

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

NUMBER: 641928

SECTION: 26

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

OCT - 2 / 2015 VERSUS

BY Clerk of Court  
LOUISIANA HEALTH COOPERATIVE, INC.

\*\*\*\*\*

MOTION TO APPROVE CONTRACT FOR  
PROFESSIONAL SERVICES OF BURGLASS & TANKERSLEY, 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"), and Billy Bostick, Court appointed Receiver, of Louisiana Health Cooperative, Inc. who hereby moves this Honorable Court for an Order approving a Contract For Professional Services with Burglass & Tankersley, LLC for the following reasons:

1.

LSA-R.S. 22:2018 provides that in proceedings involving only domestic insurers, 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 and the Receiver deems it necessary to contract with Burglass & Tankersley, LLC, to provide information technology services that are requested by the Receiver on behalf of the estate of Louisiana Health Cooperative, Inc. in Receivership. A copy of the Contract is attached as Exhibit "A."

3.

As required by LSA-R.S. 22:2018, the Commissioner requests that this Honorable Court approve the Contract for Professional Services between the Commissioner and Burglass & Tankersley, LLC.

WHEREFORE, James Donelon, Commissioner of Insurance for the State of Louisiana, in his capacity as Rehabilitator and Billy Bostick, in his capacity as Court appointed Receiver, of

EBR3218386

*Handwritten signature*  
10/5

Louisiana Health Cooperative, Inc., requests an Order of this Court approving the Contract for Professional Services with Burglass & Tankersley, LLC.

**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 Professional Services filed on behalf of James Donelon, Commissioner of Insurance for the State of Louisiana in his capacity as Rehabilitator and Billy Bostick, in his capacity as Court appointed Receiver, of Louisiana Health Cooperative, Inc. in Receivership, collectively, and for good cause shown:

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED**, that the Contract for Professional Services between James Donelon, Commissioner of Insurance for the State of Louisiana, in his capacity as the Rehabilitator and Billy Bostick, in his capacity as Court appointed Receiver, of Louisiana Health Cooperative, Inc. in Receivership, collectively and Burglass & Tankersley, LLC, be and it is hereby approved upon the terms and conditions set forth therein.

Read and signed at Baton Rouge, Louisiana, on this 5 day of October, 2015.

FILED  
EAST BATON ROUGE PARISH, LA  
2015 OCT 5 2 AM 11:14  
DEPUTY CLERK OF COURT

19<sup>th</sup> JUDICIAL DISTRICT COURT JUDGE

ID: 15-LA1-03  
 Company: Louisiana Health Cooperative, Inc. in Receivership  
 Counsel: Burglass & Tankersley, Sue A. Buser  
 Fed. Tax I.D. No: 72-1411034

**CONTRACT FOR PROFESSIONAL LEGAL 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, Sr., Attorney General, State of Louisiana, or his successor in office.
- 1.02: "Billing Guidelines" are those policy guidelines issued by the Louisiana Department of Justice 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 the Court appointed conservator, rehabilitator, liquidator and/or receiver, of the "Company" (defined below).
- 1.05: "Company" means Louisiana Health Cooperative, Inc. in Receivership.
- 1.06: "Compensable Services" means all professional legal services rendered by Counsel to or for the Rehabilitator and/or Receiver 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 Counsel's invoice to the Receiver which conforms in all respects with the terms and conditions of this contract, the Billing Guidelines and other appendices hereto.
- 1.08: "Counsel" means Sue A. Buser and other members of Burglass & Tankersley as needed.
- 1.09: "Court" means the 19th Judicial Court in and for East Baton Rouge Parish, Louisiana.

EBR3216385

**RECEIVED**

SEP 29 2015

OFFICE OF THE  
ATTORNEY GENERAL  
PUBLIC PROTECTION DIVISION

EXHIBIT  
"A"

- 1.10: "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 Counsel pursuant to this contract and which are delivered or provided to Counsel by the Receiver or acquired by Counsel in the course of rendering services pursuant to this agreement.
- 1.11: "DOJ" means the Department of Justice, State of Louisiana.
- 1.12: "Effective Date" is the 1st day of September, 2015.
- 1.13: "Expenses" means those items of cost which Counsel has incurred in connection with this contract and which are reimbursable or repayable in accordance with the Louisiana Department of Insurance Office of the Commissioner's Billing Travel and Expense Guidelines.
- 1.14: "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.
- 1.15: "Professional Legal Services" means all reasonable and necessary services required of Counsel and Counsel'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: Counsel shall be appointed by the Attorney General to represent the interests of the Receiver, as the conservator, rehabilitator and/or liquidator of the Company as specified by the Attorney General, and shall provide all Professional Legal 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 Attorney General.
- 3.02: The Attorney General may terminate this contract at any time and without prior notice to the Counsel. Counsel may terminate this contract upon 60 days written notice to the Attorney General by registered or certified mail, return receipt requested.

