

GV 204523

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

**MOTION TO APPROVE MUTUAL RELEASE**

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW Jean Johnson, Special Deputy Receiver (“SDR”) under contract to the Permanent Receiver of AmCare Health Plans of Texas, Inc., and AmCare Management, Inc., (hereinafter collectively referred to as “AmCare-TX”), who files this Motion to Approve Mutual Release (the “Agreement” or “Mutual Release”). In support of this Motion the SDR would respectfully show the Court the following:

**THE RELIEF SOUGHT BY THIS MOTION**

This is a motion which seeks approval of entry into an Agreement for a Mutual Release to be signed by the SDR, James J. Donelon, Commissioner of the Insurance of the State of Louisiana, in his capacity as Liquidator of AmCare Health Plans of Louisiana, Inc., in Liquidation, through the court-approved Deputy Receiver Marlon Harrison (“AmCare-LA”), and John D. Doak, Commissioner of Insurance for the State of Oklahoma, in his capacity as Receiver of AmCare Health Plans of Oklahoma, Inc., in Liquidation, through the court-appointed Assistant Receiver Billy Bostick (“AmCare-OK”) (collectively, the “Receivers”), on the one hand, and Health Net, Inc. (“Health Net”) on the other hand.

## I. BACKGROUND

1. Pursuant to Article 21.28 of the Texas Insurance Code (hereinafter the “Code”), now codified as Chapter 443 of the Code, this Court placed AmCare-TX in temporary receivership on December 16, 2002, and appointed Jose Montemayor Temporary Receiver. On January 21, 2003, the receivership was made permanent and Jose Montemayor was appointed Permanent Receiver.

2. Jean Johnson was appointed SDR on December 23, 2002, and she is fully authorized to file this Motion pursuant to TEX. INS. CODE §443.154.

3. AmCare Health Plans of Louisiana, Inc. was placed into receivership by a court of competent jurisdiction, and the Louisiana Commissioner of Insurance was appointed as Liquidator.

4. AmCare Health Plans of Oklahoma, Inc. was placed into receivership by a court of competent jurisdiction, and the Oklahoma Commissioner of Insurance was appointed as receiver.

5. The Receivers of AmCare Health Plans of Louisiana, Inc., AmCare Health Plans of Oklahoma, Inc. and AmCare Health Plans of Texas, Inc., commenced litigation against Health Net, Proskauer Rose, L.L.P., Stuart Rosow, AmCareco, Inc., Thomas Lucksinger, Stephen J. Nazareus, Michael D. Nadler, William F. Galtney, Michael K. Jhin, John P. Mudd, Scott Westbrook M. Lee Pearce, and PriceWaterhouseCoopers alleging various statutory and common law claims (the “Litigation”).

6. The Receivers previously reached and executed settlement agreements with all parties named in the Litigation except Health Net.

7. Health Net commenced litigation styled *Health Net, Inc. v. James J. Donelon et al*, Case No. 550,259, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana, as well as that now-dismissed case entitled *Health Net, Inc. v. J. Robert Wooley, Commissioner, et al.*, Case No. 2006-845, United States District Court, Middle District of Louisiana (collectively, the “Nullity Litigation”), in which Health Net sought to annul certain judgments rendered against it in the Litigation.

8. The Receivers and Health Net have resolved all of their remaining differences and disputes between them, including all remaining issues still pending in the Litigation and the Nullity Litigation.

9. In conjunction with that resolution of all remaining differences and disputes, the Receivers and Health Net, Inc., have agreed to enter in the Mutual Release, a copy of which is attached to this Motion as Exhibit “A.”

10. Pursuant to Section 15 of the Mutual Release, it is conditioned upon each of the receivership courts, including this court, issuing an order approving the Mutual Release, and that order becoming final and non-appealable.

11. AmCare-TX believes that the resolution of all remaining differences and disputes between the Receivers and Health Net, Inc., as memorialized in the Mutual Release attached as Exhibit “A,” is in the best interest of AmCare-TX, the State of Texas, the estate of AmCare Health Plans of Texas, Inc., the policyholders and creditors of AmCare-TX, and the claimants who filed proofs of claim in the receivership proceedings for AmCare-TX.

