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8 SUPERIOR COURT OF ARIZONA
9 COUNTY OF MARICOPA

10 STATE OF ARIZONA, *ex rel.*
11 BARBARA D. RICHARDSON, Executive
Deputy Director of Insurance,

12 Plaintiff,

13 vs.

14 COMPASS COOPERATIVE MUTUAL
HEALTH NETWORK, INC., dba MERITUS
15 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. 65

**PETITION NO. 65 APPROVING
LIMITED CLAIM PAYMENTS**

(Assigned to The Honorable
Dewain Fox)

19
20 Darren Ellingson, in his capacity as the Special Deputy Receiver of Compass
21 Cooperative Mutual Health Network, Inc. doing business as Meritus Mutual Health Partners
22 (“Meritus Mutual”) and Compass Cooperative Health Plan, Inc., doing business as Meritus
23 Health Partners (“MHP”), having filed Petition No. 65, Petition for Order Approving
24 Limited Claim Payments, and good cause appearing therefor,
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2 **IT IS ORDERED:**

3 **1. Estate Assets and Limited Claim Payments.**

4 a. Payment of Estate Assets. The amounts of Estate Assets for distribution to
5 creditors attributable to MHP and Meritus Mutual are set forth and identified in Declaration
6 Exhibits A-1 and A-2. The Special Deputy Receiver's proposal to make claim payments
7 using the Estate Assets to pay claims of the creditors in amounts and priorities as already
8 approved by this Court is approved. The payments will be final payments to the creditors
9 and their claims will be fully satisfied. No further amounts will be due and owing with
10 respect to those claims.

11 b. Remaining Claims. Based on Declaration Exhibits A-1 and A-2, the claim
12 payments result in the satisfaction of all claims except for the following: Remaining Class
13 1 Administrative Expenses for MHP and Meritus Mutual; Class 10 Claims (Surplus Notes)
14 in the amount of \$93,826,261 for Meritus Mutual; and Class 8 Claims (General Creditor) in
15 the amount of \$52,099,268 for MHP. The remaining Estate Assets provide sufficient funds
16 to pay known and anticipated Class 1 (Administrative Expenses) in full. There are
17 insufficient Estate Assets to pay the remaining Class 10 Claims for Meritus Mutual and the
18 remaining Class 8 Claims for MHP in full. It is anticipated that, after paying Class 1 Claims
19 (Administrative Expenses) in full, the Class 10 Claims and the Class 8 Claims would receive
20 a pro rata share of the Estate Assets as part of the final accounting and termination of the
21 Estate. After the pro rata payments, the unpaid claim amounts would be unsatisfied
22 obligations at the time of closing the estate and the indebtedness would remain.

23 c. Insolvency of MHP and Meritus Mutual. Among other things, the August 10,
24 2016 Liquidation Order declared that MHP and Meritus Mutual were each insolvent and
25 placed them into liquidation. The insolvency of MHP and Meritus Mutual continues. With
26 respect to MHP, as set forth on Declaration Exhibit A-1, after the distributions contemplated
27 herein, there will be remaining assets of approximately \$8.2 million and remaining liabilities
28 of approximately \$52 million, leaving MHP insolvent by more than \$43 million. With
respect to Meritus Mutual, as set forth on Exhibit A-2, after the distributions contemplated

1 herein, there will be remaining assets of approximately \$2.7 million and liabilities of more
2 than \$93 million, leaving Meritus Mutual insolvent by more than \$90 million.

3 **d. Unclaimed Property.** In the event that a creditor fails to negotiate and/or cash
4 the payments made as final distributions hereunder, such amounts shall be handled as
5 unclaimed property under Arizona law.

6 **e. Remaining Estate Assets.** Any Estate Assets that reasonably could be
7 liquidated to generate value for the creditors of Meritus Mutual and MHP have been
8 liquidated and are included in the totals for Estate Assets reported on Declaration Exhibits
9 A-1 and A-2 and as previously reported in the Liquidation Balance Sheets filed with this
10 Court. Any other assets of Meritus Mutual and/or MHP are to be abandoned, in the Special
11 Deputy Receiver's discretion, in order to facilitate closing and termination of the estates
12 except that any unpaid amount due from MHP to Meritus Mutual remains as an unsatisfied
13 obligation and there is no reduction of indebtedness related thereto. Types of assets that
14 would be abandoned are relatively small in amount, expensive to liquidate and of limited
15 overall value.

16 **2. Jurisdiction.** This Court retains sole and exclusive subject matter and personal
17 jurisdiction related in any way and to the fullest extent possible under the law as related to
18 MHP, Meritus Mutual, and their respective assets, claims, Receivers, Deputy Receivers,
19 Special Deputy Receivers and the receiverships and/or liquidations thereof.

20 **3. Final Judgment.** Pursuant to A.R.S. § 20-612, the requested Order would have the
21 character of a final order as to the particular portion of the proceedings embraced herein.

22 ENTERED this _____ day of _____, _____.
23

24 _____
25 The Honorable Dewain Fox
26 Maricopa County Superior Court Judge
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eSignature Page 1 of 1

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Granted as Submitted



/S/ Dewain Fox Date: 3/12/2025
Judicial Officer of Superior Court

ENDORSEMENT PAGE

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ANDREW ABRAHAM

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