

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

STATE
JAN -7 2016
BY JP
DEPUTY CLERK OF COURT

NUMBER: 641928

SECTION: 26

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

VERSUS

LOUISIANA HEALTH COOPERATIVE, INC.

MOTION TO APPROVE CONTRACT FOR
PROFESSIONAL SERVICES OF WALTERS, PAPIILLION, THOMAS, CULLENS, 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 Walters, Papillion, Thomas, Cullens, 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 Walters, Papillion, Thomas, Cullens, 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 Walters, Papillion, Thomas, Cullens, 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

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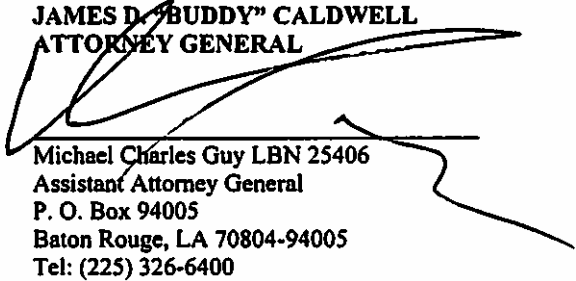
EBR3314820

REC'D C.P.
JAN 08 2016

Louisiana Health Cooperative, Inc., requests an Order of this Court approving the Contract for Professional Services with Walters, Papillion, Thomas, Cullens, 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 Walters, Papillion, Thomas, Cullens, LLC, be and it is hereby approved upon the terms and conditions set forth therein.

Read and signed at Baton Rouge, Louisiana, on this 8 day of January, 2016.

19th JUDICIAL DISTRICT COURT JUDGE

FILED
EAST BATON ROUGE PARISH, LA

2016 JAN -7 PM 4:36



DEPUTY CLERK OF COURT



JAMES D. "BUDDY" CALDWELL
ATTORNEY GENERAL

State of Louisiana
DEPARTMENT OF JUSTICE
P.O. BOX 94005
BATON ROUGE
70804-9005

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

NUMBER: 641928

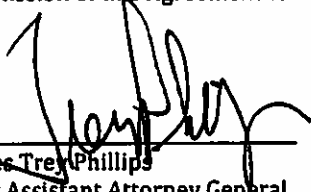
SECTION: 26

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

VERSUS

LOUISIANA HEALTH COOPERATIVE, INC.

I hereby certify and approve the attached Attorney Retention Agreement executed December 15, 2015 by the Receiver in this matter for the legal services of Walters, Papillion, Thomas, Cullens, LLC pursuant to La. R.S. 22:2018 and authorize the submission of this Agreement to the court for approval in the above referenced matter.


James Trey Phillips
First Assistant Attorney General

Date Jan. 5, 2016

CLERK OF COURT
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CASE ID: _____
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DEPUTY CLERK

EBR314821

EXHIBIT
"A"

Edward J. Walters, Jr.*
Darrel J. Papillion
David Abboud Thomas
J. E. Cullens, Jr.*

Hayden A. Moore
Jennifer Wise Moroux
Reneé C. Crasto
Colleen C. Milfelt, Business Manager

*Board Certified in Civil Trial Advocacy
National Board of Trial Advocacy



**WALTERS, PAPIILLION,
THOMAS, CULLENS, LLC**
ATTORNEYS AT LAW

12345 Perkins Road
Building One
Baton Rouge, Louisiana 70810

Of Counsel:
John S. McLindon, LLC
Michelle M. Sorrells, LLC
phone: 225.236.3636
fax: 225.236.3650
web: www.lawbr.net

December 15, 2015

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

Re: *James J. Donelon, Commissioner of Insurance for the State of Louisiana v. Louisiana Health Cooperative, Inc.*
19th JDC #641 928, Section 26
Our File No.: 15142

Dear Mr. Bostick:

This letter agreement shall be known as the Attorney Retention Agreement. Its purpose is to outline the agreed terms and conditions upon which our law firm, Walters, Papillion, Thomas, Cullens, LLC ("WPTC"), will be representing Louisiana Health Cooperative, Inc. in Receivership ("LAHC") in connection with LAHC's claims against the former LAHC directors and officers, accountants, in-house attorneys, actuaries, outside counsel, and third party vendors, and potential claims against other identified persons and entities whose tortious conduct allegedly contributed to the failure of LAHC (all collectively the "Defendants").

WPTC will represent LAHC subject to the following terms and conditions:

- 1) In consideration of the legal services rendered by WPTC, LAHC hereby assigns and transfers to WPTC an undivided thirty percent (30%) interest in the first eight million dollars (\$8,000,000.00) collected by LAHC through the claims handled by WPTC, regardless of whether these claims are settled pre-trial or post-trial, proceed to trial, or are appealed; after the first eight million dollars (\$8,000,000.00) is collected, LAHC hereby assigns and transfers to WPTC an undivided thirty-five percent (35%) interest in any additional amount collected by LAHC through the claims handled by WPTC, regardless of whether these claims are settled pre-trial or post-trial, proceed to trial, or are appealed. This percentage (whether 30% or 35%) shall be WPTC's contingency fee and shall be computed on the gross amount of any money, proceeds, property and/or assets that LAHC receives or is to receive, whether by settlement, judgment, or otherwise, from Defendants, and before repayment of Litigation Expenses, as defined herein.

