

CAUSE NO. D-1-GV-13-000384

THE STATE OF TEXAS,	§	IN THE DISTRICT COURT OF
<i>Plaintiff,</i>	§	
	§	
v.	§	TRAVIS COUNTY, TEXAS
	§	
UNIVERSAL HMO OF TEXAS, INC.,	§	
<i>Defendant.</i>	§	345th JUDICIAL DISTRICT

**THE SDR’S APPLICATION TO MAKE FINAL DISTRIBUTION**

TO THE HONORABLE JUDGE OF THIS COURT

Prime Tempus, Inc., Special Deputy Receiver of Universal HMO of Texas, Inc., (the “SDR” and “Universal Texas” respectively), files this *Application to Make Final Distribution* (the “Application”).

**I. INTRODUCTION**

1.1 The SDR has completed all claims processing and asset collection activities in this proceeding. The SDR requests this Court to authorize it to make a final distribution of the receivership’s assets and transfer any remaining records of Universal Texas. Following the completion of the final distribution, the transfer of records, and the filing of current tax returns and issuance of any other required tax documents, the SDR will submit an application to dissolve the charter of Universal Texas, discharge the Receiver and the SDR, and terminate this proceeding.

**II. AUTHORITY**

2.1 The SDR is authorized to file this Application pursuant to Chapter 443 of the Texas Insurance Code (the “Code”).<sup>1</sup> Under § 443.154(a) of the Code, the SDR has all of the Receiver’s powers, except as limited by the Receiver.

<sup>1</sup> All statutory references herein are to the Texas Insurance Code, unless otherwise indicated.

2.2 The subject matter of this Application is referred to the Master appointed in this proceeding in accordance with the *Order of Reference to Master* entered on May 22, 2013.

### **III. BACKGROUND**

#### **A. Company History**

3.1 Universal Texas was organized on February 11, 2009 pursuant to the provisions of Chapter 843 of the Code as a Medicare Advantage health maintenance organization. It operated in seven counties in the State of Texas. In March 2013, it had approximately 4,300 members. Commissioner's Order No. 09-0353 granted a certificate of authority to Universal Texas, dated March 14, 2009. As a Medicare Advantage health maintenance organization, Universal Texas had a contract with the Centers for Medicare and Medicaid Services. That contract terminated in May 2013. During the receivership, the SDR succeeded in collecting substantial assets and in resolving substantial claims. As a result, the receivership estate has distributed one hundred cents on the dollar plus interest to approved claimants, and projects a substantial surplus to distribute to equity-holder priority claimants. This Application seeks Court approval for the final distribution of assets as well as related relief.

#### **B. Initiation of Receivership Proceeding**

3.2 On April 13, 2013, this proceeding was initiated pursuant to Chapter 443 of the Code. On that same date, the Court entered an *Agreed Order Appointing Rehabilitator and Granting Permanent Injunction*. Subsequently, an *Order of Liquidation* ("Liquidation Order") was entered on May 17, 2013.

#### **C. Appointment of Receivers**

3.3 In accordance with § 443.151 of the Code, the Commissioner of Insurance ("Commissioner") was appointed Receiver on April 13, 2013. Kent Sullivan is currently

Receiver of Universal Texas, and all predecessors have been discharged as Receiver as a matter of law.

**D. Appointment of Special Deputy Receivers**

3.4 On May 1, 2013, Jean G. Johnson was appointed as Special Deputy Receiver of Universal Texas. Ms. Johnson passed away in December 2017. Prime Tempus, Inc. was appointed as Special Deputy Receiver effective February 28, 2018. References to the “SDR” in this Application refer to the prior or current SDR, depending on the relevant time period.

**E. Referral to Master**

3.5 On May 22, 2013, this Court signed its *Order of Reference to Master* appointing Tom Collins as Special Master in this proceeding.

**F. Evidence in Support of this Application**

3.6 The SDR presents as Exhibit “A” to this Application the Affidavit of Craig A. Koenig. The SDR moves its admission into evidence, along with its attached Exhibits.

#### **IV. FINANCIAL STATEMENTS**

4.1 The Statement of Net Assets and Net Liabilities for the receivership, attached as Exhibit A-1 to the Koenig Affidavit, is incorporated herein by reference, and reflects the financial condition of the receivership as of June 30, 2019. The consolidated Sources and Uses of Cash Statement, which lists all funds received and disbursed from the date of receivership to June 30, 2019, is attached as Exhibit A-2 to the Koenig Affidavit and incorporated herein by reference. These exhibits represent the final financial reports for the receivership in accordance with § 443.016 of the Code.

