

NINETEENTH JUDICIAL DISTRICT COURT
THE PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

NUMBER: 641928

SECTION: 26

JAMES J. DONELON, COMMISSIONER OF INSURANCE STATE
FOR THE STATE OF LOUISIANA

VERSUS

OCT - 2 2015
BY [Signature]
CLERK OF COURT

LOUISIANA HEALTH COOPERATIVE, INC.

MOTION TO APPROVE CONTRACT FOR RECEIVER SERVICES OF
BOSTICK/ CRAWFORD CONSULTING GROUP LLC.

NOW INTO COURT, through undersigned counsel, comes James Donelon, Commissioner of Insurance for the State of Louisiana, in his capacity as Rehabilitator, (hereinafter referred to as "the Commissioner"), of Louisiana Health Cooperative, Inc. (hereinafter "LAHC") who hereby moves this Honorable Court for an Order approving a Contract For Receiver Services with Bostick/ Crawford Consulting Group LLC, for the following reasons:

1.

LSA-R.S. 22:2018 provides that in proceedings involving only domestic insurers, the Commissioner of Insurance may employ such assistants as he deems necessary. The provision allows the Commissioner to appoint one or more deputies as his agent or agents and to employ such clerks, or assistants as may by him be deemed necessary, and to give each such person such powers to assist him as he may consider wise.

2.

The Commissioner deems it necessary to contract with Bostick/ Crawford Consulting Group, LLC, to provide services as the Reciever of "LAHC".

3.

As required by LSA-R.S. 22:2018, the Commissioner requests that this Honorable Court approve the Contract For Receiver Services between the Commissioner and Bostick/ Crawford Consulting Group, LLC, a copy which is attached hereto as Exhibit "A".

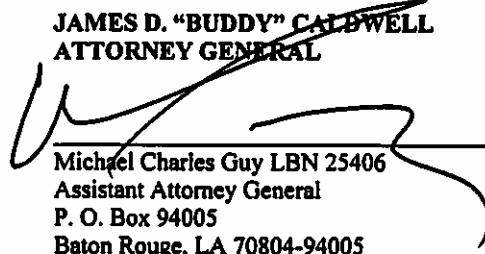
WHEREFORE, James Donelon, Commissioner of Insurance for the State of Louisiana, in his capacity as Rehabilitator of "LAHC", requests an Order of this Court approving the Contract For Receiver Services with Bostick/ Crawford Consulting Group, LLC, attached hereto as Exhibit "A".

EBR3216384

1cc given
AP
11/5

RESPECTFULLY SUBMITTED:

JAMES D. "BUDDY" CALDWELL
ATTORNEY GENERAL



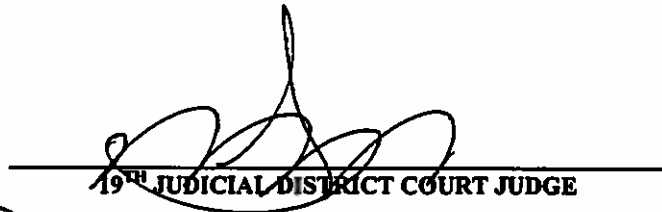
Michael Charles Guy LBN 25406
Assistant Attorney General
P. O. Box 94005
Baton Rouge, LA 70804-94005
Tel: (225) 326-6400

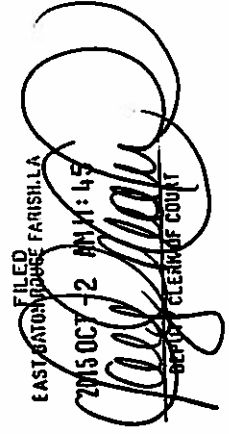
ORDER

Considering the foregoing Motion to Approve Contract for Receiver Services filed on behalf of James Donelon, Commissioner of Insurance for the State of Louisiana in his capacity as Rehabilitator of "LAHC" and for good cause shown:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, that the Contract for Receiver Services between James Donelon, Commissioner of Insurance for the State of Louisiana, in his capacity as Rehabilitator of "LAHC", and Bostick/Crawford Consulting Group, LLC, be and it is hereby approved upon the terms and conditions set forth therein.

