

NO. D1-GV-13-000384

STATE OF TEXAS	§	IN THE DISTRICT COURT OF
<i>Plaintiff,</i>	§	
	§	
v.	§	
	§	TRAVIS COUNTY, TEXAS
	§	
UNIVERSAL HMO OF TEXAS, INC.	§	
<i>Defendant</i>	§	345th JUDICIAL DISTRICT

VERIFIED APPLICATION TO TERMINATE RECEIVERSHIP AND DISCHARGE RECEIVER AND SPECIAL DEPUTY RECEIVER

TO THE HONORABLE JUDGE OF SAID COURT:

Prime Tempus, Inc. Special Deputy Receiver of Universal HMO of Texas, Inc. (the “SDR” and “Universal Texas”, respectively), files its *Verified Application to Terminate Receivership and Discharge Receiver and Special Deputy Receiver* (the “Application”).

RELIEF REQUESTED

1. On September 25, 2019 this Court entered its *Order Approving Application to Make Final Distribution* (“Distribution Order”). The SDR has completed the distribution of assets in accordance with the Distribution Order and submits this final accounting. The SDR requests that the Court terminate this proceeding and discharge the Texas Commissioner of Insurance (“Commissioner”) as Receiver of Universal Texas and Prime Tempus, Inc. as the Special Deputy Receiver of Universal Texas.

AUTHORITY

2. The SDR is authorized to file this Application pursuant to § 443.352 of the Texas Insurance Code (the “Code”). The *Order of Reference to Master* entered on May 22, 2013 refers

to the Special Master appointed in this proceeding any applications submitted to this Court to approve an action by the SDR, and any other specific questions referred by this Court.

FINANCIAL STATEMENTS

3. The following final financial statements are attached to this Application:

- (a) Balance Sheet (Statement of Net Assets and Net Liabilities), Exhibit A; and
- (b) Sources and Uses of Cash, Exhibit B.

EXPENSES

4. The Distribution Order approved a reserve of \$43,287 for the payment of administrative expenses incurred from June 1, 2019 through the termination of the receivership. The actual expenses incurred during this period were \$ 43,287. Attached as Exhibit C is the final statement of expenses submitted pursuant to § 443.015 of the Code.

DISTRIBUTION

5. In accordance with the Distribution Order, the SDR made a distribution of the sum of \$10,300,000 to the Class 11 equity interests, divided 25% / 75% between Soneet Kapila, the Liquidating Agent of Universal Health Care Group, Inc. (entitled to 25% of the distribution) and BankUnited, N.A., individually and as administrative agent for Capital Bank Financial Corporation, Mercantil Commerce Bank. N.A. n/kn/a Amerant Bank, Banco de Creditos e Inversiones Miami Branch and Israel Discount Bank (The Liquidating Agent and the banks shall be referred to as the “Shareholder Interests”), all as set forth in the *Shareholder, Special Deputy Receiver and BankUnited Agreement Regarding Universal HMO of Texas, Inc.* Further, the SDR delivered to counsel for the Shareholder Interests the assignment of other assets, including a recoverable from Medco, which has subsequently made a further distribution to the Shareholder Interests. The SDR anticipates making a final distribution of all remaining funds to the Shareholder

Interests after deduction of the closing budget, unclaimed property funds and other appropriate deductions. The SDR projects that this further and final distribution will be in the amount of \$ 31,786, and will be accomplished before the submission date of this Application.

UNCLAIMED FUNDS

6. There is a total of \$84,551.80 which represents unclaimed funds for which checks were issued and never cashed, or funds that could not be issued due to the identified payees' failure to respond to requests for required payment information. These sums thus remain unclaimed. The checks that were mailed were sent by first class mail to the last known address reflected in the SDR's records. Notices to payees and the checks were sent in envelopes that contained the SDR's mailing address as a return address. The SDR continuously monitored the mail for returned envelopes. In some instances, claimants were not sent checks because the address provided by the claimant was not current or otherwise incorrect. In these instances, the SDR team expended diligent effort to locate the payees, and in many cases was able to locate the payee(s) and distribute the funds. In some cases, though, funds remain unclaimed. The list of unclaimed distributions, including the amount of the distribution, the claim number and the date is submitted as Exhibit D. As the payees include individuals, the names of the payees are redacted. The SDR has delivered an unredacted version of Exhibit D to the Receiver. The SDR delivered the unclaimed funds to the Commissioner. Section 443.304 of the Code provides that these funds shall be placed in a segregated account held by the Commissioner.

FEDERAL INCOME TAX RETURNS

7. Universal Texas is part of a consolidated group for tax return purposes. No federal taxes are believed to be owed by the receivership estate.

