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At IAS Part ⁵⁹ of the Supreme Court of the State of New York, at the courthouse located at 60 Centre St., in the City, County and State of New York, on the _____ day of _____, 2020.

JUL 29 2020

Present: **DEBRA A. JAMES**

HOW: _____ JSC
SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----x

In the Matter of

Index No. 451399/2020

the Application of

ORDER TO SHOW CAUSE

Linda A. Lacewell, Superintendent of Financial Services of the State of New York, for an order to take possession and liquidate the business and affairs of

QUALITY HEALTH PLANS OF NEW YORK, INC.
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Based on the verified petition ("Verified Petition") of Linda A. Lacewell, Superintendent of Financial Services of the State of New York ("Superintendent"), duly verified on June 15, 2020, the supporting Affidavit of Christine A. Gralton, dated May 26, 2020 (the "Gralton Aff."), and the exhibits and schedules attached thereto, and it appearing that the relief sought should be granted;

NOW, on motion of Letitia James, Attorney General of the State of New York, attorney for the Superintendent, and after due deliberation having been had thereon;

LET Quality Health Plans of New York, Inc. ("QHPNY") show cause before this Court at ^{by submission only} 1050 JSC the Courthouse located at 60 Centre St., ROOM 331 in the City, County and State of New York, on the 19th day of August, 2020, at 10 o'clock a.m., or as soon thereafter as counsel can be heard ("Return Date"), why an order substantially in the form of the order annexed as 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) placing

QHPNY into liquidation under Insurance Law Article 74; (2) appointing the Superintendent, and her successors in office, as liquidator of QHPNY (the "Liquidator"); (3) directing the Liquidator to take possession of QHPNY's property and to liquidate QHPNY's business and affairs; (4) vesting title to all of QHPNY's property, contracts, and rights of action and all of its books and records, wherever located, in the Liquidator and her successors; (5) permitting the Liquidator to deal with the property and business of QHPNY in QHPNY's name or in the name of the Liquidator; (6) granting the injunctions provided for in Insurance Law § 7419(a), permanently enjoining and restraining all persons and entities from wasting the assets of QHPNY, and permanently enjoining and restraining all persons and entities, except as authorized by the Liquidator, from transacting QHPNY's business or disposing of QHPNY's property; (7) 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 QHPNY, its assets or any part thereof, and commencing or prosecuting any actions or proceedings against the Liquidator, QHPNY, 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; (8) vesting all rights in QHPNY's contracts and agreements, however described, in the Liquidator and permitting the Liquidator to, in her discretion, reject any contracts to which QHPNY is a party, in which case all liability under such contracts or agreements shall cease and be fixed as of the date of rejection; (9) 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 QHPNY'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;

(10) 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 or other insurance policies, claims files (electronic or paper), software programs and/or bank records owned by, belonging to or relating to QHPNY 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;

(11) 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 QHPNY, 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; (12) establishing a date by which all claims against QHPNY, other than the Liquidator's claims for administrative expenses, and all evidence supporting such claims, must be submitted to the Liquidator ("Bar Date") that is the earlier of: (a) the contractual time period established for the timely submission of claims in all Plans or agreements between QHPNY 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 four (4) months from the date of entry of the Liquidation Order sought in this petition, and providing that all claims submitted after the Bar Date are barred and discharged; (13) requiring

that all claims against QHPNY 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.nyfbpoc.org on or before the Bar Date; (14) providing, in accordance with Insurance Law § 4307(d), that: (a) no Member shall be liable to any Provider for any services covered by QHPNY; (b) no Provider shall collect, or attempt to collect, any amounts owed by QHPNY from any Member; and (c) 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); (15) authorizing the Liquidator, in her discretion, to refrain from adjudicating claims of any class 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 QHPNY estate will have sufficient assets to pay claims of such class; (16) extending immunity to the Superintendent in her capacity as Liquidator of QHPNY, 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; (17) declaring QHPNY to be insolvent pursuant to Insurance Law § 7402(a); and (18) 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 its supporting papers be made by overnight delivery ~~within five (5) days after the entry of this Order to Show Cause upon~~ ^{and by CPLR 312-a on or before the 4th day of August 2020}

(i) Quality Health Plans of New York, Inc., Attention: Dr. Safia Khan, Interim Chief Executive Officer and Senior Executive Vice President of Quality Health Plans of New York, Inc., 2805

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Veterans Memorial Highway, Suite 17, Ronkonkoma, NY 11779; and (ii) by posting on the internet web page maintained by the New York Liquidation Bureau at <http://www.nylb.org> 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~~ ^{on or before the 14th day of August 2010}, and that service on the Superintendent shall be made by ~~first class mail or overnight carrier~~ <sup>ECF and/or first class mail/
overnight delivery</sup> at the following addresses: DAB
JSC

Office of the Attorney General
28 Liberty Street
New York, NY 10005
Att'n: Roderick Arz

with a copy to

New York Liquidation Bureau
180 Maiden Lane, 15th Floor
New York, New York 10038
Att'n: General Counsel

~~and any such Answering Papers shall be e-filed with the Court on or before the Return Date; and~~ ^{and} DAB
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it is further

ORDERED, that pursuant to Insurance Law § 7419(a), pending the determination of this application, QHPNY, its officers, directors, shareholders, members, trustees, agents, servants, employees, policyholders, attorneys, and managers, and all other persons, are hereby ^{on consent} restrained, except as authorized by the Superintendent, from transacting QHPNY's business or disposing of QHPNY's property, and all persons are restrained from wasting any of QHPNY's assets; and it is further DAB
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[Handwritten signature]

ORDERED, that pursuant to New York Insurance Law § 7419(b), pending a determination on this application, QHPNY, 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 QHPNY or its assets, and all actions or proceedings against QHPNY are stayed.

DAB
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on consent
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DAB
JSC

ENTER

~~DEBRA A. JAMES
J.S.C.~~

~~DEBRA A. JAMES~~
J.S.C.

DEBRA A. JAMES

JUL 29 2020