



WHEREAS, PAHPT is in such a condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public.

It appearing to the Court that PAHPT is operating in a financially hazardous condition, that the continuation of its business would substantially increase the risk of loss to the creditors, claimants, policyholders and the public, and that it is in the best interest of the PAHPT policyholders and other creditors that PAHPT be placed in receivership, IT IS HEREBY ORDERED as follows:

#### ORDER OF LIQUIDATION

1.

PAHPT is hereby placed into liquidation in accordance with this Order pursuant to the Act, specifically, but not limited to O.C.G.A. §§ 33-37-16 and 33-37-17, on the ground that PAHPT is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Pursuant to O.C.G.A. §33-37-17, this Court hereby appoints the Commissioner and his successors in office as liquidator (collectively, "Liquidator").

2.

The Liquidator shall take possession of the assets of PAHPT and administer them in accordance with the Act. By operation of law, title to all assets and property of PAHPT is hereby vested in the Liquidator and he shall have ultimate possession and control of such assets and property of PAHPT, wherever located, including, but not limited to, all bank accounts, including accounts containing premiums due PAHPT, records, books, and property.

3.

The Liquidator appoints Mark Ossi, CPA, CFE as Deputy Liquidator. Pursuant to O.C.G.A. §33-37-20(a), the Liquidator also has the authority to appoint one or more Assistant Special Deputy Liquidators as he may deem necessary. The Liquidator retains the right to substitute another person as Deputy Liquidator or Assistant Special Deputy Liquidator as he may deem necessary. The compensation of the Deputy Liquidator or any Assistant Special Deputy Liquidator that is not employed by the Department of Insurance shall be paid from the funds of PAHPT.

4.

The Liquidator, Deputy Liquidator and each Assistant Special Deputy Liquidators shall have all powers, rights, responsibilities, immunities and protections as set forth in the Act.

5.

PAHPT, its officers, directors, vendors, agents, members, employees, and all other persons are hereby enjoined and restrained from the transaction of any of the business of PAHPT. Further, PAHPT, its officers, directors, agents, members, employees, and all other persons are hereby enjoined and restrained from transferring PAHPT property without the express permission of the Liquidator, wasting PAHPT assets, or transferring or dissipating any of PAHPT bank accounts.

6.

All officers, directors, agents, managing general agents, vendors, affiliates, members and employees of PAHPT are hereby ordered to immediately deliver to the Liquidator all PAHPT assets, accounts, books, documents or other records or information, equipment or other property in their possession or wherever located, including all PAHPT assets, accounts, books, documents



or other records or information, equipment or property in the possession of accountants, accounting firms, investment advisors, attorneys or any other person or entity that does or has provided services to PAHPT. The Liquidator is hereby authorized to audit the books and records of all officers, directors, agents, managing general agents, affiliates, members and employees of PAHPT insofar as those records relate to the business activities of PAHPT.

7.

All insurance agents, managers, and brokers are hereby ordered to account to the Liquidator, within fifteen (15) days of the date of this Order, for all funds of PAHPT held by them in their fiduciary capacity or due to PAHPT, without any deductions for commissions, policy fees, allowance for return premiums, unearned premiums, claims, or any other deductions, as said funds are vested in the Liquidator as provided by law. It is further ordered that such funds be paid by such insurance agents and brokers, or their employees or designees, to the Liquidator.

8.

All agents notified of the liquidation of PAHPT in accordance with O.C.G.A. §33-37-21 shall, within 30 days of such notice, provide the Liquidator the information in the agent's records related to any policy issued by the insurer through the agent. Additionally, all agents shall provide the information in the agent's records related to any policy issued by the insurer through an agent under contract to him including the name and address of such agent or subagent.

9.

The Liquidator, in accordance with O.C.G.A. § 33-50-8 and the Act, is hereby authorized to examine the affairs, transactions, accounts, records, documents, and other assets of PAHPT and its affiliates to determine whether any dividends or other distributions made by PAHPT are

recoverable. The Liquidator is hereby authorized to recover on behalf of the insurer: (i) from any parent corporation or holding company or person or affiliate who otherwise controlled PAHPT, the amount of distributions, other than distributions of shares of the same class of stock, paid by PAHPT on its capital stock, or (ii) any payment in the form of a bonus, termination settlement, or extraordinary lump sum salary adjustment made by PAHPT or its subsidiary to a director, officer or employee, where the distribution or payment pursuant to (i) or (ii) is made at any time during the one year preceding the petition for liquidation.

10.