CHARTER

8. The SDR requests that this Court dissolve the charter of Universal Texas pursuant to § 443.153(e)(1) of the Code.

ASSIGNMENTS

9. The Distribution Order authorized the SDR to assign remaining assets and intangible rights defined in the assignment previously approved by this Court. This assignment has been delivered to the attorneys for the Shareholder Interests, whom has since the entry of the Distribution Order already collected further funds via their assignment, thus increasing their total distributions.

RECORDS

10. The Distribution Order authorized the SDR to destroy certain records of Universal Texas that were no longer required for the administration of the receivership. A few records have been provided to the attorneys for the Shareholder Interests or their designee(s). The remaining records of Universal Texas have been transferred to the Commissioner, and the Court is requested to order that the Commissioner may dispose of any or all such records at his discretion.

TERMINATION AND DISCHARGE

11. The SDR requests that this Court issue an order terminating the receivership estate and discharging the Receiver and the SDR.

OFFER OF PROOF

12. The attached Affidavit of Craig A. Koenig supports this application. This application contains a certification pursuant § 443.017 of the Code, authenticating Exhibits A through D, which are incorporated herein by reference.

WHEREFORE, the SDR requests that this Court grant this Application and enter an order:

- a) Granting the Application in all respects;
- b) Approving the transfer of the unclaimed distributions shown on Exhibit D to the Commissioner;
- c) Authorizing the Commissioner to destroy the remaining records of Universal HMO of Texas, Inc. at the Commissioner's discretion;
- d) Dissolving the charter of Universal Texas;
- e) Discharging the Receiver and the SDR;
- f) Terminating this proceeding; and,
- g) Granting the Receiver and the SDR other relief to which they may be entitled.

Respectfully submitted,

WISENER, NUNNALLY ROTH, LLP

By:  _____

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ATTORNEY FOR THE
SPECIAL DEPUTY RECEIVER

Certificate of Service

I hereby certify that a true and correct copy of the foregoing document has been served on the following interested parties in accordance with Tex. Ins. Code §443.007(d) and the Rehabilitation Order this the 31st day of December, 2019.

Mr. Tom Collins, Receivership Master
by serving his Docket Clerk
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specialmasterclerk@tdi.texas.gov

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Soneet R. Kapila, Ch. 11 Trustee
c/o Lori Vaughan, Esq.
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/s/Michael C. Roth
Michael C. Roth

VERIFICATION

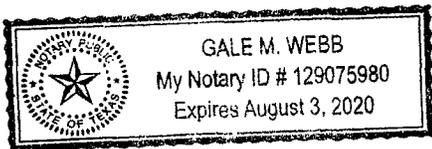
STATE OF TEXAS §
 §
COUNTY OF HAYS §

On this day, Craig A. Koenig, being duly identified to me, appeared before me, the undersigned Notary Public and, after first being duly sworn by me, stated that:

1. I am the President of Prime Tempus, Inc., Special Deputy Receiver of Universal HMO of Texas, Inc. I am duly authorized to make this verification and makes this verification on behalf of Prime Tempus, Inc., Special Deputy of Universal HMO of Texas, Inc.
2. I read the foregoing Verified Application to Terminate Receivership and Discharge Receiver and Special Deputy Receiver, and those allegations are within my personal knowledge, and are true and correct except as to Paragraph 7. As to Paragraph 7, I am informed by the Receiver that these allegations are true and correct and base upon this information and belief make this affidavit. Pursuant to Texas Insurance Code Section 443.17, I certify that Exhibits A through D constitute records of the receivership of Universal HMO of Texas, Inc., and are true and correct copies of records maintained by the Special Deputy Receiver on behalf of the Receiver's office.
3. I recommend and request that the Court issue this order.

S. Koenig
Craig A. Koenig, President,
on behalf of Prime Tempus, Inc.

SUBSCRIBED AND SWORN TO before me on the 30th day of December, 2019.



Gale M. Webb
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS.

Universal HMO of Texas, Inc.
Statement of Net Assets
As of December 4, 2019

EXHIBIT A

Cash		
1	Cash	
	Cash - Unrestricted	0
	APF Funds (Loan proceeds)	
Investments		
2	Short-Term Investments	
3	Bonds	
4	Stocks - Preferred & Common	
5	Investments in Subsidiaries, Controlled or Affiliated Entities	
6	Mortgage Loans	
7	Real Estate	
8	Policy Loans	
9	Other Invested Assets	
Restricted Assets		
10	Statutory Deposits	
11	Funds held by or deposited with Reinsured Companies	
12	Restricted Cash	
	Funds Held for Texas Abandoned Property Fund	0
	Funds Held for Pre Receivership Outstanding Checks for Escheat	0
Reinsurance Receivable		
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)	
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)	
15	Reinsurance Recoverables on UEP & Contingent Commissions	
Other Receivables		
16	Salvage & Subrogation Recoveries	
17	Premiums Due from Agents & Policyholders	
18	Receivable from Parents, Subsidiaries & Affiliates	
19	Receivable from Guaranty Associations - Early Access Payments	
20	Other Receivables	0
Other Assets		
21	FF&E	
22	Other Assets	
	Total Assets	0