Mr. Billy Bostick
December 15, 2015
Page 2

- 2) WPTC agrees to advance all Litigation Expenses, as defined herein, necessary to pursue LAHC's claims.
- 3) In the event of any recovery from Defendants, whether through settlement, trial, or otherwise, LAHC agrees to pay out of LAHC's recovery all Litigation Expenses advanced by WPTC. As used herein, Litigation Expenses which may be reimbursed pursuant to this contract are those costs typically related to the investigation and prosecution of the claims set forth above, and include, but are not necessarily limited to: filing fees; deposition costs; expert witness fees; transcript costs; witness fees; all reproduction costs at \$.20/page, including in-house copy costs, printing costs, facsimile costs; photographic, electronic, or digital evidence production; investigation fees; related travel expenses; interest charges; and any other case expenses directly related to the representation of LAHC, including computer legal research charges (WestLaw); long distance telephone expenses; telephone conference charges; postage charges; third-party copying charges; third-party electronic document retrieval and reproduction charges; mileage and outside courier charges incurred for the representation of LAHC (collectively referred to throughout this retention letter as "Litigation Expenses"). LAHC agrees that WPTC is authorized to advance funds to cover the cost of all Litigation Expenses, as permitted by applicable ethical rules, using WPTC's line of credit at a financial institution, as that term is defined under applicable ethical rules. LAHC understands that WPTC will not pass on to LAHC any interest charges, including any fees or other charges attendant to the financing, that exceed the actual charge by the third party lender. LAHC acknowledges and agrees that the interest rate on the financing that WPTC may secure can be at a variable rate of interest; and that while the rate may change, that the rate will always be within the ethically permissible parameters stated above, provided that such rate will not exceed 7.5%. WPTC agree that all Litigation Expenses shall be charged at the actual cost for these case-related expenses.
- 4) In the event that there is no recovery from Defendants, LAHC will not be responsible for reimbursing WPTC for any Litigation Expenses advanced by WPTC.
- 5) LAHC agrees that WPTC will be entitled to a statutory lien to secure WPTC's fee and those Litigation Expenses advanced by WPTC as authorized by Louisiana law.
- 6) WPTC agrees to provide LAHC and the Louisiana Attorney General with a monthly status report which shall include a statement of all time spent on the WPTC legal work and any and all allowed expenses incurred during the month and all invoices and receipts for incurred allowed expenses, which report shall include a discussion of the actions taken during the month and the progress made, the results of litigation efforts, and material events occurring during the month. WPTC further agrees to abide by the Louisiana Department of Insurance Receivership Billing, Travel & Business Expense Policy and Procedures effective September 1, 2015, a copy of which is attached hereto and incorporated herein as Exhibit A, except as to the GSA per diem rates.

Mr. Billy Bostick
December 15, 2015
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WPTC also agrees to provide the following reports:

- a. **MANDATORY DEPOSITION REPORT:** Within fifteen (15) days from attendance at any deposition or within fifteen (15) days of taking any deposition, WPTC shall submit a Deposition Report concerning each deposition taken or attended by WPTC.
 - b. **MANDATORY THIRTY DAY PRIOR TO TRIAL REPORT:** At least thirty (30) days before a trial on the merits, WPTC shall submit a Final Report Prior to Trial.
 - c. **MANDATORY POST TRIAL REPORT:** Within seven (7) days after a trial has been concluded, WPTC shall submit a report as to the outcome of the trial.
 - d. **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"), WPTC 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 WPTC's recommendations for addressing and disposing of the Adverse Claim.
 - e. **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, WPTC shall immediately submit a copy of Pre-Trial Conference Notice. Within five (5) days of signing a pretrial order, WPTC shall deliver a copy of the signed pre-trial order to the Receiver and to the Attorney General.
 - f. **NOTICE OF TRIAL:** Upon receiving notice that any matter has been set for trial in any litigated matter subject to this contract, WPTC shall immediately submit a copy of the Document which fixes the trial date and WPTC shall submit a recommendation concerning settlement of the case.
- 7) LAHC agrees to make available LAHC personnel and personnel from the firm of Burglass & Tankersley, LLC and/or any subsequently designated counsel to provide documents and other information needed by WPTC in the prosecution of any suits or as reasonably requested by WPTC and/or the Defendants. LAHC agrees to cooperate fully with WPTC regarding the sharing of information, documents, computers, servers, and/or any other material, however characterized or stored, which LAHC has in its possession, custody or control, and WPTC agreed to give LAHC reasonable notice of any such request for documents and/or information.