This Order read and signed at Baton Rouge, Louisiana, on this 5 day of October 2015.


19TH JUDICIAL DISTRICT COURT JUDGE

FILED
EAST BATON ROUGE PARISH, LA
2015 OCT -2 PM 11:45

BRIAN CLERK OF COURT

ID#: 15-LA 1-02
Company: Louisiana Health Cooperative in Receivership (Company)
Contractor: Bostick/Crawford Consulting Group, LLC (Contractor)
Federal Tax I.D. No: 75-2851229

CONTRACT FOR RECEIVER SERVICES

This contract for professional legal services, effective on the Effective Date (defined below) is as follows:

Section 1. Definitions:

Whenever used in this agreement, the following terms shall have the meanings ascribed to them below:

1.01 "Attorney General" means James D. Caldwell, Attorney General, State of Louisiana, or his successor in office.

1.02 "Billing Travel and Expense Guidelines" (Billing Guidelines) are those policy guidelines issued by the Louisiana Department of Insurance and made a part hereof, as the same may be amended or supplemented from time to time.

1.03 "Billing Rates" are the rates applicable to this contract, as set forth in Appendix "C", and amended from time to time by the Court.

1.04 "Receiver" means Bostick/Crawford Consulting Group, LLC, the Court appointed conservator, rehabilitator, liquidator and/or receiver, of the "Company" (defined below).

1.05 "Company" means Louisiana Health Cooperative in Receivership

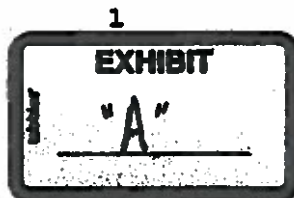
1.06 "Compensable Services" means all professional legal services rendered by Receiver to or for the Commissioner which are (a) within the scope of this contract and (b) which are reasonable, necessary, efficiently and economically performed according to the Billing Guidelines in effect on the date that the legal services were performed.

1.07 "Conforming Invoice" means Receiver's invoice to the Louisiana Department of Insurance which conforms in all respects with the terms and conditions of this contract, the Billing Guidelines and other appendices hereto.

1.08 "Court" means the 19th Judicial Court in and for East Baton Rouge Parish, Louisiana.

1.09 "Documents" means all records, reports, documents, pleadings, exhibits, evidence files and other tangible items which are related to the services to be provided under this agreement undertaken by Receiver pursuant to this contract and which are delivered or provided to Receiver by the Louisiana Department of Insurance or acquired by Receiver in the course of rendering services pursuant to this agreement.

EBR3216383



1.10 "LDI" means the Louisiana Department of Insurance.

1.11 "Effective Date" is September 1, 2015.

1.12 "Expenses" means those items of cost which Receiver has incurred in connection with this contract and which are reimbursable or repayable in accordance with Billing Guidelines.

1.13 "Person" means any individual, corporation, partnership, limited liability company, association, joint venture or other combination of any of the foregoing. For purposes of this contract, the term "Person" does not include the Company.

1.14 "Professional Services" means all reasonable and necessary services required of Receiver and Receiver's employees and other personnel by the Receiver from time to time during the term hereof as set forth in Appendix "A" hereto as the same may be amended or supplemented from time to time.

Section 2. *Scope of Engagement:*

2.01 Receiver shall be appointed by the LDI to represent the interests of the Commissioner, as the conservator, rehabilitator and/or liquidator of the Company as specified by the LDI, and shall provide all Professional Services pursuant to the terms and conditions hereof.

Section 3. *Term of Contract; Termination:*

3.01 This contract shall become effective as of the Effective Date and shall continue until the engagement is completed, or this agreement is terminated by the LDI.

3.02 The LDI may terminate this contract at any time and without prior notice to the Receiver. Receiver may terminate this contract upon 60 days written notice to the LDI by registered or certified mail, return receipt requested.

Section 4. *Compensation and Payment for Services:*

4.01 Receiver shall be compensated hereunder on a time expended basis for all Compensable Services at the hourly rates, or on a contingency basis, which shall be set forth in Appendix "C" hereto.