#### **V. ASSETS**

**A. Disposition of Assets**

5.1 The Disposition of Assets schedule is attached as Exhibit A-3 to the Koenig

Affidavit and incorporated herein by reference. The schedule sets forth all asset transactions since the date of receivership and reflects total assets of Universal Texas as of June 30, 2019. In this receivership, the SDR has processed all claims and paid 100% of the principal and interest on those claims (save and except only some unclaimed property, which has been segregated for handling in accordance with the Texas Insurance Code). The SDR plans to assign all remaining assets after the expense of closing and segregation of unclaimed property, including contingent and uncollected assets, if any, to the Class 11 interest holders in accordance with the *Shareholder, Special Deputy Receiver and BankUnited Agreement regarding Universal HMO of Texas, Inc.* (“Shareholder Agreement”) approved by this Court on or about June 25, 2019. All remaining assets after deduction of the closing budget, unclaimed/abandoned property and other expenses, will be assigned to the Liquidating Agent of Universal Health Care Group, Inc. and the Administrative Agent of a group of its Lenders, in the method and percentages detailed in the Shareholder Agreement.

## VI. CLAIMS

### A. Notice

6.1 On September 17, 2013, this Court entered an order setting a claims filing deadline of June 30, 2014. In accordance with that order, the SDR provided notice of the claim filing deadline to all persons who may have had claims as shown by Universal Texas’ books and records. In addition, in accordance with the order, notice of the claims filing deadline was published in the following newspapers of general circulation: Austin-American Statesman, San Antonio News Express, Tampa Bay Times, Fort Worth Star Telegram, and Houston Chronicle. Subsequently, at the request of the SDR, on February 12, 2015 the Court entered its Order Granting the SDR’s Application for Alternative Claims Procedure.

**B. Filing of Claims**

6.2 The SDR sent out approximately 40,000 proof of claim notices. The SDR received the following proofs of claims:

Class 2 Proofs of Claim: 2,008

Class 5 Proofs of Claim: 20

Class 8 Proofs of Claim 67

Class 11 Proof of Claim: 29

Total Number of Proofs of Claims received: 2,124

Dollar amount of claimed amount of proofs of claims: \$ 96,756,258.27 (based on initial filed amount)

**C. Claims Processing**

6.3 All POCs against the receivership estate were adjudicated pursuant to § 443.253(b) of the Code with respect to their classification and amount. The period of time allowed by § 443.253(c) of the Code to appeal the SDR's action on claims has expired, and the SDR's determination on these claims is final and not subject to review. The member and provider POCs were processed using the alternative claims procedure approved by this Court. The general creditor and shareholder claims were resolved by agreement or by rejection. Exhibit A-4 is a summary of the SDR's determinations on the POCs.

**D. Distributions**

6.5 During the course of the receivership, there have been distributions of 100% of the principal plus interest to all approved claimants. On March 31, 2017, this Court issued its *Order Granting the SDR's Motion to Approve Class 2 Claims and to Authorize Distributions to Holders of Approved Class 2 Claims*. This order approved the Class 2 claims and authorized payment of 100% of the principal allowed amount of such claims. On December 11, 2017, this

Court issued its *Order Granting the SDR's Motion to Approve Certain Class 5 and Class 8 Claims and to Authorize Distributions to Holders of Approved Class 5 and Class 8 Claims*, which approved the Class 5 and Class 8 claims and authorized payment of 100% of the allowed principal amount of those claims. Certain disputed claims were subsequently approved, with the Court issuing distribution orders as to these claims. These included:

- a. A set of ex-employees of the parent company asserting WARN Act claims, approved by order dated November 30, 2017;
- b. The proof of claim of Integranet and of Milliman, Inc., approved by order of July 2, 2018;
- c. The proof of claim of American Managed Care and of the Florida Department of Financial Services, as Receiver for Universal Healthcare Insurance Company, approved by order of November 7, 2018; and
- d. The proof of claim of Medco Health Solutions, Inc. approved by order of December 14, 2018.

6.6 On December 3, 2018, the Court entered its *Order Approving the SDR's Motion to Approve Plan for Interest on Allowed Claims Pursuant to Texas Insurance Code Section 443.301*. This order allowed interest to approved claimants, except for claimants who had waived any claim for interest.

6.7 The SDR completed distribution of the approved claims, although a small minority of claimants did not claim their distributions.

6.8 On August 5, 2016, this Court issued its Order Granting the SDR's Motion to Approve Agreement with the United States, authorizing the SDR to enter into an agreement with the U. S. Department of Justice for a release of any liability under 31 U.S.C. § 3713.

6.9 This estate has sufficient assets to distribute funds to Class 11. On June 25, 2019, this Court entered the *Order Approving SDR's Motion to Approve Shareholder, Special Deputy Receiver and BankUnited Agreement Regarding Universal HMO of Texas, Inc.*, which defined the mechanism for a Class 11 distribution and which also resolved the BankUnited proof of claim against Universal Texas.

## VII. EXPENSES

### A. Paid Expenses

7.1 The administrative expenses of the Receiver and SDR have been paid through June 30, 2019. On June 20, 2013, this Court approved the terms of compensation of the SDR's contractors pursuant to § 443.015 of the Code. The compensation and expenses have been paid in accordance with that order through June 30, 2019.