Mr. Billy Bostick
December 15, 2015
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It is the policy of WPTC to assure that our clients clearly understand the amount and manner by which WPTC bills for our legal services and for disbursements advanced by WPTC on their behalf. WPTC's experience shows that the manner in which fees and expenses are computed and charged and procedures for billing and payment vary from law firm to law firm. WPTC believes that a prior understanding of such matters is essential to a harmonious, professional relationship. Consequently, WPTC encourages LAHC to feel free to ask any questions LAHC may have with respect to WPTC legal services in order to assure a full and mutual understanding. This agreement is intended to set forth our agreement concerning the manner in which services are rendered and expenses incurred by WPTC on your behalf will be billed and paid.

Each of the WPTC lawyers possesses some experience and expertise in certain areas that other lawyers in the firm do not. In the interest of efficiency and cost savings to our clients, where time and work scheduling permit, it is our practice to refer matters internally to the individuals who can perform the highest quality work at the lowest cost. In addition, we employ staff members who are not licensed to practice law but who are capable of performing (under the supervision of one licensed to practice law) legally related tasks requiring a lower level of experience and expertise, again, in order to perform work more rapidly and at a lower cost where that appears desirable. Therefore, you may find services being performed for you by any number of individuals within our firm based on these considerations. Ultimately, however the attorneys in charge (which in this case is J. Cullens) will be in responsible for the work performed to your satisfaction. In this regard, we encourage you to discuss with us at any time questions you have or problems you perceive.

Generally, our method of computing the fees for legal services rendered for particular client matters is to record in one tenth increments the time spent by each person performing services on a daily basis and to total the time expended at the end of each month and agree to do so in this case. We understand that because of the receivership proceedings, LAHC must comply with applicable Louisiana law, regulations and procedures, including those of the Louisiana Department of Insurance Conservation and Receivership Billing, Travel & Business Expense Policy and Procedures in such matters and thus we agreed to comply with those guidelines and any and all applicable laws, regulations, billing policies and guidelines. We also agree to provide a written budget of anticipated expenses and to discuss and obtain approval for such expenses in advance of incurring them. We acknowledge receipt of the Department of Insurance Conservation and Receivership Billing, Travel & Business Expense Policy and Procedures billing guidelines attached as Exhibit A and agree to adhere to same.

WPTC reserves the right to suspend or terminate any work in progress and to withdraw from this representation and any other representation by WPTC in the event of non-payment of any amounts as outlined in this agreement, or in the event evidence is discovered which suggests that, in WPTC's judgment, claims against the Defendants are no longer viable. In the latter event, WPTC will relinquish any contingency fee interest in the claims against the Defendants.

Mr. Billy Bostick
December 15, 2015
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In addition to WPTC's right to withdraw from this representation at any time as set forth above, it is agreed that LAHC reserves the right to terminate this agreement at any time, provided that all accrued and approved fees and expenses have been paid. In addition, in the event of termination by LAHC, WPTC will still be entitled to its share of the contingency fee interest to the extent allowed by Louisiana law. WPTC understands that there is no personal liability for Receivers, agents, employees and LAHC attorneys and that payment to WPTC comes out of the LAHC assets only.

At LAHC's request, LAHC's papers and property will be returned to LAHC promptly. WPTC files, including, but not limited to, lawyer work product, pertaining to the matters undertaken herein will also be provided to LAHC; however, WPTC has the right to retain a copy of the WPTC files. These WPTC files include, but are not limited to, WPTC administrative records, time and expense reports, personnel and staffing materials, and credit and accounting records; and internal lawyers work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of WPTC lawyers. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such WPTC documents or other materials retained by WPTC unless we receive a request from you to return them within a reasonable time after the engagement is terminated or otherwise concluded. WPTC agrees to provide LAHC with electronic copies of the entire WPTC file in this matter at the conclusion of WPTC's representation of LAHC under this agreement.

By signing below, LAHC and WPTC are both expressly agreeing that any dispute or claim between LAHC and WPTC arising in any way from and/or relating to the work done or in any way related to this Agreement and/or to any services previously and/or hereafter provided by WPTC to and/or on behalf of LAHC will be resolved in the LAHC receivership proceeding in the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana, referenced above. These disputes include but are not limited to disputes regarding monthly invoices; contingent fee issues; expenses; and termination of services. The Louisiana State Bar Association investigates and prosecutes professional misconduct committed by Louisiana attorneys. If LAHC feels that WPTC has committed any professional misconduct, LAHC has the right to file any grievances with the Louisiana State Bar Association.

In the event that the contingency fee agreement between LAHC and WPTC, as set forth herein, is declared invalid or unenforceable according to a final, non-appealable judgment rendered by a court having jurisdiction over this issue, then WPTC shall be paid five hundred dollars (\$500.00) per hour for all legal services rendered by WPTC on behalf of LAHC; and all Litigation Expenses, as defined herein, advanced by WPTC on behalf of LAHC shall be reimbursed by LAHC in full.