4.02 The LDI shall pay to Receiver the amount due for all Compensable Services within a reasonable time following receipt of Receiver's Conforming Invoice.

Section 5. *Accounting Records and Audits:*

5.01 Receiver shall maintain complete, original records concerning the services and expense items for which payment or reimbursement is sought or obtained from the Receiver together with other bookkeeping or accounting records and reports relating to such services for a period of three years from the date of each related invoice.

5.02 The LDI and/or their respective designated representatives may, from time to time, and during reasonable business hours, examine, audit and copy all of Receiver's books, records and other documents which relate, in any manner, to Receiver's billings to the Receiver hereunder.

Section 6. Professional General Liability Insurance:

6.01 Receiver shall, at Receiver's sole expense, procure and maintain in full force and effect during the term of this contract, professional liability insurance coverage with minimum policy limits as established by the LDI. Until written notice of a change in limits is delivered to Receiver, minimum aggregate policy limits shall be deemed to be \$1,000,000.

6.02 Receiver shall immediately give notice to the LDI of the occurrence of any event affecting the required policy, including but not limited to any notice of cancellation, non-renewal, limitation or modification of covered persons, policy coverage or policy limits.

6.03 Not less frequently than on the annual anniversary date of this contract and upon such other occasions as the LDI may request, Receiver shall confirm in writing that there have been no changes in the required policy other than those changes previously reported by Receiver in writing to the LDI.

Section 7. Ownership and Maintenance of Records and Files:

7.01 The Documents shall be and remain the property of the company.

7.02 Receiver shall continuously maintain custody and control of all Documents in organized and labeled files and in a good and safe condition. Upon the LDI's request, and if no request is made, upon the expiration or sooner termination of this contract all documents shall immediately be returned by the Receiver to the LDI in a neat and organized condition.

7.03 The LDI may withhold approval of payment of Receiver's invoices until such time as the Documents are delivered by Receiver in the condition required hereunder. Should Receiver fail to maintain the Documents as required by the terms of this agreement, the LDI may recover from Receiver all cost, outlay, damage or expense related to organizing or re-creating the Documents.

7.04 The Documents shall be maintained by Receiver as confidential information and neither the Documents nor any part thereof or any information contained therein shall be disclosed by Receiver to third parties without the LDI's prior consent.

7.05 Receiver shall promptly notify the LDI of the receipt of any subpoena or subpoena duces tecum received by Receiver commanding the production or disclosure of any of the Documents or the contents thereof.

Section 8. Reports:

8.01 Receiver shall submit all reports as and when required by Appendix "B".

8.02 Reports shall be submitted to the LDI.

8.03 The form and content of all required reports may be changed at any time and from time to time by the Receiver. Receiver shall use the report form in effect on the first day of the month in which a report is required.

Section 9. *Prior Consent Required:*

9.01 The prior written consent of the LDI and the Attorney General shall be required before Receiver takes any action or files any pleadings relating to the following:

- A.** A suit or other demand for judgment or relief against any director, officer, employee or agent of the Company.
- B.** A suit or other demand for judgment or relief against any attorney, accountant, consultant, advisor or Person rendering professional or other services to the Company.
- C.** A suit or other demand for judgment or other relief against any Person seeking relief under the Civil RICO statutes of the United States.
- D.** A suit or other demand for judgment or other relief against any Person based upon or otherwise asserting fraud or criminal conduct.
- E.** A motion or demand seeking the imposition of sanctions or other penalties against any Person.
- F.** A suit or other demand seeking pre-judgment attachment or restriction on the use or disposition of any property of any Person.
- G.** A suit or other demand seeking injunctive relief against any property of any Person.
- H.** A proceeding seeking the entry of an order of involuntary bankruptcy against any Person or property or to appoint a receiver for the property of any Person.

Section 10. *Agreement Not To Discriminate*

10.01 Receiver shall not discriminate in the employment of any individual in connection with this contract on the basis of age, disability, national origin, race, religion, sex or sexual orientation.