Universal HMO of Texas, Inc.
Statement of Net Liabilities
As of December 4, 2019

EXHIBIT A

1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
Administrative Claims - Class 1		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	0
	Liquidation Oversight	0
	Special Master's Fees	0
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
Policy Claims - Class 2		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	0
9	LAE - Other	
10	Unearned & Advance Premium Claims - GA	
11	Unearned & Advance Premium Claims - Other	
Other Liabilities		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	
15	Class 5 Reinsurance Related Unsecured Claims	
16	Class 6 Claims	
17	Class 7 Claims	
18	Class 8 Claims	
19	Class 9 Claims	
20	Class 10 Interest	0
21	Class 11 Claims	0
22	Other Liabilities	
	Escheat Liability	0
	Abandoned Property Liability	0
	Total Liabilities	0
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	0
	Total Liabilities & Equity	0

**Universal HMO of Texas, Inc.
Sources & Uses of Cash
EXHIBIT B**

Inception to Closing of Receivership

Income

Premium Receipts	7,311
Salvage & Subrogation Recoveries	26,530
Other Receipts	6,818,024
Investment Sales/Receipts	95,909
Other Asset Receipts	1,505,000
Total Receipts from Assets/Receivables	8,452,774
Interest & Dividend Receipts, EA Interest	59
Cash Deposit Interest	623,545
Total Cash Receipts	9,076,378

Disbursements

SDR Fees & Expenses	557,961
Subcontractor Legal Fees & Expenses	434,799
Subcontractor Other Fees & Expenses	1,513,466
Non-Subcontractor Fees & Expenses	269,309
Other Expenses	717,817
RLO Fees & Expenses	204,942
Total Disbursements for Operations	3,698,294
Loss Claims & LAE Expense Payments	9,922,583
Class 11 Distributions	10,331,786
Abandoned Property Fund Distribution	84,552
Refunds & Other Distributions	87,662
Restriction on Cash for Class 2 Claim-Payee Not located	0
Total Cash Distributions	20,426,583
Total Cash Disbursements & Distributions	24,124,877
APF Loan Proceeds (Repayment)	0
Net Increase(Decrease) in Cash	(15,048,499)
Cash at Beginning of Period	15,048,499
Cash at End of Period	0

Universal HMO of Texas, Inc.	
Final Statement of Expenses	
EXHIBIT C	
	TOTAL
SDR Fees	
Administration	15,064
Accounting	3,254
Expenses	158
Claims	1,768
	20,244
General Admin Expenses	
Bank Charges, Wiring Fees & Treasury Account	901
Records Storage and Disposal	614
IT/Computer Expense	66
Liquidation Oversight Allocated Expenses	841
	2,422
Subcontractor Fees & Expenses	
Accounting Fees	4,919
Accounting Expenses	17
Claims Services-Griffin	3,300
Legal Fees	10,402
Legal Expenses	902
	19,540
Other Fees & Expenses	
Records Storage by Commissioner	972
Special Master Fees	110
	1,082
Total Final Expenses	43,287

Universal HMO of Texas, Inc.
 Schedule of Outstanding Checks/Funds to Remit to Abandoned Property Fund
 EXHIBIT D

Date of Original Check	Check Number	POC number(s)	Claim Class	Amount
4/12/2017	26319	505	2	2,222.91
4/12/2017	26295	107	2	1,313.54
4/12/2017	23616	52	2	770.80
4/12/2017	26098	1608	2	586.50
4/12/2017	26380	766, 1023	2	427.23
4/12/2017	26137	1703	2	255.35
4/12/2017	26298	752	2	136.38
4/12/2017	26554	231, 232, 234	2	799.72
*	*	1931	2	26,141.21
**	**	1	10	4,441.48
**	**	12	10	2,927.46
**	**	16	10	55.52
**	**	17	10	16.52
**	**	24	10	17.46
**	**	42	10	36.35
**	**	52	10	184.36
**	**	107	10	314.17
**	**	113	10	53.60
**	**	114	10	503.04
**	**	220	10	28.40
**	**	238	10	88.94
**	**	278	10	392.91
**	**	292	10	405.41
**	**	297	10	608.16
**	**	302	10	230.33
**	**	306	10	37.47
**	**	328	10	38.29
**	**	354	10	211.62
**	**	355	10	51.48
**	**	505	10	531.67
**	**	516	10	17.13