12. AmCare-TX believes that the resolution of all remaining differences and disputes between the Receivers and Health Net, Inc., as memorialized in the Mutual Release attached as

Exhibit “A,” is in the best interest of justice and judicial economy, and represents the most economical use of AmCare-TX’s resources.

13. Thus, AmCare-TX seeks an order of this court approving the Mutual Release, and authorizing AmCare-TX to sign the Mutual Release.

14. Because this Receivership proceeding will continue after this Court issues the requested order, AmCare-TX requests that this Court specify that there is no just reason for delay, and designate the order as final and appealable.

15. AmCare-TX has discussed this motion with Health Net, and Health Net consents to this motion.

## **II. AUTHORITY**

1. Under §443.154 (a) of the Code, the SDR has all the powers of the Receiver, unless specifically limited by the Receiver.

2. The SDR is authorized to enter into agreements with any receivers or commissioners of any other states pursuant to §443.154 (u) of the Code.

## **III. ANALYSIS AND RECOMMENDATION**

1. After negotiation, the Receivers have entered into a proposed Agreement expressly conditioned upon the approval of this Court. The Agreement is attached hereto as Exhibit “A”, and incorporated herein for all purposes.

2. The Agreement resolves the outstanding controversies and disputes between the Receivers and Health Net, and avoids the uncertainty, delays and costs that would be involved in litigating the disputes. The SDR represents to this Court that the Agreement is in the best interest of the AmCare receivership estate.

3. This Motion is supported by the Affidavit of Jean Johnson, attached hereto as Exhibit "B" and incorporated herein for all purposes.

**NOTICE**

1. The SDR sent notice of the submission of this Motion to all known parties of interest shown on the Certificate of Service. As stated above, the Certificate of Service includes all who have requested to be placed on the Certificate of Service. The SDR will also post this Motion on its website located at [www.amcaretexasreceiver.com](http://www.amcaretexasreceiver.com).

**RELIEF REQUESTED**

1. Based on the foregoing, the Special Deputy Receiver respectfully requests that the Court enter an order approving the Mutual Release.
2. The Special Deputy Receiver also requests all other just and equitable relief.

Respectfully submitted,

**Wisener ★ Nunnally ★ Gold, L.L.P.**

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

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*Attorneys for Jean Johnson, Special Deputy  
Receiver of AmCare Health Plans of Texas, Inc. and  
AmCare Management, Inc.*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served on all interested parties in accordance with the Texas Rules of Civil Procedure and TEX. INS. CODE ANN. § 443.007(d) this the ~~15th~~ <sup>12th</sup> day of ~~March~~ <sup>April</sup>, 2012.

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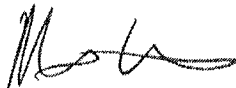
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Michael Roth



GV 204523

THE STATE OF TEXAS

v.

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

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

200th JUDICIAL DISTRICT

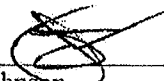
**AFFIDAVIT OF JEAN JOHNSON IN SUPPORT OF  
THE SDR'S MOTION TO APPROVE MUTUAL RELEASE**

TO THE HONORABLE JUDGE OF SAID COURT:

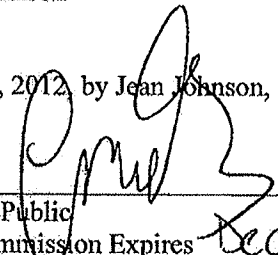
Came before me, a notary public, Jean Johnson, Special Deputy Receiver ("SDR") under contract to the Permanent Receiver of AmCare Health Plans of Texas, Inc., and AmCare Management, Inc., who, being duly sworn, did subscribe and swear that:

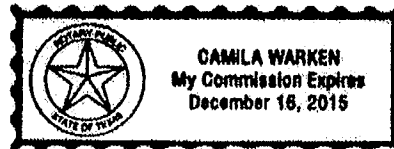
1. I am Jean Johnson. I am the Special Deputy Receiver under contract to the Permanent Receiver of AmCare Health Plans of Texas, Inc., and AmCare Management, Inc. ("SDR"). I have personal knowledge of the facts to which I attest. I obtained my knowledge in my role as Special Deputy Receiver.
2. I, acting as SDR, along with James J. Donelon, Commissioner of the Insurance of the State of Louisiana, in his capacity as Liquidator of AmCare Health Plans of Louisiana, Inc., in Liquidation, through the court-approved Deputy Receiver Marlon Harrison, and John D. Doak, Commissioner of Insurance for the State of Oklahoma, in his capacity as Receiver of AmCare Health Plans of Oklahoma, Inc., in Liquidation, through the court-appointed Assistant Receiver Billy Bostick and Health Net, Inc. have resolved all of the remaining differences and disputes between us, including all remaining issues still pending Litigation

