	0.81	1.09	0.27	0.15	10.43	0.16	10.59		
Rent & Related Expenses											
Rent & Rent Items	494.30	1,788.71	277.29	263.57	133.94	287.76	3,245.57	288.80	3,534.37		
Amort of Leasehold Improvements	11.98	42.43	6.70	6.38	3.23	6.92	77.64	8.26	85.90		
Rent & Related Expenses - Total:							3,323.21	297.06	3,620.27		
Professional Fees											
Legal Fees- Other	2.05	8.41	0.08	0.09	-	-	10.63	-	10.63		
Consulting Fees	18.53	0.29	0.68	10.41	-	-	30.91	13.45	44.36		
Payroll Services	7.83	17.69	9.98	2.47	2.50	2.78	43.25	3.23	46.48		
Temporary Help	21.85	79.84	10.00	23.49	11.96	8.93	156.07	37.03	193.10		
Outside Clerical Services	0.03	-	-	-	-	0.03	0.06	-	0.06		
Professional Fees - Total:							240.92	53.71	294.63		
General and Administrative Expenses											
Gen Office Maintenance	10.69	171.43	20.12	3.73	13.44	4.14	223.45	26.82	250.27		
Telephone	11.85	27.56	2.95	5.93	2.44	15.34	66.27	7.18	73.45		
Postage	1.11	51.21	2.73	7.70	0.26	9.61	72.61	0.16	72.77		
Printing & Stationery	1.26	7.34	0.15	0.02	0.01	2.22	11.00	-	11.00		
Vendor Services	13.10	125.19	5.39	4.62	1.87	3.97	154.14	4.75	158.89		
Web/Internet Services	7.11	79.44	0.91	1.34	0.41	13.87	103.08	1.85	104.93		
Software Purchase	11.70	11.34	9.45	0.30	0.86	13.18	46.82	0.16	46.98		
Software Maintenance	1.44	37.13	0.23	-	13.52	-	52.32	3.25	55.57		
Hardware Purchase	8.56	56.40	2.20	4.41	2.49	5.01	79.07	5.48	84.55		
Advertising	-	-	-	-	-	-	4,138.30	-	4,138.30		
Books and Reference Materials	0.07	32.08	1.93	0.04	0.02	24.50	58.64	0.49	59.13		
General and Administrative Expenses - Total:							5,005.70	50.14	5,055.84		
Other Expenses											
Liability Insurance	-	4.36	162.86	-	-	-	167.22	-	167.22		
Office Supplies	9.54	35.41	4.80	6.00	3.37	3.12	62.24	7.30	69.54		
Travel & Travel Items	1.27	(5.90)	0.08	0.03	0.66	0.10	(3.76)	0.28	(3.47)		
Parking and Tolls	-	0.30	0.01	-	0.01	0.03	0.35	0.10	0.45		
Hardware Maintenance	-	-	0.19	-	-	0.16	0.35	-	0.35		
Equipment Exp	6.25	22.63	12.09	8.03	1.64	8.17	58.81	4.87	63.68		
MCT Mobility Tax Paid	7.25	26.61	5.86	3.79	1.91	4.06	48.48	4.78	53.26		
NY Sales & Use Tax	5.30	20.02	4.61	2.70	2.57	4.22	39.42	4.09	43.51		
Bank Charges-Other	21.70	147.82	62.16	13.28	3.60	62.78	311.34	17.68	329.02		
Assoc Dues & Membership Fees	-	3.94	0.02	-	-	0.39	4.35	-	4.35		
Other Expenses - Total:							688.80	39.11	727.91		
Cumulative Expenses Incurred:							33,572.76	2,914.44	36,487.20		