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5 *Attorneys for Receiver*

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8 SUPERIOR COURT OF ARIZONA

9 COUNTY OF MARICOPA

10 STATE OF ARIZONA, *ex rel.*
11 LESLIE R. HESS, Interim Director
of Insurance,

12 Plaintiff,

13 vs.

14 COMPASS COOPERATIVE MUTUAL
HEALTH NETWORK, INC., dba
15 MERITUS MUTUAL HEALTH
PARTNERS, an Arizona corporation; and
16 COMPASS COOPERATIVE HEALTH
PLAN, INC., dba MERITUS HEALTH
17 PARTNERS, an Arizona corporation,

18 Defendants.

No. CV2016-011872

PETITION NO. 15

**PETITION FOR ORDER
APPROVING THE
RECEIVERSHIP LIQUIDATION
FUND QUARTERLY
ACCOUNTING REPORTS**

(Assigned to The Honorable
Daniel Martin)

19
20 Leslie R. Hess, Interim Director of Insurance, as Receiver (hereinafter "Receiver")
21 of Compass Cooperative Mutual Health Network, Inc. doing business as Meritus Mutual
22 Health Partners ("Meritus Mutual") and Compass Cooperative Health Plan, Inc. dba
23 Meritus Health Partners ("MHP"), appointed pursuant to A.R.S. § 20-611, *et seq.*, hereby
24 submits this Petition for Order Approving the Receivership Liquidation Fund Quarterly
25 Accounting Reports.

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1. On October 20, 2016, this Court entered its Order Re: Petition No. 4 Regarding Receivership Liquidation Fund Per A.R.S. § 20-648. In turn, the Receiver deposited funds into the Receivership Liquidation Fund.

2. As specific, attached hereto and submitted for this Court’s review and approval are the following Quarterly Accounting Reports:

- a. Exhibit A – Q4 2016 (October 1, 2016 through December 31, 2016);
- b. Exhibit B – Q1 2017 (January 1, 2017 through March 31, 2017);
- c. Exhibit C – Q2 2017 (April 1, 2017 through June 30, 2017); and
- d. Exhibit D – Q3 2017 (July 1, 2017 through September 30, 2017).

WHEREFORE, the Receiver respectfully requests that the Court enter an Order approving the Receivership Liquidation Fund Quarterly Accounting Reports for the following periods: October 1, 2016 through December 31, 2016; January 1, 2017 through March 31, 2017; April 1, 2017 through June 30, 2017; and July 1, 2017 through September 30, 2017.

Dated this 30th day of September, 2017.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: /s/ Justin J. Henderson (#026930)
Joel A. Glover
Justin J. Henderson
Attorneys for Receiver

COPY of the foregoing mailed this 30th day of October, 2017 to the attached Master Service List

/s/ Marie H. Mancino
MARIE H. MANCINO

1 SUPERIOR COURT OF ARIZONA

2 COUNTY OF MARICOPA

3 No. CV2016-011872 (Assigned to The Honorable Daniel Martin)

4
5 **MASTER SERVICE LIST**

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EXHIBIT A

RECEIVERSHIP LIQUIDATION FUND

4th Quarterly Accounting
October 1, 2016 through December 31, 2016

4th Quarter 2016

BALANCE FORWARD: **\$ 133,865.80**
(Ending Balance for 3rd Quarter 2016)

RECEIPTS:

Deposits

Meritus Mutual Health Partners	\$ 50,828.94	
Meritus Health Partners	\$ 50,828.94	\$ 101,657.88

Interest

Sept interest reinvested in Oct	\$ 106.32	
Oct interest reinvested in Nov	\$ 110.62	
Nov interest reinvested in Dec	\$ 129.03	\$ 345.97

Total Receipts **\$ 102,003.85**

DISBURSEMENTS:

Travel Expenses for Deputy Receiver trip
to NAIC Winter Meeting

Airfare	\$ (484.96)	
Lodging	\$ (1,358.88)	
Meals	\$ (79.56)	
Parking/Taxis	\$ (184.22)	\$ (2,107.62)