3. I believe it is in the best interest of the receivership estate to execute the Mutual Release attached as Exhibit "A," as the Mutual Release is in the best interest of justice and judicial economy, and represents the most economical use of the receivership estate's resources.

  
\_\_\_\_\_  
Jean Johnson

Subscribed and sworn to on this 10<sup>th</sup> day of April, 2012, by Jean Johnson, before me, a notary public.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires Dec. 16, 2015



J. ROBERT WOOLEY,  
COMMISSIONER OF INSURANCE FOR  
STATE OF LOUISIANA, AS LIQUIDATOR  
FOR AMCARE HEALTH PLANS  
OF LOUISIANA, INC., ET AL.

Number: 499,737

DIVISION "D"

19<sup>TH</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

THOMAS S. LUCKSINGER, ET AL.

STATE OF LOUISIANA

\*\*\*\*\*CONSOLIDATED WITH \*\*\*\*\*

J. ROBERT WOOLEY,  
COMMISSIONER OF INSURANCE FOR  
STATE OF LOUISIANA, AS LIQUIDATOR  
FOR AMCARE HEALTH PLANS  
OF LOUISIANA, INC., ET AL.

Number: 509,297

DIVISION "D"

19<sup>TH</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

FOUNDATION HEALTH CORP., ET AL

STATE OF LOUISIANA

\*\*\*\*\*CONSOLIDATED WITH \*\*\*\*\*

J. ROBERT WOOLEY,  
COMMISSIONER OF INSURANCE FOR  
STATE OF LOUISIANA, AS LIQUIDATOR  
FOR AMCARE HEALTH PLANS  
OF LOUISIANA, INC., ET AL.

Number: 512,366

DIVISION "D"

19<sup>TH</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

PRICEWATERHOUSECOOPERS, LLP

STATE OF LOUISIANA

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HEALTH NET, INC.

Number 550,259

19<sup>th</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

J. ROBERT WOOLEY, ET AL

STATE OF LOUISIANA

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MUTUAL RELEASE

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This Mutual Release (the "Release") is made and entered into by and between James J.

J. ROBERT WOOLEY,  
COMMISSIONER OF INSURANCE FOR  
STATE OF LOUISIANA, AS LIQUIDATOR  
FOR AMCARE HEALTH PLANS  
OF LOUISIANA, INC., ET AL.

Number: 499,737

DIVISION "D"

19<sup>TH</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

THOMAS S. LUCKSINGER, ET AL.

STATE OF LOUISIANA

\*\*\*\*\*CONSOLIDATED WITH \*\*\*\*\*

J. ROBERT WOOLEY,  
COMMISSIONER OF INSURANCE FOR  
STATE OF LOUISIANA, AS LIQUIDATOR  
FOR AMCARE HEALTH PLANS  
OF LOUISIANA, INC., ET AL.

Number: 509,297

DIVISION "D"

19<sup>TH</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

FOUNDATION HEALTH CORP., ET AL.

STATE OF LOUISIANA

\*\*\*\*\*CONSOLIDATED WITH \*\*\*\*\*

J. ROBERT WOOLEY,  
COMMISSIONER OF INSURANCE FOR  
STATE OF LOUISIANA, AS LIQUIDATOR  
FOR AMCARE HEALTH PLANS  
OF LOUISIANA, INC., ET AL.

Number: 512,366

DIVISION "D"

19<sup>TH</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

PRICEWATERHOUSECOOPERS, LLP

STATE OF LOUISIANA

---

HEALTH NET, INC.