### B. Closing Expenses

7.2 The SDR proposes to reserve \$43,287 for the payment of estimated expenses involved in closing the receivership, including some obligations that continue past closing, as reflected on the detailed breakdown of estimated closing expenses, attached as Exhibit A-5. The SDR requests approval of the reserve for closing expenses as reflected on Exhibit A-5.

### C. Final Statement of Expenses

7.3 Pursuant to § 443.015 of the Code, the SDR will submit a detailed final statement of the actual expenses incurred when the SDR files the verified application to terminate the estate. If the actual expenses differ from the amount reserved, the excess funds or the shortfall (as applicable) will be handled as described in the Shareholder Agreement. The SDR will file a final accounting including the final distribution schedule and a final statement of expenses that reflects the actual expenses incurred.

## VIII. DISTRIBUTION OF ASSETS

8.1 The SDR projects the likely distribution of assets to be as follows:

**A. Assets Available for Distribution**

*As of June 30, 2019*

The assets available for distribution are projected to be as follows:

Unrestricted Cash at June 30, 2019	\$ 10,347,777
Restricted Cash at June 30, 2019	\$ <u>32,654</u>
Total cash:	\$ 10,380,431

**B. Claims to be Paid**

*As of June 30, 2019*

Administrative Expenses - SDR & Receiver	(\$ 7,317)
Unclaimed Funds (Class 2)	(\$ 32,653)
Unclaimed Funds (Class 10)	(\$ 47,694)
Closing Budget	(\$ 43,287)

**Projected Net Cash Available for Final Distribution-Class 11 Claim** \$ 10,249,480

This projected sum of cash is projected per the June 30, 2019 “as of” date to be available for Class 11 distribution pursuant to the Shareholder Agreement.

**C. Eligible Claimants**

8.2 There were sufficient assets to pay all approved claims in full and to pay interest. There are also projected assets to make payments to the Liquidating Agent of Universal Health Care Group and BankUnited as the Administrative Agent for the lender group, in the proportions set forth in the Shareholder Agreement.



**D. Distribution Process**

8.3 After the Court approves this Application, distributions will be made by wire transfer, if feasible, or by mailing a check by first class mail to the address provided by the claimant. In the event that a Distribution Notice is returned by the Post Office with an address correction, the SDR will send the distribution check to the corrected address.

**E. Transfer of Remaining Funds**

8.5 The SDR anticipates executing an assignment of remaining funds and assets (after payment of claims, costs of administration, closing budget, any taxes and other expenses), with such assignment following the mechanism set out in the Shareholder Agreement.

**IX. UNCLAIMED FUNDS**

**A. Unclaimed Distributions**

9.1 The SDR will maintain the receivership's distribution account for the earlier of forty-five (45) days after the final distribution or until all distributions have been received by wire transfer or checks cashed, which will provide a reasonable amount of time for claimants to receive their funds and/or deposit their checks. The SDR will deliver any funds which are unclaimed as of the closing of the account to the Commissioner as required by § 443.304(a) of the Code to be placed in a segregated unclaimed funds account.

**X. ASSIGNMENTS AND TRANSFERS**

**A. Assignment of Non-Cash Assets**

10.1 Section 443.154 of the Code authorizes the SDR to transfer, abandon, or otherwise dispose of or deal with any property of the insurer upon terms and conditions that are fair and reasonable. Further, § 443.352 of the Code permits the Court to enter any orders in connection with an application to terminate a receivership proceeding. Universal Texas has non-

cash assets, including but not necessarily limited to its rights pursuant to its settlement agreement with Medco Health Benefits, Inc. These non-cash assets shall be handled as set forth in the Shareholder Agreement. The SDR seeks approval of Exhibit A-6 which is the form of assignment proposed to be signed by the SDR. The Court is requested to approve this form.

## **XI. RECORDS**

### **A. Disposal of Records**

11.1 The SDR requests authority under § 443.354(a) of the Code to destroy certain records of Universal Texas which are no longer required for the administration of this receivership and that will not be needed after the termination of this proceeding. A list is attached as Exhibit A-7 to the Koenig affidavit. The SDR requests authority to dispose of such records in accordance with § 443.354(a).

### **B. Records Transferred to Commissioner**

11.2 Certain pertinent records of Universal Texas shall be transferred to the Commissioner pursuant to § 443.354(b) of the Code and maintained in compliance with the Receiver's records retention policy for receivership records. Further, certain records may be transferred to the equity holders. The SDR requests that the Court authorize the Commissioner to retain, transfer or dispose of these records at his discretion.

## **XII. TAX RETURNS**

12.3 Universal Texas is part of a consolidated tax return with Universal Health Care Group, Inc. Pursuant to the Shareholder Agreement, the Liquidating Agent of Universal Health Care Group, Inc. is responsible to file tax returns and ensure proper handling of tax matters for the consolidated group.

