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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

**ORDER RE PETITION NO. 2 -
PETITION FOR ORDER
GOVERNING THE
ADMINISTRATION OF THE
RECEIVERSHIP**

(Assigned to The Honorable
Daniel Martin)

19
20 Leslie R. Hess, as Receiver (hereinafter “Receiver”) of Compass Cooperative
21 Mutual Health Network, Inc. doing business as Meritus Mutual Health Partners and of
22 Compass Cooperative Health Plan, Inc. doing business as Meritus Health Partners
23 (collectively, the “Meritus Companies”), having filed Petition No. 2 for Order Governing
24 the Administration of the Receivership setting forth the Receiver’s recommendations
25 regarding the administration of the receivership of the Meritus Companies and it
26 appearing that those recommendations are reasonable, just, and calculated to afford the

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1 fair and equitable treatment of all persons interested in this proceeding (“Receivership
2 Proceeding”);

3 **IT IS ORDERED:**

4 1. Further Proceedings in this Receivership.

5 a. Case Caption. All pleadings filed after the entry of this Order in this
6 matter shall be captioned as provided above.

7 b. Petitions and Orders. The Receiver or any person seeking relief
8 from this Court in connection with this Receivership Proceeding shall file with the Court
9 a pleading entitled, “Petition No. ____.” Each petition shall be consecutively numbered,
10 and all subsequent pleadings filed and orders entered in connection with that petition
11 shall contain a reference to the petition number in the title, as set forth above. Any
12 person intending to file a petition shall obtain a number for the petition from the counsel
13 for the Receiver, Lewis Roca Rothgerber Christie LLP (“Counsel for the Receiver”). If a
14 matter may appropriately be filed on an emergency or *ex parte* basis, the filing party may
15 file the petition without obtaining a petition number, but shall obtain such petition
16 number from Counsel for the Receiver at the earliest possible time, shall serve notice of
17 the petition number assignment on all persons on the Master Service List, as provided in
18 paragraph 3 of this Order, and shall thereafter use such number in subsequent filings. All
19 petitions filed in this Receivership shall be accompanied by a proposed form of order.

20 c. Relief Requested Against Third Parties. If any person seeks relief in
21 its petition against any person other than the Meritus Companies, the caption shall
22 include a subcaption identifying the petitioner and all parties against whom the relief is
23 sought, each of whom shall be denominated as a Respondent, in a form similar to that
24 used in asserting a third party claim.

25 d. Objections. Any person objecting to a petition must do so timely, in
26 writing, and must comply with the notice provisions in paragraph 3 of this Order.

1 2. Active Calendar. Rule 38.1(d) and Rule 38.1(e) of the Rules of Civil
2 Procedure do not apply to this matter and the Clerk of the Court is directed to retain this
3 matter on the Court’s active calendar until further order of this Court.

4 3. Service Lists and Proofs of Service. Service of all further pleadings and
5 other papers filed in this Receivership Proceeding shall be governed by the Arizona Rules
6 of Civil Procedure and this paragraph:

7 a. Counsel for the Receiver shall maintain a Master Service List
8 containing the name, mailing address and email address of each person, or the person’s
9 legal counsel, who has made an appearance in this matter, has requested to be included
10 on the Master Service List, or has been placed on the Master Service List by order of the
11 Court. All pleadings, including forms of orders and orders entered by the court, and any
12 other papers (collectively, “Filings”) filed in this matter shall be served on each person on
13 the Master Service List, except as provided in this order or by other order of this Court.
14 Pursuant to Rule 5(c)(2)(D), Ariz. R. Civ. P., service shall be made on all persons on the
15 Master Service List by electronic means. A person may submit to Counsel for the
16 Receiver a request that Filings be served by mail on such person. If the Receiver declines
17 such a request, the person may petition the Court for relief. The presence of a person or
18 his, her, or its representative on the Master Service List does not indicate the appearance
19 of such person or entity in this case, constitute standing with respect to the Receivership,
20 or constitute consent to the jurisdiction of this Court.

