

22817

HON. TIMOTHY J. DUFFICY

SEQUENCE NO

1

At IAS Part 35 of the Supreme Court of the State of New York, County of Queens, at the courthouse located at 88-11 Sutphin Blvd Jamaica, New York, on the 11th day of January, 2018.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF QUEENS

In the Matter of

Index No. 700126/2018

the Application of

ORDER TO SHOW CAUSE
FILED
JAN 11 2018
COUNTY CLERK
QUEENS COUNTY

Maria T. Vullo, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

CUATRO LLC.

Based on the verified petition ("Verified Petition") of Maria T. Vullo, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on December 22, 2017, the supporting Affidavit of Stephen J. Wiest, dated December 21, 2017, and the exhibits and schedules attached thereto, and it appearing that the relief sought should be granted;

NOW, on motion of Eric T. Schneiderman, Attorney General of the State of New York, attorney for the Superintendent, and after due deliberation having been had thereon;

LET Cuatro LLC ("Cuatro") show cause before this Court at the Courthouse located at 88-11 Sutphin Blvd Jamaica in the County of Queens, State of New York, on the 20th day of February, 2018, at 2:15 o'clock P.m., or as soon thereafter as counsel can be heard ("Return Date"), why an order in the form of Exhibit 1 to the Verified Petition (the "Liquidation Order") should not be made, pursuant to Article 74 of the New York Insurance Law ("Insurance Law"), *inter alia*: (1) appointing the Superintendent, and her successors in office, as liquidator of

Cuatro (the "Liquidator"); (2) directing the Liquidator to take possession of Cuatro's property and to liquidate Cuatro's business and affairs; (3) vesting title to all of Cuatro's property, contracts, and rights of action and all of its books and records, wherever located, in the Liquidator and her successors; (4) permitting the Liquidator to deal with the property and business of Cuatro in Cuatro's name or in the name of the Liquidator; (5) granting the injunctions provided for in Insurance Law § 7419(a), permanently enjoining and restraining all persons and entities from wasting the assets of Cuatro, and permanently enjoining and restraining all persons and entities, except as authorized by the Liquidator, from transacting Cuatro's business (including the issuance of plans providing Medicare Advantage and Medicare Advantage Part D prescription drug coverage ("Plans")) or disposing of Cuatro's property; (6) granting the injunctions provided for in Insurance Law § 7419(b), permanently enjoining and restraining all persons and entities from interfering with the Liquidator or this proceeding, obtaining any preferences, judgments, attachments or other liens, or making any levy against Cuatro, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, Cuatro, the New York Liquidation Bureau, or their present or former employees, attorneys or agents, relating to this proceeding or the discharge of their duties under Insurance Law Article 74 in relation thereto; (7) vesting all rights in Cuatro's contracts and agreements, however described, in the Liquidator and permitting the Liquidator to, in her discretion, reject any executory contracts to which Cuatro is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection; (8) requiring that any bank, savings and loan association, other financial institution, or any other entity or person, that has on deposit or in its possession, custody or control any of Cuatro's funds, accounts (including escrow accounts) or assets shall immediately, upon the Liquidator's

request and direction: (a) turn over custody and control of such funds, accounts or assets to the Liquidator; (b) transfer title of such funds, accounts or assets to the Liquidator; (c) change the name of such accounts to the name of the Liquidator; (d) transfer funds from such bank, savings and loan association or other financial institution; and (e) take any other action reasonably necessary for the proper conduct of the liquidation proceeding; (9) requiring that all persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, Plans, underwriting data, any reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Cuatro shall preserve such property and/or information and immediately, upon the Liquidator's request and direction, assign, transfer, turn over and deliver such property and/or information to the Liquidator; (10) authorizing, permitting and allowing the Liquidator to sell, assign or transfer any and all stocks, bonds, or other securities at the best price reasonably obtainable at such times and upon such terms and conditions as, in her discretion, she deems to be in the best interest of the creditors of Cuatro, and further authorizing the Liquidator to take such steps and to make and execute such agreements and other papers as may be necessary to effect and carry out such sales, transfers and assignments, without the further approval of this Court; (11) establishing a date by which all claims against Cuatro, other than the Liquidator's claims for administrative expenses ("Administrative Claims"), and all evidence supporting such claims, must be submitted to the Liquidator ("Bar Date") that is the earlier of: (a) the contractual deadline for the submission of claims established in a Plan or an agreement between Cuatro and a hospital or other provider of healthcare services ("Provider") for the provision of such services to beneficiaries under the Plans ("Members"); or (b) the date that is six (6) months after the issuance of the Liquidation Order, and providing that all claims