**Section 4. Compensation and Payment for Services:**

- 4.01: Counsel 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 "A" hereto.

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

**Section 5. Accounting Records and Audits:**

- 5.01: Counsel 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 Receiver, the Louisiana Department of Insurance, the Attorney General and/or their respective designated representatives may, from time to time, and during reasonable business hours, examine, audit and copy all of Counsel's books, records and other documents which relate, in any manner, to Counsel's billings to the Receiver hereunder.

**Section 6. Professional Liability Insurance:**

- 6.01: Counsel shall, at Counsel's sole expense, procure and maintain in full force and effect during the term of this contract, professional liability or malpractice insurance coverage with minimum policy limits as established by the Attorney General. Until written notice of a change in limits is delivered to Counsel, minimum aggregate policy limits shall be deemed to be \$1,000,000.
  
- 6.02: Counsel shall provide a true and correct copy of the required policy, together with all endorsements riders or other additions or attachments to the policy which in any manner limit or restrict coverage to the Receiver and to the Attorney General within ten days of the date of execution of this contract.
  
- 6.03: Counsel shall immediately give notice to the office of the Receiver and to the office of the Attorney General of the occurrence of any event affecting the required policy, including but not limited to any notice of cancellation, nonrenewal, limitation or modification of covered persons, policy coverage or policy limits.
  
- 6.04: Not less frequently than on the annual anniversary date of this contract and upon such other occasions as the Receiver or the Attorney General may request, Counsel shall confirm in writing that there have been no changes in the required policy other than those changes previously reported by Counsel in writing to the Receiver and the Attorney General.

**Section 7. Ownership and Maintenance of Records and Files:**

- 7.01: The Documents shall be and remain the property of the company.
  
- 7.02: Counsel shall continuously maintain custody and control of all Documents in organized and labeled files and in a good and safe condition. Upon the Receiver's request, and if no request is made, upon the expiration or sooner termination of

this contract all documents shall immediately be returned by Counsel to Receiver in a neat and organized condition. The Receiver or the Attorney General may withhold approval of payment of Counsel's invoices until such time as the Documents are delivered to Receiver in the condition required hereunder. Should Counsel fail to maintain the Documents as required by the terms of this agreement, the Receiver and/or the Attorney General may recover from Counsel all cost, outlay, damage or expense related to organizing or re-creating the Documents. The Documents shall be maintained by Counsel as confidential information and neither the Documents nor any part thereof or any information contained therein shall be disclosed by Counsel to third parties without the Receiver's prior consent.

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

**Section 8. Reports:**

- 8.01: Counsel shall submit all reports as and when required by Appendix "B".
- 8.02: Reports shall be submitted to the Receiver or his designee and to the office of the Attorney General.
- 8.03: The form and content of all required reports may be changed at any time and from time to time by the Receiver or the Attorney General. Counsel 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 Receiver and the Attorney General shall be required before Counsel 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 prejudgment 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: Counsel 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 Counsel and Counsel shall not assign, transfer or subcontract any of Counsel's rights or duties hereunder, in whole or in part, without the prior written consent of the Attorney General.

11.02: To the extent that Counsel shall become lawfully entitled to payment for Compensable Services hereunder, Counsel may assign such payment rights to a financial institution without the prior written consent of the Attorney General. In any event, notice of any permitted assignment of rights to earned payments for Compensable Services shall be promptly delivered in writing to the Receiver and to the Attorney General.

**Section 12. Counsel's Resources; Subcontracting Prohibited**

12.01: Counsel warrants and represents to the Receiver and to the Attorney General that Counsel possesses sufficient experience, personnel and other resources necessary for the timely and competent performance of all professional legal services required of Counsel hereunder. Counsel shall not be entitled to subcontract professional legal services hereunder to other attorneys, law firms or persons who are not full time employees of Counsel or members of counsel's firm without the prior written consent of the Receiver and the Attorney General.