21 b. Where the Court has provided for a Separate Service List for a
22 matter raised by petition, Filings submitted in connection with that matter shall be served
23 only on persons on that Separate Service List.

24 c. Unless the proof of service is indicated on the Filings, the person
25 submitting the Filings shall, no later than five (5) business days from the date of the
26 Filing, file with the Clerk of the Court a proof of service. The proof of service shall state

1 that a copy of the Filings have been transmitted to all persons on the applicable Service
2 List and a copy of that Service List shall be attached to or included in the proof of
3 service. The person submitting the Filings shall follow the foregoing proof of service
4 process as to any signed order resulting from that person's Filings.

5 d. The above procedures shall be followed for all Filings filed in this
6 matter and these procedures are intended to replace and supersede the procedures set
7 forth in Rule 3.2(i), Maricopa County Local Rules of Practice.

8 e. Counsel for the Receiver shall provide a copy of the most recent
9 Master Service List and any Special Service List to any person requesting same.

10 f. Counsel for the Receiver shall remove the name of a person from
11 any Service List upon receipt of a written request to do so from the person or his counsel,
12 or when so directed by the Court.

13 4. Ex Parte Petitions. To the extent allowed under Rule 2.9 of the Code of
14 Judicial Conduct, counsel for the Receiver may file an *ex parte* petition, without
15 providing notice or service as provided in this order or by the Rules of Civil Procedure,
16 where the Court so authorizes such a filing or where the petition concerns administrative
17 matters affecting the receivership case, including, but not limited to:

18 a. The petition seeks authority to engage outside professionals to
19 perform services for the Receiver, including outside counsel to represent the Receiver in
20 pending or contemplated litigation.

21 b. The petition seeks authority to institute or defend litigation, file an
22 appeal, or assert or otherwise perfect a claim or defense of the Receiver.

23 All *ex parte* Filings submitted in accordance with this Order, unless sealed by the
24 Court, shall be served on persons on the Master Service List by the Receiver within five
25 (5) business days after the *ex parte* order has been entered. The Receiver shall within the
26 same time period file a proof of service as set forth in paragraph 3(c) hereof.

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5. Notice Procedures. Notice of all proceedings in this Receivership shall be governed by the following provisions, unless otherwise ordered by the Court:

a. Except as set forth herein, the timeframes for notices, as well as objections, responses, and replies thereto, shall be governed by the applicable Arizona Rules of Civil Procedure.

b. Notices of hearings regarding a petition for the confirmation of a bulk sale of all assets of Defendant shall be given by transmitting the Filings to each person on the Master Service List and to each known shareholder, and notices shall be published once in a newspaper of general circulation, all no later than fourteen (14) calendar days before the hearing dates.

6. Identification of Assets. In complying with this Court’s order to identify, collect and manage all property, causes of action, and other assets of Defendant, the Receiver may, without further order of the Court, serve notices of depositions for, and obtain from the Clerk of this Court subpoenas, or obtain commissions or letters rogatory directing another Court to issue subpoenas, compelling any person who the Receiver reasonably believes possesses information or documents that may assist the Receiver in identifying such assets of Defendant, to disclose and produce such information or documents to the Receiver.

ENTERED this ____ day of _____, 2016

The Honorable Daniel Martin
Maricopa County Superior Court Judge

eSignature Page 1 of 1

Filing ID: 7662755 Case Number: CV2016-011872
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Granted as Submitted



/S/ Daniel Martin Date: 8/22/2016
Judicial Officer of Superior Court

ENDORSEMENT PAGE

CASE NUMBER: CV2016-011872

SIGNATURE DATE: 8/22/2016

E-FILING ID #: 7662755

FILED DATE: 8/24/2016 8:00:00 AM

JUSTIN J HENDERSON

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