Number 550,259

19<sup>TH</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

J. ROBERT WOOLEY, ET AL.

STATE OF LOUISIANA

---

MUTUAL RELEASE

---

This Mutual Release (the "Release") is made and entered into by and between James J. Donelon, Commissioner of the Insurance of the State of Louisiana, in his capacity as Liquidator of AmCare Health Plans of Louisiana, Inc. in Liquidation, through the court-approved Deputy Receiver Marlon Harrison ("AmCare-LA"), Eleanor Kitzman, Commissioner of the Texas Department of Insurance, in her capacity as Receiver of AmCare Health Plans of Texas, Inc., in Receivership and AmCare Management, Inc. in receivership, through her court-appointed

Special Deputy Receiver, Jean Johnson, as Special Deputy Receiver for AmCare Health Plans of Texas, Inc. in Receivership and AmCare Management, Inc. in receivership ("AmCare-TX"), and John D. Doak, Commissioner of Insurance for the State of Oklahoma, in his capacity as Receiver of AmCare Health Plans of Oklahoma, Inc., in Liquidation, through the court-appointed Assistant Receiver Billy Bostick ("AmCare-OK") (collectively, the "Receivers"), on the one hand, and Health Net, Inc. ("Health Net") on the other hand:

**Recitals**

- A. WHEREAS, AmCare Health Plans of Louisiana, Inc. was placed into receivership by a court of competent jurisdiction, and the Louisiana Commissioner of Insurance was appointed as Liquidator; and
- B. WHEREAS, AmCare Health Plans of Oklahoma, Inc. was placed into receivership by a court of competent jurisdiction, and the Oklahoma Commissioner of Insurance was appointed as Receiver; and
- C. WHEREAS, AmCare Health Plans of Texas, Inc. was placed into receivership by a court of competent jurisdiction, and the Texas Commissioner of Insurance was appointed as Receiver; and
- D. WHEREAS, the Receivers of AmCare Health Plans of Louisiana, Inc., AmCare Health Plans of Oklahoma, Inc. and AmCare Health Plans of Texas, Inc. (the *Receivers*) commenced litigation against Health Net, Inc., Proskauer Rose, L.L.P., Stuart Rosow, Amcareco, Inc., Thomas Lucksinger, Stephen J. Nazaremus, Michael D. Nadler, William F. Galtney, Michael K. Jhin, John P. Mudd, Scott Westbrook M. Lee Pearce, and PriceWaterhouseCoopers alleging various statutory and common law claims (the *Litigation*); and
- E. WHEREAS, Health Net, Inc. commenced litigation styled *Health Net, Inc. v. James J. Donelon et al*, Case No. 500,259, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana, as well as that now-dismissed case entitled *Health Net, Inc. v. J. Robert Wooley, Commissioner, et al.*, Case No. 2006-845, United States District Court, Middle District of Louisiana (collectively, the *Nullity Litigation*); and
- F. WHEREAS, the Receivers previously reached and executed settlement agreements with all parties named herein except Health Net, Inc. (the *Settling Parties*); and
- G. WHEREAS, the Receivers and Health Net, Inc. desire to and have resolved all of their remaining differences and disputes;

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**Agreement**

NOW THEREFORE, for the releases, covenants, representations, warranties and promises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Receivers and Health Net, Inc. wish to release all remaining claims they have among themselves and the Settling Parties arising prior to the date of this Mutual Release as follows:

1. Health Net, its officers, directors, agents, heirs, assigns, employees, subsidiaries, affiliates, parent corporations, related entities, managing brokers, servants, attorneys, accountants, consultants and divisions, on behalf of anyone acting for or on its behalf, either directly or indirectly, does hereby release the Receivers, in their representative and individual capacities, their employees, agents, heirs, accountants, consultants, attorneys, Jean Johnson, Marlon Harrison, Billy Bostick and anyone acting on their behalf of all claims and causes of action it may have, as of the date of this Mutual Release, against any of the Receivers, their employees, agents heirs, consultants, accountants, attorneys and anyone acting on their behalf, regardless of whether such claim was asserted in the Litigation or the Nullity Litigation. Specifically, Health Net releases all claims it could have asserted in any court against the Receivers, their employees, agents and attorneys regardless whether it is aware of such claim that existed as of the date of this Release, including but not limited to claims of gross negligence and the action for nullity, as well as any claims that Health Net has or may have had against the Departments of Insurance and the past and present Commissioners of Insurance (in their individual, official and representative capacities, including, without limitation, the capacity as Receiver), in Louisiana, Oklahoma, and Texas regarding Health Net, AmCare-LA, AmCare-OK and AmCare-TX in any way.