Section 11. *Assignment Prohibited:*

11.01 This contract requires the personal service of Receiver and Receiver shall not assign, transfer or subcontract any of Receiver's rights or duties hereunder, in whole or in part, without the prior written consent of the LDI.

11.02 To the extent that Receiver shall become lawfully entitled to payment for Compensable Services hereunder, Receiver may assign such payment rights to a financial institution without the prior written consent of the LDI.

Section 12. *Receiver's Resources; Subcontracting Prohibited:*

12.01 Contractor warrants and represents to the LDI that Receiver possesses sufficient experience, personnel and other resources necessary for the timely and competent performance of all professional services required of Receiver hereunder. Contractor shall not be entitled to sub-contract professional services hereunder to persons who are sub-contractors of Contractor or members of Contractor's firm without the prior written consent of the LDI. The LDI expressly gives Contractor such permission to utilize the services of Billy Bostick as the appointed Receiver. LDI further gives Contractor such permission to utilize the services of Bob Crawford and Cara Bostick when necessary to the efficient operation of the Receivership.

12.02 Notwithstanding the provisions of Section 12.01 above requiring the consent of the LDI to engage other persons to assist Receiver, Receiver may, with the prior written consent of the LDI, engage other legal consultants, attorneys, or law firms to assist Receiver with the handling of *de minimis* matters requiring legal attention in locations outside of Receiver's home city. For purposes of this contract, and until written notice of a change approved by the LDI, a matter shall be considered to be *de minimis* if the total legal fees reasonably anticipated to be incurred does not exceed the aggregate sum of \$5,000.00. In any event, Receiver shall notify the LDI and Attorney General of the appointment of all other attorneys or law firms engaged to provide *de minimis* services pursuant to this contract. Notwithstanding the provisions of Section 12.01 above requiring the consent of the LDI to engage other persons to assist Receiver, Receiver may, with the prior written consent of the LDI, engage other consultants to assist Receiver with the handling of *de minimis* matters requiring attention of the Receiver.

Section 13. *Applicable Law:*

13.01 This agreement shall be construed under the laws of the State of Louisiana.

Section 14. *Required Approvals:*

14.01 This contract is subject to the approval of the 19th Judicial District Court and shall not become effective unless it is so approved.

Section 15. *Taxes:*

15.01 The payment of all taxes due upon funds received under this contract shall be Receiver's sole responsibility and obligation and shall be identified under the Receiver's Federal tax identification number which Receiver declares to be correctly stated at the top of the first page of this agreement.

Section 16. *Addresses for Notices and Reports:*

16.01 All notices and reports which Receiver desires or is required to give to the LDI or to

the office of the Attorney General pursuant to the provisions hereof shall be delivered by email or United States Mail postage prepaid and addressed to as follows:

Office of the Commissioner
Name of Company in Receivership
P.O. Box 3096
Baton Rouge, LA 70821-3096
Attn: Walter Corey

Attorney General
P. O. Box 94005
Baton Rouge, LA 70804-9005
Attn: Chief, Insurance Section

Section 17. Supervision:

17.01 Pursuant to LSA-R.S.22:2018, performance of professional services by Receiver pursuant to this contract shall be at the direction of and subject to the supervision of the LDI.

Section 18. Referral of Criminal Conduct:

18.01 The Receiver and the Attorney General have a responsibility to notify law enforcement officials of any conduct of the Company or its directors, officers, employees, consultants, agents, and engaged professionals that may constitute a violation of state or federal criminal statutes. Receiver shall promptly forward any information that indicates suspected criminal behavior to the LDI and to the Attorney General (Attn: Chief, Criminal Division).

Section 19 Conflicts of Interest:

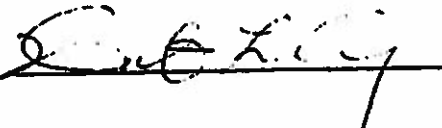
19.01 Receiver has been provided with copies of the policies of the LDI regarding Conflicts of Interest and Confidentiality, agrees to comply with the same and attaches hereto his signed statements regarding both.

IN WITNESS WHEREOF, the parties hereto have signed this contract on the dates indicated below their respective names.