### **XIII. CERTIFICATION OF CLOSING ACTIVITIES**

13.1 Before or when the SDR files an application to terminate this proceeding and discharge the Receiver and the SDR, the SDR will file a certification with this Court confirming that all activities necessary to conclude this proceeding have been performed, together with the final accounting of all funds in the estate.

### **XIV. CHARTER AND LICENSES**

14.1 The SDR has determined that a sale of the charter and license of Universal Texas is not feasible. The SDR requests that this Court dissolve the charter pursuant to § 443.153(e) of the Code on the termination of this proceeding.

### **XV. OFFER OF PROOF**

15.1 This Application is verified by the affidavit and certification pursuant to TEX. INS. CODE § 443.017(b) of the Code by Craig A. Koenig, President of Prime Tempus, Inc., acting solely in its capacity as Special Deputy Receiver of Universal HMO of Texas, Inc.

### **XVI. NOTICE**

#### **A. Notice of Application**

16.1 In accordance with § 443.007(d) of the Code and the *Order of Reference*, the SDR served this Application at least 14 days before the submission date of this Application on (i) parties that filed an appearance in this proceeding and (ii) other parties as determined by the SDR as shown on the Certificate of Service.

#### **B. Distribution Notices**

16.2 Notice of this motion will be emailed to the two distributees at least 14 days before the submission date of the Application.

## REQUEST FOR RELIEF

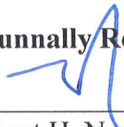
WHEREFORE, PREMISES CONSIDERED, Prime Tempus, Inc., Special Deputy Receiver of Universal HMO of Texas, Inc. respectfully requests that this Court enter an Order:

1. Accepting and approving the final financial statements and the expenditures of funds set forth in the Sources and Uses of Cash exhibit;
2. Approving the estimated expenses through the closing of the receivership pursuant to § 443.015 of the Code;
3. Authorizing the SDR to distribute the cash assets of the receivership as described in the Application and in the Shareholder Agreement.
4. Authorizing the SDR to transfer any residual funds remaining after all distributions are made in accordance with the Shareholder Agreement;
5. Authorizing the SDR to deliver all unclaimed funds to the Commissioner, and finding that any distribution to a claimant for whom the Distribution Notice was returned as undeliverable shall be deemed as unclaimed for purposes of § 443.304 of the Code;
6. Authorizing the assignment of non-cash assets attached as Exhibit A-6 to the Affidavit of Craig A. Koenig;
7. Authorizing the SDR to deliver any remaining records to the Commissioner, and authorizing the Commissioner to maintain or dispose of such records at his or her discretion; and
9. Granting such further relief to which the SDR or Receiver may be entitled.

Respectfully submitted,

**Wisener Nunnally Roth L.L.P.**

By: \_\_\_\_\_

  
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## Certificate of Service

I hereby certify that a true and correct copy of the foregoing document has been served on the following interested parties in accordance with Tex. Ins. Code §443.007(d) and the Rehabilitation Order this the 9<sup>th</sup> day of September, 2019.

Mr. Tom Collins, Receivership Master  
by serving his Docket Clerk  
Texas Department of Insurance  
333 Guadalupe, Tower III, 5th Fl., MC-305-1D  
Austin, Texas 78701  
[specialmasterclerk@tdi.texas.gov](mailto:specialmasterclerk@tdi.texas.gov)

Ms. Kathy Gartner  
Rehabilitation & Liquidation Oversight  
Texas Department of Insurance  
333 Guadalupe St., Tower III  
5th Floor, MC-305-1C  
Austin, Texas 78701  
Email: [Kathy.Gartner@tdi.texas.gov](mailto:Kathy.Gartner@tdi.texas.gov)

Universal Health Care Group, Inc.  
c/o Soneet Kapila, Chapter 11 Trustee  
1000 South Federal Highway, Ste. 200  
Fort Lauderdale, Florida 33316  
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Moses Chao  
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Austin, Texas 78701  
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*/s/Michael C. Roth*  
Michael C. Roth

THE STATE OF TEXAS,  
*Plaintiff,*

v.

UNIVERSAL HMO OF TEXAS, INC.,  
*Defendant.*

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IN THE DISTRICT COURT OF  
  
TRAVIS COUNTY, TEXAS  
  
345th JUDICIAL DISTRICT

**AFFIDAVIT OF CRAIG A. KOENIG IN SUPPORT OF  
THE SDR'S APPLICATION TO MAKE FINAL DISTRIBUTION**

State of Texas  
County of Hays

Came before me, a notary public, Craig A. Koenig, who, being duly sworn, did upon his oath attest:

1. I am Craig A. Koenig. I am over the age of 18 years. I am competent to be a witness. I have personal knowledge of the facts to which I attest. I acquired my personal knowledge in my role as President of Prime Tempus, Inc., the successor Special Deputy Receiver of Universal HMO of Texas, Inc. I have been personally involved in this receivership since the date of Prime Tempus, Inc.'s involvement in this estate.
2. I make this Affidavit to support the Application to Approve Report of Claims and Make Final Distribution. I attach to this Affidavit numerous exhibits that were prepared either by my staff or by Tom Petrosewicz, who assists the estate with accounting services. In accordance with Texas Insurance Code Section 443.017, I certify that the exhibits attached to my affidavit are true and correct copies of records maintained by the Special Deputy Receiver's office.