FY2017 Sun State Building Rent	\$ (1,231.00)	
Salaries & Employee Related Expenses	\$ (5,265.32)	
Telephone/Data Line Charges	\$ (639.29)	
Miscellaneous Operating	\$ (133.11)	\$ (7,268.72)

Total Disbursements **\$ (9,376.34)**

ENDING BALANCE: **\$ 226,493.31**

RECEIVERSHIP LIQUIDATION FUND

4th Quarterly Accounting
October 1, 2016 through December 31, 2016

Allocation of Interest & Disbursements

Interest and Adjustments per Receivership

Pro-rated by Receivership based on each estate's account value in Fund at the end of the period

PMI	36.15% =	\$ 125.07	
RIC	20.69% =	\$ 71.58	
MHP	21.58% =	\$ 74.66	
MMHP	21.58% =	\$ 74.66	<u>\$ 345.97</u>

Disbursements per Receivership

Divided among all active Receiverships in the Fund during the reporting period

PMI	25% =	\$ (2,344.08)	
RIC	25% =	\$ (2,344.08)	
MHP	25% =	\$ (2,344.08)	
MMHP	25% =	\$ (2,344.08)	<u>\$ (9,376.34)</u>

4th Quarter Net Decrease

\$ (9,030.37)

Reconciliation per Receivership

Previous balance for each estate in the Fund: with interest added, and disbursement subtracted

- 1) **PMI Mortgage Insurance Co.**
Balance Forward from 3rd Quarter \$ 85,132.15
4th Quarter Net Decrease from above \$ (2,219.01) **\$ 82,913.14**

- 2) **Reliance Insurance Company**
Balance Forward from 3rd Quarter \$ 48,733.63
4th Quarter Net Decrease from above \$ (2,272.50) **\$ 46,461.13**

- 3) **Meritus Mutual Health Partners**
Deposit to RLF during 4th Quarter \$ 50,828.94
4th Quarter Net Decrease from above \$ (2,269.42) **\$ 48,559.52**

- 4) **Meritus Health Partners**
Deposit to RLF during 4th Quarter \$ 50,828.94
4th Quarter Net Decrease from above \$ (2,269.42) **\$ 48,559.52**

TOTAL RECEIVERSHIP BALANCE:

\$ 226,493.31

EXHIBIT B

RECEIVERSHIP LIQUIDATION FUND

1st Quarter Accounting
January 1, 2017 through March 31, 2017*

1st Quarter 2017*

BALANCE FORWARD: **\$ 226,493.31**
(Ending Balance for 4th Quarter 2016)

RECEIPTS:

Deposits

\$ 0

Interest

Dec interest reinvested in Jan	\$ 191.93	
Jan interest reinvested in Feb	\$ 193.85	
Feb interest reinvested in Mar	\$ 183.33	\$ 569.11

Total Receipts **\$ 569.11**

DISBURSEMENTS:

NAIC Spring Meeting Airfare	\$ (214.88)	
Salaries & Employee Related Expenses	\$ (8,424.59)	
Telephone/Data Line Charges	\$ (990.69)	
Miscellaneous Operating	\$ (88.74)	
Office Supplies	\$ (20.00)	
Membership Dues	\$ (505.00)	
Books	\$ (25.29)	\$ (10,269.19)

Total Disbursements **\$ (10,269.19)**

ENDING BALANCE: **\$ 216,793.23**

RECEIVERSHIP LIQUIDATION FUND

1st Quarter Accounting
January 1, 2017 through March 31, 2017*

Allocation of Interest & Disbursements

Interest and Adjustments per Receivership

Pro-rated by Receivership based on each estate's account value in Fund at the end of the period