Upon entry of this Order, the Liquidator shall give or cause to be given notice of the liquidation in accordance with O.C.G.A. §33-37-21 and require claimants to file with the Liquidator their claims on the Proof of Claim form in a form substantially similar to Exhibit 1 and as approved by this Court. All claims must be filed with the Liquidator within one hundred and eighty (180) days of the entry of this Order or be forever barred.

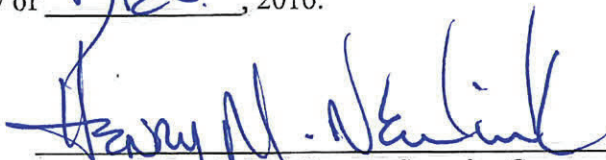
11.

The Liquidator shall report to the Court regarding the status of the liquidation at least one year from the date of this Order and provide accounting to the Court on an annual basis thereafter until such time as the liquidation is complete.

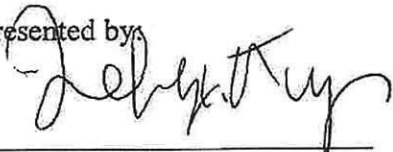
12.

This Court shall retain exclusive jurisdiction, as provided in O.C.G.A. §33-37-4, to determine all suits or motions related to the enforcement of this Order or any litigation related to PAHPT or the Liquidator and his deputies, assistant special deputies, agents, employees or representatives, which shall be determined in this liquidation proceeding.

SO ORDERED, this 22<sup>nd</sup> day of DEC., 2016.

  
\_\_\_\_\_  
Judge, Fulton County Superior Court

Presented by:

  
\_\_\_\_\_

Daniel Walsh  
Georgia Bar # 735040  
Senior Assistant Attorney General  
Jeffrey W. Stump  
Georgia Bar # 690425  
Senior Assistant Attorney General  
Office of the Attorney General  
40 Capitol Square, SW  
Atlanta, GA 30334-1300

Consented to by:

Barbara J. Steele, MD  
Dr. Barbara J. Steele  
President  
PAHPT

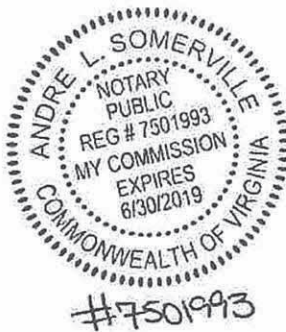
Consented to by:

Ralph T. Hudgens  
Ralph T. Hudgens  
Commissioner of Insurance  
State of Georgia

Sworn and subscribed  
Before me this 17 day of November,  
2016

Andre L. Somerville [SEAL]

Notary Public, State of Virginia  
My Commission Expires June 30, 2019



## PAHPT, IN LIQUIDATION - PROOF OF CLAIM

READ ALL MATERIALS CAREFULLY BEFORE  
COMPLETING THIS FORM - COMPLETE ALL SECTIONS  
- FILL IN ALL BLANKS - PLEASE PRINT CAREFULLY OR  
TYPE

### LIQUIDATOR USE ONLY

PROOF OF CLAIM NO.: \_\_\_\_\_  
DATE RECEIVED: \_\_\_\_\_

Name of claimant: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Address of claimant: \_\_\_\_\_

Phone No.: \_\_\_\_\_

If applicable, name of PAHPT policyholder and policy number.

Policyholder Name: \_\_\_\_\_

Policy Number: \_\_\_\_\_

If applicable, name of PAHPT policyholder and policy number.

Policyholder Name: \_\_\_\_\_

Policy Number: \_\_\_\_\_

This claim is for:

- ☐ Loss under policy (Claim by insured of PAHPT for policy benefits)
- ☐ Unearned premium refund (Portion of paid premium not earned due or retro or audit adjustment)
- ☐ General Creditor (Attorney fees, Adjuster fees, Vendors, Landlords, Lessors, Consultants, Cedants, & Reinsurers)
- ☐ All Other (Describe) \_\_\_\_\_

In the space below, give a concise statement of facts giving rise to your claim:

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AMOUNT OF CLAIM: \$ \_\_\_\_\_



ATTACH COPIES OF ANY SUPPORTING DOCUMENTS SUCH AS CORRESPONDENCE, LAWSUITS, JUDGEMENTS, PREMIUM RECEIPTS, CANCELED CHECKS, ETC.

State of \_\_\_\_\_

County of \_\_\_\_\_

I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF, THE STATEMENTS AND ATTACHED SUPPORTING DOCUMENTS IN THIS CLAIM ARE TRUE AND CORRECT.