LOUISIANA DEPARTMENT OF INSURANCE

Bostick/Crawford Consulting Group, LLC

Office of the Commissioner

By: 

By: 

Date: September 22, 2015

Date: September 22, 2015

The above contract is hereby approved.

APPENDIX "A" - DESCRIPTION OF SERVICES

I. SERVICES TO BE PROVIDED

The Professional Services to be performed by Receiver pursuant to this agreement consist of the following described services and such additional services as may be approved from time to time hereafter by the LDI:

Services consistent with the duties and responsibilities of the Receiver as provided in Title 22 of the Louisiana Revised Statutes.

II. FEES AND EXPENSES

Fees and expenses under this contract shall be in accordance with Appendix "C", attached hereto and made a part hereof.

III. SUBMISSION OF INVOICES

All invoices shall be submitted in accordance with the Office of the Commissioner's Billing Travel and Expense Guidelines, by email or U.S. Mail, to the Office of the Commissioner, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, to the attention of Walter Corey or his designee.

**APPENDIX "B"
REPORTS**

Receiver shall submit the following mandatory reports for each matter to the LDI as set forth below, or on such other dates requested by the LDI:

All reports and all notifications and documents must be submitted to the LDI by email or by US mail at the following address:

Office of the Commissioner
Louisiana Department of Insurance
Post Office Box 94214
Baton Rouge, Louisiana 70804-9214

1. **STATUS REPORTS – GENERAL** On January 15th, April 15th, July 15th and October 15th of each year, and from time to time hereafter, as instructed by the LDI, the Receiver shall submit a status report that includes the latest available balance sheet and income statement of the Company. The report shall also include a discussion on progress made since the previously submitted report, results of litigation efforts, and material events occurring during the quarter. The Receiver shall be responsible for determining materiality.
2. **LITIGATION PLAN:** For proposed litigation: Before commencing litigation of any matter pursuant to this contract, Receiver shall submit a Litigation Plan. This plan shall be subject to the approval of the LDI and the Attorney General. The Litigation Plan shall include Receiver's perspective on the litigation and Receiver's recommendation concerning the anticipated cost of the proposed litigation and the anticipated benefits of this litigation (a "cost-benefit analysis"). The Case Update Status Report Form shall be a guide for his/her Litigation Plan. The Litigation Plan must specifically address Receiver's theory of the case, anticipated discovery and a realistic and honest estimate of the legal fees and costs and expenses which will be required to bring the case to trial.

APPENDIX "C" - BILLING RATES

Until changed by the LDI, with the concurrence of Contractor, the Receiver's services, will be paid at the rate of \$175 per hour plus expenses. The services of Bob Crawford and Cara Bostick will be paid at the rate of \$150 each per hour plus expenses

APPENDIX "D" - CONFLICTS OF INTEREST

STATE OF LOUISIANA

PARISH OF Baton Rouge

ACKNOWLEDGMENT

BEFORE ME, the undersigned authority, personally came and appeared:

Billy J. Bostick

who after first by me being duly sworn, did depose and state that he/she has read the Policy Statement regarding conflicts of interest, as well as reviewed the work that they are performing on the Louisiana Health Cooperative Receivership estate. Appearer further declared that to the best of his/her knowledge, under penalty of perjury, there is no conflict with any of the estates currently in Conservation, Rehabilitation and/or Liquidation by the LDI. Appearer did further acknowledge that it is his/her duty to immediately report to the LDI any and all conflicts of interest of which appearer may become aware in the future, except as disclosed and acknowledged by written waiver.



Billy J. Bostick

SWORN TO AND SUBSCRIBED before me this 22nd day of September, 2015.



Notary Public

Sue Buser
NOTARY PUBLIC
State of Louisiana
LSBA No. 18151
My Commission is Issued for Life

APPENDIX "E" - CONFIDENTIALITY

While the majority of the business conducted by the Receiver is public information, confidentiality of certain information is, and must be, a high priority.

Accordingly, the Receiver agrees that he/she will not release information concerning the Estate(s) in Receivership which he/she possesses, or may, from time to time, come to possess, without the express authorization of the LDI.



Billy J. Bostiek

September 22, 2015
Date