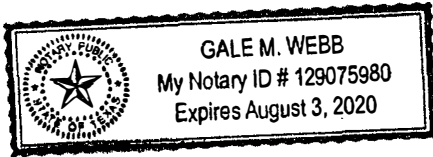
3. I attach as Exhibit A-1 and incorporate into this Affidavit by reference the Statement of Net Assets and Net Liabilities for the receivership, prepared by Tom Petrosewicz at my direction.
4. I attach as Exhibit A-2 and incorporate into this Affidavit by reference the consolidated Sources and Uses of Cash Statement for Universal HMO of Texas, Inc., prepared by Tom Petrosewicz at my direction.
5. I attach as Exhibit A-3 and incorporate into this Affidavit by reference the Disposition of Assets Schedule prepared by Tom Petrosewicz at my direction.
6. I attach as Exhibit A-4 and incorporate into this Affidavit by reference the Report of Determination of Claims prepared by the staff of the Special Deputy Receiver at my direction.
7. I attach as Exhibit A-5 and incorporate into this Affidavit by reference the budget of estimated closing expenses for which I request court approval.
8. I attach as Exhibit A-6 and incorporate into this Affidavit by reference the form of assignment that I seek Court approval to execute.
9. I recommend that the Court grant each item of relief sought by the motion, which will permit distribution of the assets, destruction of records, assignment of non-cash assets, proper handling of unclaimed assets, and the other matters addressed in the application. These steps will facilitate the winding-up and, upon the completion of



these items permit the closing of this estate. I attach a listing of remaining documents pertinent to this request as Exhibit A-7.

S. K.  
Craig A. Koenig

Subscribed and sworn to before me, a notary public, on this 9<sup>th</sup> day of September, 2019.



Gale M. Webb  
Notary Public

**Universal HMO of Texas  
Statement of Net Assets  
EXHIBIT A-1**

**For the Period Ending  
06/30/19**

Line		06/30/19
<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	10,347,777
	APF Funds (Loan proceeds)	
<b>Investments</b>		
2	Short-Term Investments	
3	Bonds	
4	Stocks - Preferred & Common	
5	Investments in Subsidiaries, Controlled or Affiliated Entities	
6	Mortgage Loans	
7	Real Estate	
8	Policy Loans	
9	Other Invested Assets	
<b>Restricted Assets</b>		
10	Statutory Deposits	
11	Funds held by or deposited with Reinsured Companies	
12	Restricted Cash	
	Funds Held for Texas Abandoned Property Fund	32,654
	Funds Held for Pre Receivership Outstanding Checks for Escheat	0
<b>Reinsurance Receivable</b>		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	
15	Reinsurance Recoverables on UEP & Contingent Commissions	
<b>Other Receivables</b>		
16	Salvage & Subrogation Recoveries	
17	Premiums Due from Agents & Policyholders	
18	Receivable from Parents, Subsidiaries & Affiliates	
19	Receivable from Guaranty Associations - Early Access Payments	
20	Other Receivables	0
<b>Other Assets</b>		
21	FF&E	
22	Other Assets	
	<b>Total Assets</b>	<b>10,380,431</b>

**Universal HMO of Texas**  
**Statement of Net Liabilities**  
**EXHIBIT A-1**

**For Period Ending**  
**06/30/19**

**Line**

**06/30/19**

1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
<b>Administrative Claims - Class 1</b>		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	6,853
	Liquidation Oversight	464
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
<b>Policy Claims - Class 2</b>		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	26,141
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	
11	Unearned & Advance Premium Claims - Other	
<b>Other Liabilities</b>		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	
15	Class 5 Reinsurance Related Unsecured Claims	
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	
19	Class 9 Claims	
20	Class 10 Interest	47,694
21	Class 11 Claims	10,292,767
22	Other Liabilities:	
	Escheat Liability	0
	Abandoned Property Liability	6,512
	<b>Total Liabilities</b>	<b>10,380,431</b>
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	0
	<b>Total Liabilities &amp; Equity</b>	<b>10,380,431</b>