2. Health Net does hereby release the Settling Parties, their employees, agents and attorneys of all claims it may have, as of the date of this Mutual Release, against any of the Settling Parties, their employees, agents and attorneys, regardless whether such claim was asserted in the Litigation or the Nullity Litigation. Specifically, Health Net releases all claims it could have asserted in any court against the Settling Parties, their heirs, employees, agents, consultants,

attorneys and anyone acting on their behalf regardless whether it is aware of such claim that existed as of the date of this Release, including but not limited to claims of gross negligence, indemnity, contribution and/or willful or malicious conduct.

3. Within ten (10) calendar days of the court approval of this Mutual Release by all parties hereto, Health Net will dismiss with prejudice all claims it has or could in the future assert in the case styled *Health Net, Inc. v. James J. Donelon et al*, Cause No. 500,259 presently pending in the District Court of East Baton Rouge Parish, Louisiana., as well as in case number 499,737, 509,297, 512,366, and 550,259, all presently pending in the Nineteenth Judicial District for the Parish of East Baton Rouge, Louisiana. Health Net shall not assert any of the claims which were or could have been asserted in *Health Net, Inc. v. J. Robert Wooley, et al*, No. 2006-845, filed in the United States District Court for the Eastern District of Louisiana.

4. Within ten (10) calendar days of the court approval of this Mutual Release by all parties hereto, the Receivers and/or AmCare-TX and Amcare-OK will dismiss with prejudice all claims they have or could in the future assert in the case styled *Jean Johnson, Special Deputy Receiver of AmCare Health Plans of Texas, Inc. and AmCare Management, Inc., and Carroll Fisher, Receiver of AmCare Health Plans of Oklahoma, Inc. v. PricewaterhouseCoopers, LLP, et al.*, No. GN 303897, 250th Judicial District Court for Travis County, State of Texas.

5. The Receivers do hereby release Health Net, its officers, directors, agents, heirs, assigns, employees, subsidiaries, affiliates, parent corporations, related entities, managing brokers, servants, attorneys, accountants, consultants and divisions, on behalf of anyone acting for or on its behalf, either directly or indirectly, from all claims not previously satisfied by Health Net's payment of the judgment the Receivers obtained against it that each or any of them may have against Health Net as of the date of this Mutual Release. The Receivers waive all further claims, including for damages, fees, or court costs, that may otherwise be recoverable from Health Net, its officers, directors, agents, heirs, assigns, employees, subsidiaries, affiliates, parent corporations, related entities, managing brokers, servants, attorneys, accountants, consultants and divisions, on behalf of anyone acting for or on its behalf, either directly or indirectly, in the Litigation and the Nullity Litigation, other than the costs already collected by the Receivers from

Health Net.

6. Health Net and the Receivers covenant and agree not to assert any claim they may have of any type including, but not limited to, claims of contribution and/or indemnity, against Proskauer Rose, L.L.P., Stuart Rosow, Amcareco, Inc., its officers, directors, and shareholders, Thomas Lucksinger, Stephen J. Nazarenus, Michael D. Nadler, William F. Galtney, Michael K. Jhin, John P. Mudd, Scott Westbrook, Executive Risk Specialty Insurance Company, Executive Risk Indemnity, Inc., Executive Risk Management Associates, XL Specialty Insurance Company, Greenwich Insurance Company, M. Lee Pearce, or PricewaterhouseCooper, LLP, arising in whole or in part from the creation and/or operation of AmCareco, Inc.; AmCare Health Plans of Louisiana, Inc.; AmCare Health Plans of Oklahoma, Inc. or AmCare Health Plans of Texas, Inc., and/or the Litigation. Each of the Receivers reserves the right to assert any claim or defense that that receiver may have in connection with any proof of claim filed by any officer or director of AmCare Health Plans of Texas, Inc., AmCare Health Plans of Oklahoma, Inc. and AmCare Health Plans of Louisiana, Inc., including, but not limited to, any claim or defense in the AmCare Health Plans of Louisiana, Inc. receivership arising from the proof of claim filed by Scott Westbrook.