submitted after the Bar Date are barred and discharged; (12) requiring that all claims against Cuatro submitted for the first time after the issuance of the Liquidation Order, and all evidence supporting such claims, be filed using the electronic portal for the submission of claims located on the website www.nylbpoc.org on or before the Bar Date; (13) providing, in accordance with Insurance Law § 4307(d), that: (i) no Member shall be liable to any Provider for any services covered by Cuatro; (ii) no Provider shall collect, or attempt to collect, any amounts owed by Cuatro from any Member; and (iii) no Provider shall maintain any action against any Member to recover any such amount (except that the foregoing shall not apply in respect of any coinsurance amounts, copayments and/or deductibles owed by any Member); (14) authorizing the Liquidator, in her discretion, to refrain from adjudicating claims of any class other than Administrative Claims or claims of Members defined as being under Plans unless and until (a) she reasonably believes that adjudication of such claims would be in the best interests of the estate or (b) it is likely that the Cuatro estate will have sufficient assets to pay claims of such class; (15) extending immunity to the Superintendent in her capacity as Liquidator of Cuatro, her successors in office, the New York Liquidation Bureau and their agents and employees, for any cause of action of any nature against them, individually or jointly, for any act or omission when acting in good faith, in accordance with the orders of this Court, or in the performance of their duties pursuant to Insurance Law Article 74; (16) declaring Cuatro to be insolvent within the meaning of Insurance Law §§ 1309(a) and 4310(c); and (17) granting such other and further relief as the Court may deem proper and just.

AND, sufficient cause having been shown therefor, pursuant to Insurance Law § 7418(a)(1), let service of a copy of this order to show cause and the papers upon which it is

BAR
granted be made: (i) by overnight delivery upon Juan Tomas Estevez, MD, Chairman and Chief

by January 29, 2018

Executive Officer, Cuatro LLC, ~~93-20 Roosevelt Avenue, Suite 3C, Jackson Heights, New York~~

~~11372~~; and (ii) by posting on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org>; and let such service be made at least 15 days prior to the Return Date, and such service shall be deemed good and sufficient service; and it is hereby

ORDERED, that all answering papers and supporting documentation ("Answering Papers") be served on the Superintendent so as to be received at least seven days prior to the Return Date, and that service on the Superintendent shall be made by first class mail or overnight carrier at the following addresses:

Office of the Attorney General
120 Broadway
New York, NY 10271
Attention: Rosalie Hronsky

New York Liquidation Bureau
110 William Street
New York, New York 10038
Attention: General Counsel

and any such Answering Papers shall be filed with the Court on or before the Return Date; and it is further

ORDERED, that pursuant to New York Insurance Law § 7419(a), pending the determination of this application, Cuatro, its officers, directors, shareholders, members, trustees, agents, servants, employees, attorneys, and managers, and all other persons are hereby restrained from obtaining preferences, judgments, attachments or other liens, or making any levy or commencing or prosecuting any actions or proceedings against Cuatro or its assets; and it is further

ORDERED, that pursuant to New York Insurance Law § 7419(b), pending the determination of this motion, all actions or proceedings against Cuatro are stayed; and it is further

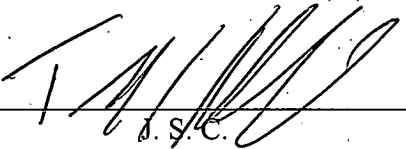
ORDERED, that pending the determination of this motion:

1. All persons or entities having property, papers (including attorney work product and documents held by attorneys) and/or information, including, but not limited to, Plans, underwriting data, any reinsurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to Cuatro shall preserve such property and/or information and, upon issuance of the Liquidation Order directing turnover, shall immediately, upon the Superintendent's request and direction, assign, transfer, turn over and deliver such property and/or information to the Superintendent;
2. In accordance with Insurance Law § 4307(d): (i) no Member shall be liable to any Provider for any services covered by Cuatro; (ii) no Provider shall collect, or attempt to collect, any amounts owed by Cuatro from any such Member; and (iii) no Provider shall maintain any action against any Member to recover any such amount; provided that the foregoing shall not apply with respect to any coinsurance amounts, copayments and/or deductibles owed by any such Member; and
3. Cuatro, its officers, directors, shareholders, members, trustees, agents, servants, employees, Members, attorneys, managers, and all other persons are restrained from wasting the assets of Cuatro, or, except as authorized in writing by the Superintendent, from (i) transacting Cuatro's business (including the issuance of new Plans); (ii) disposing of Cuatro's property; or (iii) disclosing (a) the name, address, or contact

NOTE

information of any Member or (b) any other information that is proprietary to Cuatro or not in the public domain.

ENTER



J.S.C.

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