**Universal HMO of Texas  
Sources & Uses of Cash  
EXHIBIT A-2**

**Inception to June 30, 2019**

<b>Income</b>	
Premium Receipts	7,311
Salvage & Subrogation Recoveries	26,530
Other Receipts	6,818,024
Investment Sales/Receipts	95,909
Other Asset Receipts	1,505,000
<b>Total Receipts from Assets/Receivables</b>	<b>8,452,774</b>
Interest & Dividend Receipts, EA Interest	59
Cash Deposit Interest	541,200
<b>Total Cash Receipts</b>	<b>8,994,033</b>
<b>Disbursements</b>	
SDR Fees & Expenses	534,747
Subcontractor Legal Fees & Expenses	421,146
Subcontractor Other Fees & Expenses	1,503,795
Non-Subcontractor Fees & Expenses	269,309
Other Expenses	715,125
RLO Fees & Expenses	203,529
<b>Total Disbursements for Operations</b>	<b>3,647,651</b>
Loss Claims & LAE Expense Payments	9,933,301
Early Access Payments - GA	0
Refunds & Other Distributions	87,662
Restriction on Cash for Class 2 Claim-Payee Not located	26,141
<b>Total Cash Distributions</b>	<b>10,047,104</b>
<b>Total Cash Disbursements &amp; Distributions</b>	<b>13,694,755</b>
APF Loan Proceeds (Repayment)	0
<b>Net Increase(Decrease) in Cash</b>	<b>(4,700,722)</b>
<i>Cash at Beginning of Period</i>	<i>15,048,499</i>
<i>Cash at End of Period</i>	<i>10,347,777</i>

Universal HMO Texas R555  
DISPOSITION OF ASSETS SCHEDULE  
EXHIBIT A-3

Inception to June 30, 2019

ASSET DESCRIPTION	ASSET BALANCE 4/18/13	NEW ASSETS	SOURCE OF NEW ASSETS	ASSET RECOVERY	SOURCE OF RECOVERY	DATE OF RECOVERY	AMOUNT OF WRITE OFF	REASON FOR WRITE OFF	DATE OF WRITE OFF	ASSET BALANCE AS OF 6/30/19
<b>CASH</b>										
Beginning Cash	15,048,499		Cash at Inception of Receivership							0
		8,994,033	Recoveries							8,994,033
		(3,647,652)	Operational Expenses							(3,647,652)
		(8,776,140)	Loss Claims and LAE							(8,776,140)
			Coverage Gap							
		(449)	Discount Program							(449)
			Refund to CMS-3/3/16							
		(376,678)	Class 5 Claims Distributions							(376,678)
		(76,836)	Class 6 & Class 8 Claims Distributions							(76,836)
		(784,703)	Class 10 Claims Distributions							(784,703)
			Pre Receivership Outstanding Claims							
		(6,156)	Checks Escheated							(6,156)
			Reclass of Outstanding Claims							
		(26,141)	Checks -Not Located							(26,141)
<b>Subtotal</b>	<b>15,048,499</b>	<b>(4,700,722)</b>		<b>0</b>			<b>0</b>			<b>10,347,777</b>
<b>INVESTMENTS</b>										
US Treasury Note	94,971	938	Change in Valuation							0
Cash Deposit Interest Income		541,200		95,909	Redemption of Treasury note					0
Investment Interest Income		59		541,200	Texas Treasury Investments					0
<b>Subtotal</b>	<b>94,971</b>	<b>542,197</b>		<b>637,168</b>			<b>0</b>			<b>0</b>
<b>REINSURANCE</b>										
<b>Subtotal</b>	<b>0</b>	<b>0</b>		<b>0</b>			<b>0</b>			<b>0</b>
<b>RECEIVABLES</b>										
Premiums Receivable-Medicare Reimbursement (MRA)	5,005,246	1,534,624	Subsequent collections Established at inception of receivership	6,539,870	CMS Reconciliation					0
Premiums Receivable-CMS	166,586		Subsequent collections	166,586	CMS Reconciliation Subsequent collections					0
Premiums Receivable-Members	1,820	5,491	Subsequent collections	7,311						0