7. Each person signing this agreement expressly warrants and represents being of sound mind and otherwise competent to execute this agreement; being the duly authorized representative of the owner of the claims asserted in the Litigation, the Nullity Litigation and any other claims with respect to the subject matter thereof that could have been brought, known or unknown, present or future; that all such claims are subject to this agreement; and that only the parties hereto have the sole right and authority to settle, compromise, and release such claims and to execute this agreement. Each person signing this agreement expressly warrants and represents that there has been no conveyance, assignment or other transfer to anyone of any right, title or interest in any claim made the subject of this Release. Each party hereto further agrees to indemnify and hold harmless the other against any claims based on any such conveyance, assignment or transfer made by her.

8. It is expressly understood and agreed by the parties hereto that all of the terms hereof are



contractual and not merely recitals.

9. Each party to this agreement represents that the terms of this agreement have been completely read by each party with the opportunity to have it explained by their respective attorneys; and that the terms of this agreement are fully understood and voluntarily accepted by each party. Each party represents that there is no ambiguity in the agreement.

10. Each party to this agreement represents that the party has not relied upon any statement or representation pertaining to this matter made any other party hereto or persons representing them, or employed by them.

11. Each party hereto agrees to cooperate fully and execute any and all supplementary documents and to take all additional action that may be necessary or appropriate to give full force and effect to the basic terms and intent of this agreement.

12. All parties to this agreement acknowledge that they, through their counsel, have participated in the drafting and preparation of this agreement, and that no party shall be entitled to the benefit of any rule or presumption in favor or against any party as the "drafter" of such agreement should there be a challenge to this agreement, based upon any alleged ambiguity contained herein.

13. This agreement contains and constitutes the entire agreement between the parties hereto with regard to the matters set forth in it, and any and all prior or contemporaneous agreements, understandings, promises, representations, warranties and covenants, whether written or oral, or whether expressed, implied or apparent, are hereby deemed merged into and made a part of this agreement. This agreement shall be binding upon and inure to the benefit of the representatives, successors and assigns of each. The parties hereto each agreed that they will not challenge the validity of this agreement, or of specific provisions or clauses contained herein, and agree that the parties will exercise their best efforts to support the validity of and enforce the agreement in the event it is challenged by other persons or entities.

14. In the event that any provision of this agreement is determined to be invalid or

unenforceable, only such invalid provision will be stricken from the agreement, and the other terms and conditions of the agreement will remain enforceable and will be given full effect. Notwithstanding the foregoing, and as further set forth in paragraph 15 below, if the agreement is not approved by each receivership court, the agreement will not be binding and will be of no further force and effect.

15. This agreement is expressly conditioned on approval by the Louisiana, Oklahoma and Texas receivership courts, pursuant to the statutory and/or common law requirements for approval in each state. Even if signed by all parties, this agreement does not become final unless and until the orders approving this agreement are entered by the three (3) receivership courts and become final and non-appealable. Each receiver, in each of the respective receivership courts, will prepare and file all applications, petitions, pleadings and/or other documents and issue any and all required notices, necessary to seek approval of this agreement in the manner required by the law of each state. Each receiver makes this agreement in a representative capacity, and this agreement is neither an individual agreement of the receiver nor an agreement of the state which appointed the receiver.

HEALTH NET, INC.

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

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

Date: \_\_\_\_\_

The Louisiana Receiver, on behalf of AmCare Health Plans of Louisiana, Inc. in Liquidation

\_\_\_\_\_  
Marlon Harrison, as Deputy Receiver, and not individually

Date: \_\_\_\_\_

The Texas Special Deputy Receiver, on behalf of AmCare Health Plans of Texas, Inc. and AmCare Management, Inc.

\_\_\_\_\_  
Jean Johnson, Special Deputy Receiver of AmCare Health Plans of Texas, Inc., and AmCare Management, Inc., and not individually

Date: 4/10/12

The Oklahoma Receiver, on behalf of AmCare Health Plans of Oklahoma, Inc.