All prior agreements between LAHC and WPTC are terminated upon approval of this agreement by the LAHC Receivership court. LAHC agrees that LAHC has had separate and independent counsel who has represented LAHC regarding this agreement. LAHC has not looked to WPTC for advice or counsel in connection with this agreement.

Mr. Billy Bostick
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Once executed by all of the parties and approved by the Receivership court, this agreement will replace any prior agreement(s) between LAHC and WPTC. The parties will work together and use their best efforts to seek and obtain court approval of this agreement as soon as possible. Upon court approval, the effective date of this agreement will be November 25, 2015.

Enclosed with this letter is a copy of the WPTC Privacy Policy Notice to the extent required by Louisiana law.

WPTC is extremely pleased to have the opportunity to work with LAHC in connection with the above-referenced matter. If this letter accurately reflects our agreement, please return a signed copy of this agreement to us at your earliest convenience so that we may avoid any delay in further acting on your behalf.

Sincerely,



By:

J. E. Cullens, Jr.
Walters, Papillion, Thomas, Cullens, LLC
12345 Perkins Road, Building One
Baton Rouge, LA 70810

Agreed to and accepted this 15th day of December, 2015. I further confirm that I am fully authorized to execute this agreement in the capacity shown below.

Louisiana Health Cooperative, Inc. in Rehabilitation

BY: 

Billy Bostick, Receiver



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

Office of the Commissioner

Conservation and Receivership Billing, Travel & Business Expense

Policy and Procedures

General and Specific Guidelines

Effective September 1, 2015

Definitions

"C/R" shall mean Conservator or Conservatorship and/or Receiver or Receivership as the context may require.

Policy

It is the policy of the Office of the Commissioner, Louisiana Department of Insurance (OTC), to approve reimbursements to the C/R for all fees and reasonable expenses incurred while transacting authorized business on behalf of the C/R. Fees and business related expenses shall be consistent with the business objectives of the C/R and must be authorized by the C/R and that authorization must be documented. The OTC shall inform the C/R of the guidelines as well as monitor and enforce the guidelines. The C/R shall inform all consultants of the guidelines as well as monitor and enforce the guidelines. This policy shall be incorporated by reference into each C/R's contract and into each consultant's contract. Throughout this Policy, the C/R's designated approver shall be the Receivership Supervisor or the Chief Deputy Commissioner (RS/CDC), OTC. The designated approver for all consultants shall be the C/R. While approval is required of the OTC, all payment of fees and reasonable expenses will be paid from the receivership estate.

General Guidelines - Expenses

Expense Reimbursement - General

Direct charges incurred by the C/R are not permitted to be made by hotels, restaurants, car rental agencies or airlines. When a group of consultants is traveling together, expenses for each consultant must be itemized separately and reimbursement is to be applied for separately. One consultant may not apply for reimbursement of group meals and other similar charges. Reimbursable expenses must meet the guidelines of this policy. If these guidelines are silent as to a specific expense, advance approval for such expense shall be obtained from the designated approver.

For all expenses, including meal expenses the following information should be provided:

- Who (employee/consultant name, title, and business association)
- What (airfare, meals, mileage, etc.)
- When (date expense incurred)
- Why (business purpose and estate name if appropriate)
- Where (location where expenditure took place)

When more than one person is present at meals, all names and business associations must be listed. An electronic copy of the original receipts for all requested reimbursements must be attached. It is also recommended that a C/R or consultant keep identical copies for their own records.

Mileage/travel credits are generally offered by airlines, hotels, restaurants, and auto rental agencies. It is the OTC's policy to allow the C/R and consultants to keep these credits for their personal use. However, to contain costs, it remains the responsibility of the C/R and consultants to make travel arrangements that are comparable in service and afford the C/R and consultants the most economical fares and rates available. A C/R or consultant will not be allowed to accumulate travel credits at an increased cost to the C/R.

Effective September 1, 2015

Cash Advances

Cash advances for travel shall not be provided to a C/R or a consultant under any circumstances without the express written permission of the RS/CDC.

Travel Time

Only one half (½) of the hourly fee will be paid for travel time.

Business - Personal Travel

Business travel combined with personal travel must be preapproved by the designated approver and the C/R and/or consultant must provide written evidence of what the cost (lowest convenient flight available) would have been without personal travel. Any savings achieved by personal travel combined with business travel may not be used to cover additional costs incurred by personal travel. C/R's and consultants are responsible for any costs related to personal travel. C/R's and/or consultants choosing to use personal modes of travel between cities serviced by regularly scheduled airlines will be reimbursed at the lesser of actual expenses or the least expensive airfare available at time of booking.

Trip Cancellation

Charges resulting from business trips cancelled for personal reasons will not be reimbursed. Charges resulting from business trips cancelled for valid business purposes will be reimbursed. Reimbursement for such requests is at the discretion of the RS/CDC.

