

Filed in The District Court
of Travis County, Texas

OCT 05 2006

GV 204523

At 3:00 P.M.
Amalia Rodriguez-Mendoza, Clerk

THE STATE OF TEXAS

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IN THE DISTRICT COURT OF

v.

TRAVIS COUNTY, TEXAS

AMCARE HEALTH PLANS OF TEXAS,
INC. and AMCARE MANAGEMENT, INC.

200th JUDICIAL DISTRICT

**ORDER AUTHORIZING THE USE OF CERTAIN FUNDS
FOR A PARTIAL DISTRIBUTION OF ASSETS**

On this day came on to be heard the Application to Use Certain Funds for a Partial Distribution of Assets filed by Jean Johnson, Special Deputy Receiver under contract to the Permanent Receiver of AmCare Health Plans of Texas, Inc., and AmCare Management, Inc., (hereinafter collectively referred to as "AmCare"), for authority to make an interim distribution to holders of approved medical claims pursuant to their claims priority in the principal amount of nineteen percent. The Special Deputy Receiver represented to the Court that it is in the best interest of the receivership estate to make this distribution as set out in the Application and asked the Court to reaffirm this Court's prior order of April 4, 2005, the spirit of which dictates that funds of the estate be used to fund this interim distribution without further need for a holdback pursuant to Texas Insurance Code Section 843.405. Having considered the Application, the Court is of the opinion and finds that the Application is in all things well taken.

It is therefore ORDERED, ADJUDGED, and DECREED that the Special Deputy Receiver is authorized to make an interim distribution to holders of approved medical claims pursuant to their claims priority in the amount of nineteen percent of the principal amount of their approved claims as set out in the Application.

Order Authorizing the Use of Certain Funds for a Partial Distribution of Assets

It is further ORDERED, ADJUDGED, and DECREED that the funds, originally deposited pre-receivership with the Texas Comptroller by AmCare to be used for payment of receivership claims in the manner previously approved by the Court in this Court's prior order of April 4, 2005, be treated as assets generally available for the purpose of funding this payment and that the funds of AmCare be utilized to make this distribution without further need to hold back funds under Texas Insurance Code Section 843.405. The Court finds that all such funds may be used for general distribution, in accordance with the adjudication previously approved by this Court.

SIGNED this 5 day of October, 2006.



JUDGE PRESIDING

PROPER NOTICE GIVEN.
NO OBJECTION FILED.

SUBMITTED

RECOMMENDED th
SIGNED ON 29 DAY OF Sept 2006.



TOM COLLINS, RECEIVERSHIP SPECIAL MASTER

Order Authorizing the Use of Certain Funds for a Partial Distribution of Assets