\_\_\_\_\_  
John D. Doak, Commissioner of Insurance for the State of Oklahoma, and not individually

### APPLICANT'S NOTICE OF SUBMISSION

Pursuant to the terms of the Amended Order of Reference to Master entered by the District Court in this cause, the *Motion to Approve Mutual Release* is hereby set for written submission before the Special Master, Tom Collins, on Monday, May 7, 2012.

The Special Master has asked that the following rules be provided you:

1. Any objection must be filed with the Travis County District Clerk At least Three (3) calendar days before the submission date.
2. A copy of any objection shall be served by such date on:
  - a. The Special Master's Docket Clerk, Ms. Jean Sustaita, Texas Department of Insurance, **(Hand Delivery)** 333 Guadalupe, Hobby Tower 3, Room 550, Austin, Texas; or **(Mail To)** P.O. Box 149104, Austin , Texas 78714-9104.
  - b. All interested parties, including those listed on the Applicant's Certificate of Service.
3. The written objection must specifically list all reasons for objection with supporting references to and discussion of statutory and case authorities. Reasons not stated in writing will not be considered orally.
4. If a matter is set for submission, an objection party shall expeditiously coordinate with Applicant's counsel and the master's docket clerk [(512)463-6450] to obtain an oral hearing, unless the master determines that an oral hearing is not necessary. The objecting party shall serve a Notice of Oral Hearing on applicant's counsel and all interested parties, including those listed on the Applicant's Certificate of Service.
5. Failure to file timely a written objection before the Special Master constitutes a waiver of the right to object to the Special Master's recommendation to the District Court.
6. Any Acknowledgment of Notice and Waiver to be filed by any other interested party should be filed at least three (3) calendar days before the submission or hearing date.



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Robert H. Nunnally, Jr.

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.

200<sup>th</sup> JUDICIAL DISTRICT

**ORDER APPROVING THE SDR'S  
MOTION TO APPROVE MUTUAL RELEASE**

On this day came to be heard the SDR's Motion to Approve Mutual Release filed by Jean Johnson, Special Deputy Receiver ("SDR") under contract to the Permanent Receiver of AmCare Health Plans of Texas, Inc., and AmCare Management, Inc., (hereinafter collectively referred to as "AmCare-TX"), for authority to enter into an Agreement for a Mutual Release (the "Agreement" or "Mutual Release") to be signed by the SDR, James J. Donelon, Commissioner of the Insurance of the State of Louisiana, in his capacity as Liquidator of AmCare Health Plans of Louisiana, Inc., in Liquidation, through the court-approved Deputy Receiver Marlon Harrison ("AmCare-LA"), and John D. Doak, Commissioner of Insurance for the State of Oklahoma, in his capacity as Receiver of AmCare Health Plans of Oklahoma, Inc., in Liquidation, through the court-appointed Assistant Receiver Billy Bostick ("AmCare-OK") (collectively, the "Receivers"), on the one hand, and Health Net, Inc. ("Health Net") on the other hand. The SDR provided evidence to the Court that it is in the best interest of the receivership estate to enter the Agreement as set out in the Motion. Having considered the Motion, the Court finds as follows:

1. This Court has jurisdiction over the subject matter of this Motion under TEX. INS. CODE Chapter 443;

2. The *Amended Order of Reference to Master* (“Order of Reference”) entered by this Court on November 3, 2005, provides under Section III that the subject matter of this Motion is referred to the Special Master appointed in this proceeding;

3. The Motion was submitted to the Special Master in accordance with the Order of Reference;

4. Notice of the Motion was provided in accordance with TEX. INS. CODE §443.007(d) and the Order of Reference, and no objections to the Motion were filed;

5. The Special Master has issued a recommendation that the Motion should be granted pursuant to Rule 171 of the Texas Rules of Civil Procedure; and

6. The recommendation of the Special Master should be confirmed, and the Motion should be granted in all respects. The SDR may enter into the Mutual Release.

**It is therefore ORDERED, ADJUDGED, and DECREED that:**

1. The Motion is GRANTED in all respects;
2. The Court approves the Mutual Release;
3. The Court authorizes the Special Deputy Receiver to sign the Mutual Release;
4. The Court designates this Order as final.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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JUDGE PRESIDING