A C/R or consultant shall cancel all guaranteed lodging in the event of a change in travel plans. Guaranteed room penalty charges incurred due to the improper cancellation of reservations will be the responsibility of the C/R or consultant and will not be reimbursed.

Home Visits

A C/R or consultant on an extended business trip for the benefit of the C/R involving consecutive weekends away from home may be reimbursed for travel to their home location (home visits) every other weekend. The designated approver may allow home visits on consecutive weekends if the cost of returning is less

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than the cost to remain at the jobsite. The designated approver may approve travel to a location other than the C/R or consultant's home location if the cost of the trip is less than the cost of returning to the home location. No travel to an international location will be approved for reimbursement as a "home visit" regardless of the cost associated with such trip. The designated approver may approve "home visits" at other intervals if the traveler's unusual or exceptional personal circumstances are deemed to warrant a departure from this policy.

Air Travel

Reimbursement of airfare will only be for coach and economy fares. Advance purchase fares will be obtained where practical. Higher fares and additional fees shall not be reimbursed for purposes of obtaining better seats, priority boarding or upgrades to premium cabins. Reimbursement for international travel or any single round trip destination flight over \$1,000 will require prior approval of the RS/CDC.

Ground Transportation

All reasonable and necessary taxi, bus, and shuttle expenses will be reimbursed. Travelers will be required to determine the most reasonable and economical form of transportation considering the length of stay and geographical area.

Car Rental

If a rental car is required, the additional insurance options will not be reimbursed. A C/R or consultant on C/R business shall decline collision damage waiver or similar options. A C/R or consultant's own insurance policy must provide coverage in the event of an accident while traveling on C/R business. When car rental is necessary, a C/R or consultant must use compact or mid-sized automobiles. When two or more people are traveling together to a single destination, reasonable efforts should be made to coordinate travel times so that a rental car can be shared. When three or more persons are traveling together, rental of a full-sized rental car is permissible. Cars should be refueled prior to being returned to avoid a fuel surcharge. Charges for refueling by the rental care agencies are not reimbursable unless a sufficient reason for not refueling can be given. In the event of a rental car accident, travelers must file an accident report

Effective September 1, 2015

and a police report with the rental agency and provide a certificate of insurance reflecting their own contact information and insurance coverage. A C/R or consultant must carry proof of Insurance at all times when travelling on C/R business and provide a copy of same to the designated approver. A C/R or consultant must also obtain the other party's name, address, city, state and zip code, insurance carrier, policy number and make of car and provide a copy of this information to the designated approver.

Personal Vehicle:

Mileage reimbursement is available for a C/R or consultant only if approved in advance by the designated approver.

Mileage reimbursement rate for actual mileage driven while on C/R business will be the allowed Internal Revenue Service Standard Mileage Rate in effect at the time of travel. All reasonable tolls and parking fees will be reimbursed. A C/R or consultant will assume the responsibility for all parking and traffic fines whether in a personal vehicle or in a rental vehicle.

Mileage from a C/R or consultant's home to the C/R or consultant's regular assigned work location is not reimbursable unless that consultant resides more than 50 miles from the primary location of the C/R or consultant's assigned work location and the reimbursement is approved by the designated approver in advance of incurring the expense.

Parking:

Short-term parking at an airport should be avoided in favor of long-term parking options. While there may be times when short-term parking is unavoidable, reimbursement may be limited to the long-term rate for periods in excess of three (3) days. Valet hotel parking is not reimbursable when a self-park option is available.

Lodging:

Lodging will not be reimbursed unless travel to the worksite is more than 70 miles from a C/R or consultant's home and the reimbursement is approved by the designated approver in advance of incurring the expense. A C/R or consultant

Effective September 1, 2015

should have made every effort to reserve moderately priced rooms at corporate rates for standard accommodations. Charges for room upgrades will not be reimbursed. A C/R or consultant that stays with friends or relatives on business trips will not be reimbursed for lodging expenses. The cost of movies in a hotel will be considered personal and not reimbursable. All charges for a hotel minibar are considered personal and will not be reimbursed. In lieu of provision of electronic receipts for lodging, travelers may be reimbursed at the Per Diem Rates for lodging provided by the U.S. General Services Administration. Rates are updated periodically and are currently at this website: <http://www.gsa.gov/portal/category/104711>. Rules associated with claiming lodging per diem's under this option are on the U.S. General Services Administration website and are incorporated herein by reference.

Meals:

A C/R or consultant will be reimbursed for reasonable and customary meal expenses while traveling on C/R business. A C/R or consultant will be required to determine what are reasonable meal expenses based on the geographic area in which they are traveling. Meals are not reimbursed if no overnight travel is associated with such meal. As a general rule, business meal expenses must not exceed the Per Diem Rates for Meals and Incidentals provided by the U.S. General Services Administration at this website: <http://www.gsa.gov/portal/category/104711>, without prior approval of the designated approver. In lieu of provision of electronic receipts for meals, the C/R or consultant may be reimbursed at the Per Diem Rates for Meals and Incidentals noted above. Rules associated with claiming meals and incidental per diem's under this option are on the U.S. General Services Administration website and are incorporated herein by reference. If this option is selected no additional incidental charges will be allowed. If meals are claimed at actual cost, receipts must support amounts claimed. Charges for alcohol will not be reimbursed.