PMI	36.61% =	\$ 208.35	
RIC	20.51% =	\$ 116.72	
MHP	21.44% =	\$ 122.02	
MMHP	21.44% =	\$ 122.02	<u>\$ 569.11</u>

Disbursements per Receivership

Divided among all active Receiverships in the Fund during the period

PMI	25% =	\$ (2,567.30)	
RIC	25% =	\$ (2,567.29)	<i>includes rounding difference</i>
MHP	25% =	\$ (2,567.30)	
MMHP	25% =	\$ (2,567.30)	<u>\$ (10,269.19)</u>

1st Quarter Net Decrease

\$ (9,700.08)

Reconciliation per Receivership

Previous balance for each estate in the Fund: with interest added, and disbursement subtracted

- 1) PMI Mortgage Insurance Co.**
Balance Forward from 4th Quarter \$ 82,913.14
1st Quarter Net Decrease from above \$ (2,358.95) **\$ 80,554.19**
- 2) Reliance Insurance Company**
Balance Forward from 4th Quarter \$ 46,461.13
1st Quarter Net Decrease from above \$ (2,450.57) **\$ 44,010.56**
- 3) Meritus Mutual Health Partners**
Balance Forward from 4th Quarter \$ 48,559.52
1st Quarter Net Decrease from above \$ (2,445.28) **\$ 46,114.24**
- 4) Meritus Health Partners**
Balance Forward from 4th Quarter \$ 48,559.52
1st Quarter Net Decrease from above \$ (2,445.28) **\$ 46,114.24**

TOTAL RECEIVERSHIP BALANCE:

\$ 216,793.23

EXHIBIT C

RECEIVERSHIP LIQUIDATION FUND

2nd Quarter Accounting
April 1, 2017 through June 30, 2017*

2nd Quarter 2017*

BALANCE FORWARD: **\$ 216,793.23**
(Ending Balance for 1st Quarter 2017)

RECEIPTS:

Deposits

\$ 0

Interest

Mar interest reinvested in Apr	\$ 208.99	
Apr interest reinvested in May	\$ 211.08	
May interest reinvested in June	\$ 208.22	\$ 628.29

Total Receipts **\$ 628.29**

DISBURSEMENTS:

Salaries & Employee Related Expenses	\$ (12,637.24)	
Telephone/Data Line Charges	\$ (962.16)	
Miscellaneous Operating	\$ (221.85)	
Printing	\$ (27.00)	\$ (13,848.25)

Total Disbursements **\$ (13,848.25)**

ENDING BALANCE: **\$ 203,573.27**

RECEIVERSHIP LIQUIDATION FUND

2nd Quarter Accounting
April 1, 2017 through June 30, 2017*

Allocation of Interest & Disbursements

Interest and Adjustments per Receivership

Pro-rated by Receivership based on each estate's account value in Fund at the end of the period

PMI	37.16% =	\$ 233.47	
RIC	20.30% =	\$ 127.54	
MHP	21.27% =	\$ 133.64	
MMHP	21.27% =	\$ 133.64	\$ <u>628.29</u>

Disbursements per Receivership

Divided among all active Receiverships in the Fund during the period

PMI	25% =	\$ (3,462.06)	
RIC	25% =	\$ (3,462.07)	<i>includes rounding difference</i>
MHP	25% =	\$ (3,462.06)	
MMHP	25% =	\$ (3,462.06)	\$ <u>(13,848.25)</u>

2nd Quarter Net Decrease

\$ (13,219.96)

Reconciliation per Receivership

Previous balance for each estate in the Fund: with interest added, and disbursement subtracted

1)	PMI Mortgage Insurance Co.		
	Balance Forward from 1st Quarter	\$ 80,554.19	
	2nd Quarter Net Decrease from above	\$ (3,228.59)	\$ 77,325.60
2)	Reliance Insurance Company		
	Balance Forward from 1st Quarter	\$ 44,010.56	
	2nd Quarter Net Decrease from above	\$ (3,334.53)	\$ 40,676.03
3)	Meritus Mutual Health Partners		
	Balance Forward from 1st Quarter	\$ 46,114.24	
	2nd Quarter Net Decrease from above	\$ (3,328.42)	\$ 42,785.82
4)	Meritus Health Partners		
	Balance Forward from 1st Quarter	\$ 46,114.24	
	2nd Quarter Net Decrease from above	\$ (3,328.42)	\$ 42,785.82