Universal HMO Texas R555  
DISPOSITION OF ASSETS SCHEDULE  
EXHIBIT A-3

Inception to June 30, 2019

ASSET DESCRIPTION	ASSET BALANCE 4/18/13	NEW ASSETS	SOURCE OF NEW ASSETS	ASSET RECOVERY	SOURCE OF RECOVERY	DATE OF RECOVERY	AMOUNT OF WRITE OFF	REASON FOR WRITE OFF	DATE OF WRITE OFF	ASSET BALANCE AS OF 6/30/19
Allowance for Nonrecovery	(5,173,652)		Established at inception of receivership		CMS Reconciliation		(5,173,652)			0
Pharmacy Rebates Receivable	276,584	485,083	Identified Subsequent to Receivership	61,667	Pharmacy Rebates Recovered/Medco Settlement Agreement Pharmacy Rebates Recovered/Medco Settlement Agreement					700,000
Allowance for Nonrecovery	(276,584)						(423,416)	Doubtful Collection	07/31/18	(700,000)
Prepaid Claims to Third party Administrators	9,642						9,642	Not Collectible	07/20/18	0
Allowance for Nonrecovery	(9,642)						(9,642)	Not Collectible	07/20/18	0
Deferred Tax Asset from Parent Allowance for Nonrecovery	306,687						306,687	Not Collectible	07/20/18	0
Allowance for Nonrecovery	(306,687)						(306,687)	Not Collectible	07/20/18	0
Subrogation Receivable		26,530	Identified Post Receivership	26,530	Receivables Collected					0
Claims Refunds		31,116	Identified Post Receivership	31,116	Receivables Collected					0
Workers Comp Refund		5,465	Identified Post Receivership	5,465	Receivables Collected					0
Office Space Refund		7,214	Return of Security Deposit	7,214	Receivables Collected					0
Other Receivables		6,106	Identified Post Receivership	6,106	Receivables Collected					0
Subtotal	0	2,101,629		6,851,865			(5,597,068)			0
<b>OTHER ASSETS</b>										
Subtotal	0	0		0			0			0
<b>RESTRICTED ASSETS</b>										
Statutory Deposit-Texas	1,505,000	0	Treasury Notes at Inception of Receivership	1,505,000	Release by State of Texas					0
Funds Held-APF Class 2 Not Located		26,141	Reclass of Outstanding Claims Checks							26,141
Funds Held-APF		6,513								6,513
Subtotal	1,505,000	32,654		1,505,000			0			32,654
<b>TOTAL</b>	<b>16,648,470</b>	<b>(2,024,242)</b>		<b>0</b>			<b>(5,597,068)</b>			<b>10,380,431</b>

EXHIBIT A-4

POCs filed	POC approved in whole or in part	POCs Denied	Total Claimed	Amount Approved	Amount Rejected
Class 2	1,158	850	\$26,438,530.60	\$3,007,328.93	\$23,431,201.67
Class 5	9	11	\$1,800,770.35	\$937,133.74	\$863,636.61
Class 8	49	18	\$9,384,622.74	\$3,567,786.11	\$5,816,836.63
Class 11	1	28	\$59,132,334.58	To be determined*	
			\$96,756,258.27		

<b>R-555 Universal HMOT</b>	
<b>Estimated Closing Expenses</b>	
<b>EXHIBIT A-5</b>	
	<b>TOTAL</b>
<b>Estimated SDR Fees</b>	
Administration	4,500
Accounting Expenses	3,000
Claims	750
	6,750
	15,000
<b>Estimated General Admin Expenses</b>	
Bank Charges, Wiring Fees & Treasury Account	690
Records Storage and Disposal	300
Records Shredding	300
IT/Computer Expense	222
Supplies-boxes/labels/folders/forms	150
Copies, Faxes, Postage/Courier	150
Liquidation Oversight Allocated Expenses	1,100
	2,912
<b>Estimated Subcontractor Fees &amp; Expenses</b>	
Accounting Fees	9,000
Accounting Expenses	75
Legal Fees	13,500
Legal Expenses	750
	23,325
<b>Estimated Other Fees &amp; Expenses</b>	
Records Storage by Commissioner	1,300
Class 1 Administrative Expense - Other	750
	2,050
<b>Total Estimated Expenses</b>	<b>43,287</b>



<b>THE STATE OF TEXAS</b>	§	<b>IN THE DISTRICT COURT OF</b>
<b>Plaintiff</b>	§	
	§	
<b>v.</b>	§	<b>TRAVIS COUNTY, TEXAS</b>
	§	
<b>UNIVERSAL HMO OF TEXAS, INC.</b>	§	
<b>Defendant</b>	§	<b>345th JUDICIAL DISTRICT</b>

**ASSIGNMENT OF ASSETS**

**Background:**

1. Prime Tempus, Inc. is the Special Deputy Receiver of Universal HMO of Texas, Inc. (“Universal Texas”).
2. The Special Deputy Receiver is authorized to assign all known and unknown assets to the Commissioner of Insurance (Commissioner) at the closing of the Universal Texas receivership estate, pursuant to Texas Ins. Code Ann. Section 443.352.

**The Assignment:**

3. This assignment is intended to deal with any unknown, contingent, undistributed or unrecovered assets of Universal Texas. The Special Deputy Receiver, on behalf of the Commissioner as Receiver of Universal Texas, hereby assigns all right, title and interest to any unknown, contingent, undistributed and unrecovered assets of Universal Texas as follows:
  1. An undivided 25% interest to Soneet Kapila, Liquidating Agent of Universal Health Care Group, Inc., his heirs, successors and assigns;
  2. An undivided 75% interest to BankUnited, N.A. as administrative agent for itself and on behalf of lenders Capital Bank Financial Corporation, Mercantil Commercebank, N.A.,

now known as the Amerant Bank, Banco de Creditors e Inversiones Miami Branch, and Israel Discount Bank.