X \_\_\_\_\_

Claimant's Signature

Date

Sworn and subscribed

Before me this \_\_\_\_\_ day of January, 2016

\_\_\_\_\_[SEAL]

Notary Public, State of Georgia

My Commission Expires \_\_\_\_\_

**NOTICE: ALL CLAIMS MUST BE RECEIVED BY THE LIQUIDATOR AT THE FOLLOWING ADDRESS ON OR BEFORE xx/xx/xxxx , OR BE FOREVER BARRED.**

PHYSICIANS' ALLIANCE HEALTH PLAN TRUST, IN LIQUIDATION

3635 Peachtree Industrial Boulevard, Suite 200

Duluth, GA 30096

PHONE (678) 584-0222

## NOTICE OF LIQUIDATION

TO: All Persons and Entities having an interest in PAHPT

FROM: Ralph T. Hudgens, Commissioner of Insurance of the State of Georgia as Liquidator of PAHPT

### INTRODUCTION

On xx/xx/2016, PAHPT was ordered liquidated pursuant to the Consent Order to Liquidate Domestic Insurer (the "Liquidation Order") entered by the Honorable \_\_\_\_\_, Judge of the Superior Court of Fulton County, Georgia, in Civil Action File No. \_\_\_\_\_ CV \_\_\_\_\_. Ralph T. Hudgens, the Commissioner of Insurance of the State of Georgia, was appointed Liquidator of PAHPT. The Liquidator was directed to take possession of the assets of PAHPT and to administer them under the supervision of the Superior Court of Fulton County, Georgia ("Liquidation Court"). The Liquidator is vested by operation of law with title to all the property, contracts, rights, and all books and records of PAHPT, wherever located.

This notice contains instructions for all persons and entities having an interest in PAHPT. This notice is issued pursuant to the Official Code of Georgia Annotated Section 33-37-21 and by order of the Liquidation Court.

### NOTICE OF CANCELLATION

In accordance with O.C.G.A. §33-37-18, all policies, including bonds and other non-cancelable business, other than life or accident and sickness insurance or annuities, in effect at the time of the issuance of the Liquidation Order shall remain in force only for the lesser of: (i) a period of thirty (30) days from the date of entry of the Liquidation Order, or xx/xx/xxxx; (ii) the expiration of policy coverage; (iii) the date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy; (iv) the date on which the Liquidator effects a transfer of the policy obligation pursuant to O.C.G.A. §33-37-20(a)(10); or (v) the date proposed by the Liquidator and approved by the Liquidation Court to cancel coverage, or xx/xx/xxxx.

### CLAIM PROCEDURES

The Liquidation Court has directed that notice be given to all persons who may have a claim against PAHPT. If you have such a claim and wish to be considered in the liquidation proceedings, you must follow the procedure described below or you will be forever barred from asserting a claim.

The Liquidation Court has established xx/xx/xxxx, as the "bar date" for the filing of claims against PAHPT. To have your claim considered in the PAHPT liquidation, a *Proof of Claim form* must be properly completed, mailed, and postmarked no later than xx/xx/xxxx.

#### 1. CLAIMS FOR LOSS UNDER THE POLICY:

If your claim is for **POLICY BENEFITS** and your claim is already filed with PAHPT, you must complete the proof of claim form, but you do not need to resubmit documentation to support your claim. If additional information is required, you will be contacted. If this is a new claim, please attach documentation to support your claim.

#### 2. RETURN OF UNEARNED PREMIUM OR OTHER PREMIUM REFUNDS:

If your claim is for the **Return of Unearned Premium or Other Premium Refunds**, please complete the front of this form. Please attach the appropriate documentation to support your claim.

#### 3. GENERAL CREDITOR CLAIM:

If your claim is that of a **General Creditor**, please attach copies of all outstanding invoices to this form.

#### 4. ALL OTHER:

If you have Any Other type of claim, describe your claim, i.e., stockholder, employee, taxes, license fees, assessments. Please attach copies of information to support your claim.

**PROOF OF CLAIM FORM**

The Proof of Claim must be completed in its entirety and all questions must be answered. Should there be questions that do not apply to your situation, simply complete each blank that does not require an answer with "N/A" or "not applicable." Make sure that your form is *signed under oath before a notary public*. Mail it together with all supporting documentation to the address shown below. Proof of Claim forms must be *postmarked no later than xx/xx/xxxx*. Mail Proof of Claim to:

**PHYSICIANS' ALLIANCE HEALTH PLAN TRUST, IN LIQUIDATION**

3635 Peachtree Industrial Boulevard, Suite 200

Duluth, GA 30096

PHONE (678) 584-0222

*All claimants must keep the Liquidator advised of any address changes subsequent to the filing of the Proof of Claim or receipt of this notice. All communications to the Liquidator should identify the claim number to the extent known.*

By Order of the Liquidation Court dated xx/xx/xxxx.