Costs associated with guests at meals who are not present for the benefit of the C/R will not be reimbursed.

Effective September 1, 2015

Miscellaneous Reimbursements

Other reimbursable expenses related to travel by a C/R or consultant may include the following:

- Tips - Reasonable and customary tips not exceeding 15-20% for restaurant meals and 10-15% for taxi cab. Note: if the Per Diem Rate for Meals and Incidentals option is selected, these tips will not be reimbursed.
- Courier, Express Mail, postage, and copying charges for business-related communication
- Office supplies under \$100
- Seminars and conference fees - to be pre-approved by designated approver
- Professional memberships – to be pre-approved by designated approver
- Publications – to be pre-approved by designated approver
- Electronics and software charges under \$1000 – to be pre-approved by designated approver

Non-Reimbursable Expenses

Non-reimbursable expenses related to travel by C/R or consultant include the following:

- Credit card interest and late fee charges
- Traffic or parking fines
- Luggage
- “No-show” charges for reservations
- Gifts
- Alcohol

Weekend Travel

Where appropriate, a C/R or consultant may be reimbursed for weekend hotel and meal expenses for business travel related to and for the benefit of the C/R. The criteria for this type of reimbursement is as follows:

- Extended business travel to include a Saturday night stay results in a reduction in airfare from the normal rate.

Effective September 1, 2015

- The sum of the reduced airfare plus weekend hotel and meal expenses does not exceed the normal airfare.

Reimbursement for weekend travel requires the designated approver's written approval prior to the business trip.

Exceptions to Policy

Any exceptions to this policy must be approved in writing by the RS/CDC.

Guidelines - Billing for Services

General

Generally, rates, frequency of invoices, submission of invoices, terms and conditions and definitions are included in the contract for services and are not repeated in these billing guidelines. This guideline is provided for administrative clarity and is designed to support the objectives of the contract. The terms of the contract are included herein by reference.

For a C/R, no invoices will be accepted until a contract in a format that has been approved by the RS/CDC has been executed. For consultants, no invoices will be accepted until a contract in a format that has been approved by the C/R has been executed. If any provisions of this guideline are in conflict with any provision of the contract, the provisions of the contract shall prevail.

Prior to payment, all invoices for services must be reviewed and approved by the designated approver and must comply with all terms of the contract entered into by the C/R or consultant.

The Company in Conservation or Receivership will solely be responsible for payment of invoices submitted by the C/R or by consultants.

Invoices for contractors/consultants singularly, or collectively within a 12 month period, that exceed \$5,000 must be approved by the RS/CDC and then by the C/R's appointed judge of the 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana (19th JDC) prior to becoming effective. Submissions to the 19th JDC must be filed by the assigned Assistant Attorney General or by the appointed receivership counsel. Invoices for operating expense and maintenance whether routine or ad hoc are not covered under this policy. Such expenses are

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considered in the normal course of business and only require the prior approval of the C/R.

Only reasonable and necessary services will be billed to the C/R. Services which the designated approver has not authorized will not be paid.

Services attendant to the C/R or consultant's effort must be consistent with expected benefits and objectives of the C/R. Services billed for corrections of errors due to the negligence of the C/R or consultant will not be reimbursed.

Services billed at rates in excess of the rates included in the C/R's or consultant's contract will be reduced to the rate in the contract.

Services that have not yet been rendered may not be included in invoices, i.e. no advance billings will be accepted.

Hours expended for continuing education and training will not be reimbursed unless such training is for the exclusive benefit of the C/R. Example of training for the exclusive benefit of the C/R: training on use of the C/R's unique claims handling or accounting system.

All hours billed shall only be for contracted consultants and/or the C/R. Individuals who are not covered under a consultant or C/R's contract shall not be included in the invoice.

Billing Format

Each invoice shall relate solely to the current billing period which shall be one month unless alternate period is expressly agreed upon by the designated approver. Unpaid balances from a prior billing cycle shall not be included on the current invoice. Invoices presented with prior unpaid balances will be rejected in their entirety. Invoices may be submitted to the RS/CDC via, email or US Postal Service. Each invoice shall contain all of the following elements and be presented in a format agreed upon by the designated approver:

- A place for the designated approver to sign and date such approval
- The C/R estate for which the invoice pertains
- An invoice summary page containing the following:
 - The billing period covered consistent with the billing cycle in the contract