TOTAL RECEIVERSHIP BALANCE:

\$ 203,573.27

EXHIBIT D

RECEIVERSHIP LIQUIDATION FUND

3rd Quarter Accounting
July 1, 2017 through September 30, 2017*

3rd Quarter 2017*

BALANCE FORWARD: \$ 203,573.27
(Ending Balance for 2nd Quarter 2017)

RECEIPTS:

Deposits

\$ 0

Interest

June interest reinvested in July	\$ 199.74	
July interest reinvested in Aug	\$ 211.69	
Aug interest reinvested in Sep	\$ 220.08	\$ 631.51

Total Receipts \$ 631.51

DISBURSEMENTS:

Salaries & Employee Related Expenses	\$ (28,640.52)	
Attorney General Office Charges	\$ (300.00)	
AFIS Charges	\$ (95.66)	
Telephone/Data Line Charges	\$ (613.30)	
Miscellaneous Operating	\$ (44.37)	
Postage/Delivery	\$ (7.84)	
Sun State Building Rent	\$ (3,100.00)	\$ (32,801.69)

Total Disbursements \$ (32,801.69)

ENDING BALANCE: \$ 171,403.09

RECEIVERSHIP LIQUIDATION FUND

3rd Quarter Accounting
July 1, 2017 through September 30, 2017*

Allocation of Interest & Disbursements

Interest and Adjustments per Receivership

Pro-rated by Receivership based on each estate's account value in Fund at the end of the period

PMI	37.98% =	\$ 239.85	
RIC	19.98% =	\$ 126.18	
MHP	21.02% =	\$ 132.74	
MMHP	21.02% =	\$ 132.74	\$ <u>631.51</u>

Disbursements per Receivership

Divided among all active Receiverships in the Fund during the period

PMI	25% =	\$ (8,200.42)	
RIC	25% =	\$ (8,200.43)	<i>includes rounding difference</i>
MHP	25% =	\$ (8,200.42)	
MMHP	25% =	\$ (8,200.42)	\$ <u>(32,801.69)</u>

3rd Quarter Net Decrease

\$ (32,170.18)

Reconciliation per Receivership

Previous balance for each estate in the Fund: with interest added, and disbursement subtracted

1)	PMI Mortgage Insurance Co.		
	Balance Forward from 2nd Quarter	\$ 77,325.60	
	3rd Quarter Net Decrease from above	\$ (7,960.57)	\$ 69,365.03
2)	Reliance Insurance Company		
	Balance Forward from 2nd Quarter	\$ 40,676.03	
	3rd Quarter Net Decrease from above	\$ (8,074.25)	\$ 32,601.78
3)	Meritus Mutual Health Partners		
	Balance Forward from 2nd Quarter	\$ 42,785.82	
	3rd Quarter Net Decrease from above	\$ (8,067.68)	\$ 34,718.14
4)	Meritus Health Partners		
	Balance Forward from 2nd Quarter	\$ 42,785.82	
	3rd Quarter Net Decrease from above	\$ (8,067.68)	\$ 34,718.14

TOTAL RECEIVERSHIP BALANCE:

\$ 171,403.09

Payment Details

Filing Type General Civil
Jurisdiction Maricopa - Superior Court
Form Set # 2391608
Case # CV2016-011872
Keyword/Matter # 302377-00001
Submission Name State Of Arizona, Et.Al. Vs. Compass Cooperative M
Transaction Date 10/30/2017 2:51 PM MST
Transaction # 819810270964040127
Payment Status Paid
Paid By Credit Card Visa Last 4 digits: 9580
Service e-File

Provider Fee	\$ 6.50
E-Payment Fee	\$ 0.20
Total	\$ 6.70

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