Universal HMO of Texas, Inc.
Schedule of Outstanding Checks/Funds to Remit to Abandoned Property Fund
EXHIBIT D

Date of Original Check	Check Number	POC number(s)	Claim Class	Amount
**	**	553	10	2.65
**	**	587	10	1,547.34
**	**	616	10	29.06
**	**	625	10	216.06
**	**	731	10	24.29
**	**	742	10	18.39
**	**	745	10	7.80
**	**	752	10	32.62
**	**	753	10	59.79
**	**	761	10	25.92
**	**	872	10	66.11
**	**	873	10	78.01
**	**	899	10	38.78
**	**	912	10	16.52
**	**	1031	10	145.42
**	**	1037	10	37.84
**	**	1043	10	381.19
**	**	1044	10	334.54
**	**	1058	10	478.49
**	**	1102	10	16.52
**	**	1105	10	34.28
**	**	1117	10	565.78
**	**	1248	10	717.21
**	**	1251	10	297.40
**	**	1258	10	37.47
**	**	1264	10	92.43
**	**	1288	10	6.63
**	**	1313	10	22.89
**	**	1315	10	417.62
**	**	1320	10	221.73
**	**	1348	10	59.15

Universal HMO of Texas, Inc.
Schedule of Outstanding Checks/Funds to Remit to Abandoned Property Fund
EXHIBIT D

Date of Original Check	Check Number	POC number(s)	Claim Class	Amount
**	**	1362	10	16.52
**	**	1368	10	32.05
**	**	1435	10	43.35
**	**	1436	10	94.36
**	**	1470	10	2.65
**	**	1592	10	58.13
**	**	1608	10	140.28
**	**	1614	10	32.92
**	**	1623	10	44.39
**	**	1630	10	30.29
**	**	1671	10	80.92
**	**	1675	10	33.60
**	**	1697	10	96.49
**	**	1702	10	267.33
**	**	1703	10	61.07
**	**	1717	10	202.14
**	**	1718	10	25.63
**	**	1752	10	30.02
**	**	1794	10	405.50
**	**	1800	10	201.51
**	**	1804	10	75.36
**	**	1806	10	16.52
**	**	1822	10	129.51
**	**	1824	10	104.38
**	**	1854	10	28.35
**	**	1859	10	18.29
**	**	1875	10	681.65
**	**	1877	10	571.09
**	**	1878	10	526.41
**	**	1886	10	1,491.27
**	**	1900	10	39.76

Universal HMO of Texas, Inc.
 Schedule of Outstanding Checks/Funds to Remit to Abandoned Property Fund
 EXHIBIT D

Date of Original Check	Check Number	POC number(s)	Claim Class	Amount
**	**	1904	10	4,019.21
**	**	1905	10	1,357.29
**	**	1907	10	37.42
**	**	1966	10	21.94
**	**	2063	10	560.07
**	**	2067	10	132.51
**	**	2068	10	50.33
**	**	2070	10	5.71
**	**	2073	10	384.63
**	**	2076	10	111.53
**	**	2086	10	54.46
**	**	2098	10	327.63
**	**	2101	10	19.70
**	**	2110	10	20.39
**	**	2118	10	65.10
**	**	2017, 2018, 2019, 2021, 2023	10	242.95
**	**	1605, 1613	10	113.47
**	**	620, 2104	10	23.11
**	**	934, 1028, 1054, 1056, 1057, 1463	10	447.25
**	**	309, 310, 311, 312	10	200.03
**	**	1152, 1153, 1156	10	51.97
**	**	1465, 1467	10	147.38
**	**	1096, 1096	10	222.77
**	**	1624, 1625, 1626, 1627	10	102.48
**	**	568, 569, 570, 571	10	97.39
**	**	1916, 1918, 1919, 1920, 1921	10	237.87
**	**	1664, 1665, 1666	10	82.14
**	**	3	10	846.23
**	**	1964	10	204.94
**	**	1371, 1373	10	110.68
**	**	1216, 1218	10	282.82

Universal HMO of Texas, Inc.
Schedule of Outstanding Checks/Funds to Remit to Abandoned Property Fund
EXHIBIT D

Date of Original Check	Check Number	POC number(s)	Claim Class	Amount
Summary by Class				
			Class 2	32,653.64
			Class 10	51,898.16
			Totals by Class	84,551.80

* No Class 2 payment made as SDR staff was unable to
 locate appropriate entity for W-9 data and current
 ** No check date and check number as no check was issued because
 claimant did not respond to 3 notices advising of interest payments
 with request to submit current W-9