

At the Supreme Court of the State of New York, County of Westchester, at the courthouse located at 111 Martin Luther King Boulevard, White Plains, New York, on the 14th day of MAY, 2018.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF WESTCHESTER

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In the Matter of

the Application of

Index No. 54964/2018
(Giacomo, W.J., J.S.C.)
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

TOUCHSTONE HEALTH HMO, INC.

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Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), having moved this Court by order to show cause for an order placing Touchstone Health HMO, Inc. ("Touchstone") into liquidation, appointing the Superintendent and her successors in office as liquidator ("Liquidator") of Touchstone, and directing the Liquidator to take possession of the property of Touchstone and to liquidate its business and affairs, and upon reading and filing the petition of the Superintendent, duly verified on March 8, 2018 (the "Petition"), the affidavit of Stephen J. Wiest, sworn to on February 27, 2018, and the exhibits annexed thereto, this Court finds that Touchstone should, on consent, be placed into liquidation under Insurance Law Article 74;

NOW, on motion of Barbara Underwood, Acting Attorney General of the State of New York, and after due deliberation having been had and no opposition having been filed, 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 Touchstone;
3. The Liquidator is directed to take possession of Touchstone's property and liquidate Touchstone'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 Touchstone'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 Touchstone in Touchstone's name or in the name of the Liquidator;
6. All persons and entities are permanently enjoined and restrained from wasting the assets of Touchstone, and are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Touchstone's business or disposing of Touchstone'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 Touchstone, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Touchstone, 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 Touchstone's contracts and agreements, however described, and is permitted to, in her discretion, reject any executory contracts to which Touchstone 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 Touchstone'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, plans offered by Touchstone 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 Touchstone 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 Touchstone, 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 Touchstone, 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") is the earlier of either: (a) the contractual deadline for the submission of claims established in a Plan or an agreement between Touchstone and a medical services provider for the provision of such services to beneficiaries under the Plans; or (b) the date that is six (6) months after the issuance of the order placing Touchstone into liquidation, and all claims submitted after the Bar Date are barred and discharged;
13. All claims against Touchstone 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 Touchstone, 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) Richard Lipeles, Chief Executive Officer, Touchstone Health HMO, Inc., One North Lexington Avenue, 12th Floor, White Plains, New York 10601; and (b) any person or entity 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 WESTCHESTER


-----X
 In the Matter of

the Liquidation of

TOUCHSTONE HEALTH HMO, INC.
 -----X

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

ENTER



 J.S.C.
 Hon. William J. Greene, JSC

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
TOUCHSTONE HEALTH HMO, INC.

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 Westchester ("Court"), entered on MAY 11, 2018, as the liquidator (the "Liquidator") of Touchstone Health HMO, Inc. ("Touchstone") and, as such, has been: (i) directed to take possession of Touchstone's property and liquidate Touchstone'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 Touchstone'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 Touchstone in Touchstone's name or in the name of the Liquidator;
- II. All persons and entities are permanently enjoined and restrained from wasting the assets of Touchstone, and all persons are permanently enjoined and restrained, except as authorized by the Liquidator, from transacting Touchstone's business or disposing of Touchstone'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 Touchstone, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Touchstone, 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 Touchstone's contracts and agreements, however described, and the Liquidator is permitted to, in her discretion, reject any executory contracts to which Touchstone 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 Touchstone'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, plans offered by Touchstone 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 Touchstone 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 Touchstone, 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 Touchstone, 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") is the earlier of: (a) the contractual deadline for the submission of claims established in a Plan or an agreement between Touchstone and a medical services provider for the provision of such services to beneficiaries under the Plans; 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 Touchstone submitted for the first time after issuance of the 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.nylbpoc.org;
- X. Immunity is extended to the Superintendent in her capacity as Liquidator of Touchstone, 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. The Liquidator may at any time make further application to the Court for such further and different relief as she sees fit;
- XII. The Court shall retain jurisdiction over this matter for all purposes;
- XIII. All communications relating to Touchstone 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
- XIV. 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
Touchstone Health HMO, Inc.

DAVID AXINN
Special Deputy Superintendent
and Agent of the Liquidator