12.02: Notwithstanding the provisions of Section 12.01 above requiring the consent of the Attorney General to engage other lawyers to assist Counsel, Counsel may, with the prior written consent of the Receiver and the Attorney General, engage other attorneys or law firms to assist Counsel with the handling of de minimis matters requiring legal attention in locations out of Counsel's home city. For purposes of this contract, and until written notice of a change approved by the Receiver and the Attorney General, 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, Counsel shall notify the Attorney

General of the appointment of all other attorneys or law firms engaged to provide de minimis services pursuant to this contract.

**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 Attorney General and 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 Counsel's sole responsibility and obligation and shall be identified under the Counsel's Federal tax identification number which Counsel 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 Counsel desires or is required to give to the Receiver and to the office of the Attorney General pursuant to the provisions hereof shall be delivered by email or the United States Mail postage prepaid and addressed to as follows:

Billy Bostick, Receiver  
Louisiana Health Cooperative Inc. in Receivership  
3445 North Causeway Boulevard, Suite 800  
Metairie, LA 70002

Attorney General  
P. O. Box 94005  
Baton Rouge, LA 70804-9005  
Attn: Michael Guy, Assistant Attorney General

**Section 17. Supervision:**

17.01: Pursuant to LSA-R.S.22:743, performance of professional legal services by Counsel pursuant to this contract shall be at the direction of and subject to the supervision of the Attorney General.

**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. Counsel shall promptly forward any information that indicates suspected criminal behavior to the Receiver and to the Attorney General (Attn: Chief, Criminal Division).




**Section 19. Conflicts of Interest and Confidentiality:**

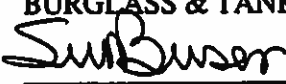
19.01: Attached hereto and made a part hereof are signed statements of Contractor regarding Conflicts of Interests and Confidentiality, set forth as Appendix D and Appendix E, respectively.

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

Louisiana Health Cooperative, Inc. in Receivership

 9/24/15  
Billy Bostick, Receiver DATE:

BURGLASS & TANKERSLEY

 9/24/15  
Sue Buser DATE:

The above contract is hereby approved.

JAMES D. "BUDDY" CALDWELL  
Attorney General

1885 North Third Street DATE:  
Baton Rouge, Louisiana 70802  
Tel: (225) 326-6705

## **APPENDIX "A" - DESCRIPTION OF PROFESSIONAL LEGAL SERVICES**

### **I. SERVICES TO BE PROVIDED**

The Professional Legal Services to be performed by Counsel 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 Attorney General:

To serve as Receivership counsel in the representation of the Estate of Louisiana Health Cooperative, Inc. in Receivership along with the Attorney General's Office.

### **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 Receiver's and Department of Justice Joint Billing Guidelines, by email or U.S. Mail, to Billy Bostick, Receiver, Louisiana Health Cooperative, Inc. in Receivership, 3445 North Causeway Boulevard, Suite 800, Metairie, LA 70002, to the attention of the Receiver.

**APPENDIX "B"**  
**REPORTS**

Counsel shall submit the following mandatory reports for each case or each matter to the Receiver and to the Attorney General as set forth below, or on such other dates requested by (a) the Receiver or (b) by the Attorney General through the Chief of the Insurance Section of the Attorney General's Office:

1. All reports and all notifications and documents must be submitted to the Receiver via email or U.S. Mail, whose address is:

Billy Bostick, Receiver  
Louisiana Health Cooperative, Inc. in Receivership  
3445 North Causeway Boulevard, Suite 800  
Metairie, LA 70002

Communications to the Attorney General should be sent only to:

Michael Guy, Assistant Attorney General  
P.O. Box 94095  
Baton Rouge, Louisiana 70804

2. **LITIGATION PLAN:** Within thirty (30) days of the Effective Date hereof, and before commencing litigation of any matter pursuant to this contract, Counsel shall submit a Litigation Plan. This plan shall be subject to the approval of the Receiver and the Attorney General. The Litigation Plan shall include Counsel's perspective on the litigation and Counsel'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 Counsel'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.
3. **MANDATORY QUARTERLY REPORTS:** On January 15th, April 15th, July 15th and October 15th of each year, and from time to time hereafter, as instructed by the Attorney General, Counsel shall submit a "Case Update Status Report: in accordance with the form provided herewith.
4. **MANDATORY DEPOSITION REPORT:** Within fifteen (15) days from attendance at any deposition or within fifteen (15) days of taking any deposition, Counsel shall submit a Deposition Report concerning each deposition taken or attended by Counsel. The Deposition Report shall be in compliance with the form provided herewith and must be submitted within fifteen (15) days of the date of the deposition, regardless of whether or not the deposition transcript has been received by Counsel.