3. This assignment includes, but is not limited to, an assignment of the SDR's rights under that certain Agreement Regarding Assignment of Proceeds and Settlement of Disputes between the SDR and Medco Health Solutions, Inc., a/k/a Express Scripts.
4. This assignment further includes, without limitation, all contract rights, rights to collect unclaimed property, dividends, tort claims, Medicare Secondary Payer rights, intangible rights, sums owed to Universal Texas, rights under tax sharing agreements, and other rights to tangible property or monies belonging to Universal Texas. The assignment does not include any claims against the SDR or the Receiver of Universal Texas, their attorneys or agents.
5. This assignment is intended to facilitate and not to limit or supersede the terms of the Shareholder, Special Deputy Receiver and BankUnited Agreement Regarding Universal HMO of Texas, Inc. ("Shareholder Agreement"). This assignment does not limit the release and other language contained in the Shareholder Agreement.
6. This assignment is intended to include, but not be limited to, property, cause of action, judgments, claims, unclaimed property deposits, tort claims, contract claims, statutory claims, contract rights, rights to recovery or to distribution, unknown claims, unrecovered claims and as-yet-undiscovered claims and assets. The assignment is to be broadly construed to include even rights and assets not presently known or imagined.
7. This assignment is intended to grant to the assignees hereunder the authority to demand and receive payments, to collect assets, to pursue causes of action, to assert contract and distribution rights, to collect contingent, liquidated and unliquidated assets, and to include

all assets, past, present and future. Nothing in this assignment shall give the assignee the right to pursue any claim against the Receiver, the SDR, their attorneys, employees or agents.

8. This assignment and the Shareholder Agreement together are the final and integrated expression of their agreement. This assignment is made without express or implied warranty, AS IS, and is made without recourse. Nothing in this assignment waives any defense or claim of Universal Texas.

So assigned on \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Universal HMO of Texas, Inc.

By Prime Tempus, Inc., Special Deputy Receiver  
Signed by: Craig A. Koenig, President of Prime Tempus, Inc. and not individually

\_\_\_\_\_  
Craig A. Koenig

Soneet Kapila, as Liquidating Agent of Universal Health Care Group, Inc.

\_\_\_\_\_  
By: Soneet Kapila, as Liquidating Agent, and not individually

Bank United, as Administrative Agent for the Lenders set forth in this document

By: \_\_\_\_\_

Its: \_\_\_\_\_

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Prefix	Box #	Contents
BXP	100001	Deposit Reports Jan - Apr 2011
BXP	100005	Statutory Financial Reports 2010-2012; Bank Compact Discs
BXP	100011	Statutory Financial Reports
BXP	100014	Accounts Payable; Statutory filings; Payroll reports
BXP	100018	TX Appointment Action Notices; Budgets; Statutory Filings
BXP	100020	Universal Health Care Group reporting, budgets, statutory filings
BXP	100025	Texas HMO marketing forms, policy and procedures manuals, quarterly rpts
BXP	100030	Audit files, Bank Compact Discs statements, call logs
BXP	100033	Personnel Documents, Accounts Payable, Policy & Procedures Manuals
BXP	100034	Personnel Documents
BXP	100035	UHMO Policy & Procedure Manuals and Handbooks, Accounts Payable
BXP	100038	Agent Files
BXP	100114	Post Receivership: subcontractor agreements, SDR work product
BXP	100040	Provider applications 2011
BXP	100041	Provider applications 2011
BXP	100045	Provider applications 2010-2011
BXP	100051	Provider applications 2011
BXP	100052	Provider applications 2011-2012
BXP	100056	Provider applications 2011
BXP	100057	Provider applications 2011-2012
BXP	100058	Provider applications 2011-2012
BXP	100060	Provider applications 2011-2012
BXP	100062	Provider applications 2011
BXP	100063	Provider applications 2010-2011
BXP	100067	Provider applications 2011-2012
BXP	100068	Provider applications 2009-2012
BXP	100070	Provider applications 2012
BXP	100071	Provider applications 2009-2011
BXP	100073	Provider applications 2011
BXP	100074	Marketing materials
BXP	100075	Provider applications
BXP	100076	Provider applications
BXP	100077	Provider applications
BXP	100078	Provider applications 2012
BXP	100079	Pharmacy directory, Credentialing procedures
BXP	100080	Marketing materials
BXP	100081	Provider directories, marketing materials
BXP	100083	Provider applications 2012
BXP	100084	Provider applications
BXP	100086	Marketing materials
BXP	100087	Marketing materials
BXP	100090	Enrollment Guides, Agent Booklet
BXP	100091	Marketing materials

Prefix	Box #	Contents
BXP	100092	Marketing materials
		Attorney Work Product
		SDR & Subcontractors Work Product
		Any further records pertaining to UHMO-TX that the SDR or Receiver elects not to retain
		Any electronic records pertaining to UHMO-TX that the SDR or Receiver elects not to retain