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- The name of all individuals providing services
- The number of hours claimed at rates consistent with the contract
- The total dollars associated with hours claimed
- Total expenses associated with each person on the invoice (note: pertains to travel expenses only)
- Total expenses that are not travel related
- Detailed support for the hours claimed contain the following:
 - Description of services provided and amount of time claimed for each described service
 - At a minimum there must be separate descriptions in a summary format for each day worked
- Detailed support for expenses claimed that contain the following:
 - Copy of receipts and description for all items of any amount, unless
 - Expense claimed is for a lodging per diem described in the above expense guideline
 - Expense is for meals and incidentals per diem described in the above expense guideline
 - Business purpose if not reasonably discernable from the description
- C/R or consultant must certify that they have personally reviewed each invoice and that the charges reflected thereon were accurately computed, substantiated where required and only for necessary services and expenses consistent with the scope of your engagement and authority. A C/R or consultant shall also certify that the invoice reflects only charges conforming to this billing policy. An Affidavit reflecting the aforementioned shall be signed and dated but need not be notarized.

Billing Records

A C/R or consultant shall maintain for a period of five (5) years from the date of each billing receipts or evidence of payment of billed time and expenses, daily time sheets, financial statements and other internal billing support relating to the C/R. C/R and consultant agree that the LDI or their designee may review any or all of these items from time to time in order to establish compliance with this policy and guidelines.

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Confidential, Privileged and/or Private Information

C/R and consultant agree that individually identifiable private information shall not be included in invoices or in any description of services rendered. For purposes of this guideline, individually identifiable private information includes information, including demographic data that relates to:

- the individual's past, present or future physical or mental health or condition,
- the provision of health care to the individual, or
- the past, present, or future payment for the provision of health care to the individual, and that identifies the individual or for which there is a reasonable basis to believe it can be used to identify the individual.

C/R and consultant agree that confidential information shall not be included in invoices or in any description of services rendered. For purposes of this guideline, confidential information means:

- any information whose disclosure could reasonably be assumed to harm another party,
- any information the discloser has reason to believe is proprietary or confidential,
- any information that enjoys protection pursuant to the privilege afforded between an attorney and their client, and
- any information that discloses business operations or strategies of the C/R that if known by the public could reasonably be assumed would damage the C/R.

Approved:  Receivership Supervisor or Chief of Staff

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Confidentiality

All employees and contractors of Walters, Papillion, Thomas, Cullens, LLC (WPTC) must always remember that the matters handled and discussed on a daily basis are strictly confidential. The Louisiana Rules of Professional Conduct, Rule 1.6 provides that a lawyer shall not reveal information relating to the representation of a client. Rule 5.3 provides that this confidentiality obligation is applicable to non-lawyers who have access to client information as well.

Any and all matters pertaining to clients must never be discussed with ANY person outside of the firm. This includes private discussions with your friends, spouses, children and other relatives. Additionally, matters pertaining to clients should not be discussed with others at work unless a work related reason exists for doing so.

This rule applies to ALL communications from and concerning the client, including both oral and written communications, including letters, faxes, emails, voice mail messages and any form of social networking (Facebook, Twitter, etc). The rule also applies to ALL clients, whether they are individuals or entities.

This confidentiality rule applies not only to matters communicated in confidence by the client but also to all information relating to the representation, whatever its source. This means that all information that you may become aware of regarding clients, no matter how miniscule or seemingly unimportant, must not be revealed or disclosed to anyone. This would include the client's name, the facts of the case, financial information and any other information regarding the client or obtained from the client.

Additionally, although you may hear certain information from an independent source, this does not mean that the information concerning the client should not still be considered confidential. Even if you hear certain information on the news or through any other source, it should still be considered confidential and not discussed with anyone outside of your office responsibilities.

The confidentiality rule also applies to disclosures that may not specifically reveal protected information but could reasonably lead to the discovery of such information. For example, do not use a hypothetical to discuss client information with others as this type of conversation could lead to the disclosure of confidential information.

This duty of confidentiality continues after the client-lawyer relationship has terminated. Therefore, even though the person or entity is no longer a client of the firm, all information pertaining to that client is still confidential and must not be discussed or disclosed.

The obligations and responsibilities described in this policy also continue even after your employment with WPTC ends.

In addition, absolute discretion is required in all matters dealing with the internal workings of the firm. The way we conduct our internal business such as hiring, compensation, purchasing, work assignments, filing, computer use, and billing is proprietary and confidential to WPTC and should not be discussed or otherwise disclosed. Further, any information, content, software and

Excerpt from WPTC Employment Policy dated March 2012

materials contained on any firm computer and/or the firm's computer system is subject to the confidentiality obligation and is also governed by the firm's computer use policy.

Conflict of Interest

At times you may discover that you have some type of business or personal relationship with one of our clients, an opposing counsel, or opposing party. If the firm's attorney(s) representing our client is unaware of your relationship, you should *immediately* disclose such relationship. This is necessary to determine if an actual or potential conflict exists.

Computer Usage

This policy sets forth some important guidelines and restrictions about the use of the Firm's access to the Internet and other computer usage. At this time, desktop and other access to the Internet is restricted to attorneys, paralegals, and secretaries who have had access requested by their attorney for legitimate business purposes.