5. **MANDATORY THIRTY DAY PRIOR TO TRIAL REPORT:** At least thirty (30) days before a trial on the merits, Counsel shall submit a Final Report Prior to Trial. The report must be in compliance with the form provided herewith.
6. **MANDATORY POST TRIAL REPORT:** Within seven (7) days after a trial has been concluded, Counsel shall submit a report using the Mandatory Post Trial Report for attached herewith.
7. **ADVERSE CLAIMS:** If in connection with any litigation matter, an opposing party or third party asserts a reconventional demand, third party demand, counter-claim, cross-claim, or seeks to sanction the conduct of the Receiver or Counsel (an "Adverse Claim"), Counsel shall immediately report such filing to the Receiver and the Attorney General, which report shall be accompanied by a correct and complete copy of each pleading upon which an "Adverse Claim" is based, together with Counsel's recommendations for addressing and disposing of the Adverse Claim.
8. **PRETRIAL CONFERENCE NOTICE AND PRETRIAL ORDER:** Upon receiving notice that a final pretrial conference has been set in any litigation matter subject to this contract, Counsel shall immediately submit a copy of Pre-Trial Conference Notice. Within five (5) days of signing a pretrial order, Counsel shall deliver a copy of the signed pre-trial order to the Receiver and to the Attorney General.
9. **NOTICE OF TRIAL:** Upon receiving notice that any matter has been set for trial in any litigated matter subject to this contract, Counsel shall immediately submit a copy of the Document which fixes the trial date and Counsel shall submit his/her recommendation concerning settlement of the case.

### **APPENDIX "C" - BILLING RATES**

Until changed by the Receiver, with the concurrence of the Attorney General and the approval of the Court, the following maximum rates shall be paid for Professional Legal Services rendered in accordance with the terms and conditions of the contract to which this appendix is attached:

Lawyers with ten (10) or more years experience in the practice of law- \$175.00 per hour maximum  
Lawyers with more than five (5) and less than ten (10) years experience in the practice of law- \$150.00 per hour maximum

Lawyers with three (3) to five (5) years experience in the practice of law- \$125.00 per hour maximum  
Lawyers with less than three (3) years experience in the practice of law- \$100.00 per hour maximum

Paralegals with more than five (5) years experience or with certification of graduation from a paralegal school acceptable to the receiver - \$45.00 per hour maximum

Paralegals with less than five (5) years experience \$35.00 per hour maximum

Law clerks - \$25.00 per hour maximum

Expenses are reimbursable or repayable in accordance with the Louisiana Department of Insurance Office of the Commissioner's Billing Travel and Expense Guidelines for Receiverships.

**APPENDIX "D" - CONFLICTS OF INTEREST**

STATE OF LOUISIANA

PARISH OF Jefferson

**ACKNOWLEDGMENT**

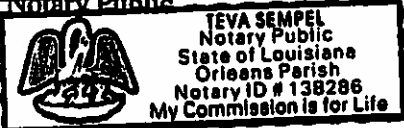
BEFORE ME, the undersigned authority, personally came and appeared:

**Sue A. Buser**

Who after first by me being duly sworn, did depose and state the following: Appearer declares 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 under the Department of Insurance. Appearer further acknowledges that it is his duty to immediately report to the Receiver, any, and all conflicts of interest of which appearer may become aware of in the future.

Sue A. Buser  
Sue A. Buser


SWORN TO AND SUBSCRIBED before me this 24th day of September, 2015.

[Signature]  
Notary Public  
35409  


**APPENDIX "E" - CONFIDENTIALITY**

Contractor hereby agrees that Contractor will release no information concerning the Estate (s) in Receivership which he possess or may, from time to time, come to possess, without the express authorization of the Receiver.

If Contractor does not abide by this policy, this contract is subject to cancellation by the Receiver, who may take other action as may be appropriate under the circumstances.

  
\_\_\_\_\_  
Sue A. Buser

9/24/15  
Date