The Firm has provided access to the Internet for authorized users to support the business purposes of the Firm. No use of the Internet or other information obtained through the use of any electronic database available through the Firm should conflict with the primary business purpose of the Firm or with applicable laws and regulations, including but not limited to, use that would constitute invasion of privacy rights. As a condition of continued employment, each user is personally responsible for ensuring that these guidelines are followed.

The Internet and Email must not be used to access, create, transmit, print or download material that is derogatory, defamatory, obscene, or offensive, such as slurs, epithets, or anything that may be construed as harassment or disparagement based on race, color, national origin, sex, sexual orientation, age, disability, or religious or political beliefs or to access, send, receive, or solicit sexually-oriented messages or images. Further, you are prohibited from using the Internet or any firm computer or email account, to send or participate in chain letters, pyramid schemes or any schemes; to solicit or proselytize others for commercial purposes, causes, outside organizations, or other non-job-related purposes.

Employees are prohibited from using social networking to make statements or represent themselves as making statements on behalf of WPTC. Additionally, you may not publicly discuss clients, employees, or any work-related matters, whether confidential or not, outside company-authorized communications. Employees are expected to protect the privacy of WPTC, its employees and clients and any other proprietary and non-public information to which employees have access.

You may not be friends on Facebook or any other social network with any person or entity that is involved in pending litigation and whose interests are potentially adverse or opposed to those of any client represented by the firm. For example, if Jane Doe has been sued by our client, you may not be friends with Jane Doe on Facebook, as your status as friend may allow you to access confidential or private information or communications that would otherwise not be accessible by

Excerpt from WPTC Employment Policy dated March 2012

the firm. In the event that you learn that you are friends on Facebook or other social network with any person or entity involved in pending litigation, it is the policy of WPTC for you to first notify Colleen Milfelt so she can investigate the situation, consult with the attorneys in the firm, and determine the best way to proceed. Under no circumstances should any employee of the firm attempt to "friend" any person or entity whose interests are potentially adverse or opposed to those of any client represented by the firm for the purpose of discovering information regarding or investigate issues that may be relevant to the pending litigation. Under no circumstances should any business of any client or the firm be discussed on Facebook or any other social network for any reason.

You are cautioned that you have no expectation of privacy while using the Internet, any firm computer or email account. Your postings can be reviewed by anyone, including WPTC. WPTC reserves the right to monitor public comments or discussions about the company, its employees, clients and the industry, including products and competitors, posted on the Internet by anyone, including employees and non-employees. WPTC reserves the right to use content management tools to monitor, review or block content on company blogs that violate company blogging rules and guidelines.

Further, you are specifically prohibited from using the Internet to visit any chat rooms, transmit personal comments or statements through e-mail or to post information to newsgroups or Usenet that may be mistaken as the position of the Firm. You are also prohibited from disclosing confidential information.

Information regarding outside organizations; non-firm related causes; items for sale or purchase; and other non-job related matters may only be posted on the firm electronic bulletin board. Such postings must comply with this and all other firm policies. The firm may remove or prohibit such postings at any time within its sole discretion.

Downloading, posting, or disseminating copyrighted material available on the Internet without permission of the publisher is a violation of copyright law. For assistance with copyrighted material, please contact the attorney you represent, or another attorney at the firm.

Software should not be downloaded from the Internet or Email. Software located on the firm's computers is not to be copied or downloaded without permission from the attorney you represent, or another attorney at the firm. Written permission is required.

The Internet provides access to many research sites that charge a subscription or usage fee. In order for costs to be appropriately incurred on behalf of the Firm, the user must have prior written approval from the attorney they represent prior to incurring any such subscriptions or usage fees.

Again, the Firm may monitor all usage of the Internet, including its internet related phone system and voicemail, and all other use of the firm's computer system, including, without limitation, reviewing a list of any and all sites accessed by an individual and all E-mails or voicemails ever transmitted and/or received by any individual. You should have no expectation of privacy and

Excerpt from WPTC Employment Policy dated March 2012

the Firm may review any and all computer usage at anytime. In addition, the Firm may restrict access to certain Internet sites that it deems are not necessary for business purposes.

Any and all information, content, software and materials contained on any Firm computer is solely owned by the Firm, except to the extent that any such materials are licensed to the Firm by a third party vendor. Attorneys and employees are forbidden from taking any action that would be in violation of any standard license agreement for any software licensed to the Firm and contained on any Firm computer, including without limitation, making any unauthorized copies of any such software. Employees are prohibited from encrypting files on their computers or taking any steps that block access to files, other than the use of Firm passwords, or approved encryption programs.

You are prohibited from sharing your password with anyone other than IT support, or as directed to do so by the Firm.

If you have questions regarding any of the policy guidelines listed above, please contact your Business Manager, who will consult with the Partners.

Excerpt from WPTC Employment Policy dated March 2012