

IN THE DISTRICT COURT FOR OKLAHOMA COUNTY  
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT  
OKLAHOMA COUNTY, OKLA.

JUL 10 2003

PATRICIA PRESLEY, COURT CLERK  
by  
Deputy

**STATE OF OKLAHOMA, ex rel,  
CARROLL FISHER, Insurance Commissioner,**

Plaintiff,

v.

**AmCARE HEALTH PLANS OF OKLAHOMA,  
INC,**

Defendant.

Case No. CJ-2003-5311  
Hon. Nancy L. Coats

**AGREED ORDER APPOINTING RECEIVER  
AND PERMANENT INJUNCTION**

Now on this 8<sup>th</sup> day of July, 2003, there comes for hearing the June 26, 2003, Order Directing Insurer to Show Cause filed by Petitioner, Carroll Fisher, Insurance Commissioner, State of Oklahoma. The Insurance Commissioner appears by and through his counsel of record, George Phillips, General Counsel, Oklahoma Insurance Department. Respondent AmCare Health Plans of Oklahoma, Inc. ("AmCare"), appears through Billy Bostick of Bostick/Crawford Consulting Group, independent manager appointed by AmCare and designee responsible for its conclusion of business and wind down activities. Prior to appearance for hearing, the parties have met and reached an agreed resolution to the Insurance Commissioner's Application for Order Directing Insurer to Show Cause and for Injunctive Relief, said resolution being set forth in this Agreed Order Appointing Receiver and Permanent Injunction.

The Court, having examined the Application and the Order Directing Insurer to Show Cause, Allowing Injunctive Relief and Order for Hearing, having reviewed the evidence presented thus far, having heard the arguments, representations and/or agreements of the parties, and being well advised in the premises, finds as follows:

1. Carroll Fisher is the duly qualified and acting Insurance Commissioner for the State of Oklahoma, and as such is charged with the duty of administering and regulating the state's insurance industry. Pursuant to 36 O.S. § 1903, the Insurance Commissioner may appear in the District Court to make application for an order directing the insurer to show cause why an Order of Liquidation or Rehabilitation should not be entered and a Receiver appointed.

2. This Court has jurisdiction of this action pursuant to 36 O.S. § 1902(A).

3. Venue in this Court is appropriate pursuant to 36 O.S. § 1902(F).

4. AmCare is presently financially impaired and/or insolvent and has been denied renewal of its license to continue operations as a licensed health maintenance organization. AmCare's Officer(s) and Director(s) have previously submitted their resignation and an independent manager has been engaged for purposes of administering outstanding claims of AmCare and winding down the business.

5. AmCare's continued business activities and/or wind down activities include items which constitute "doing an insurance business in this state", including the continuation of health benefits and/or the administration, adjudication and payment of claims.

6. AmCare is potentially facing claims and lawsuits from creditors/claimants who have mutual competing interests in AmCare's remaining limited assets.

7. The unsupervised continuation of AmCare's business is hazardous to the public; to its members, subscribers, enrollees and providers; and/or to its other creditors. AmCare's assets should be gathered, accounted for and distributed pursuant to the procedure set forth in Article 19 of the Oklahoma Insurance Code, Title 36, Oklahoma Statutes.

8. AmCare has consented to the entry of this Order through a majority of its respective manager(s), director(s), stockholder(s), member(s) and/or subscriber(s), as applicable.

**IT IS THEREFORE ORDERED AND DECREED, AND THE PARTIES AGREE THAT:**

1. Carroll Fisher, Insurance Commissioner of the State of Oklahoma, is hereby appointed Receiver of AmCare Health Plans of Oklahoma, Inc., and directed to liquidate or rehabilitate said entity pursuant to the laws of the State of Oklahoma.

2. The Receiver is vested with all powers and authority, express or implied, under the provisions of 36 O.S. §§ 1901 *et seq.*, in order to liquidate or rehabilitate AmCare Health Plans of Oklahoma, Inc.

3. The Receiver shall forthwith take possession of the property of AmCare Health Plans of Oklahoma, Inc. and conduct its business until further order of the Court.

4. The Receiver is hereby vested by operation of law with the title to all of the property, contracts, and rights of action and all of the books and records of AmCare Health Plans of Oklahoma, Inc., wherever located, now or hereafter discovered, as of the date of this Order.

5. As Receiver, the Insurance Commissioner may appoint one or more assistant commissioners or receivers to act for him and may employ such counsel, clerks, and assistants as he deems necessary. The Insurance Commissioner's selection of Rhodes, Hieronymus, Jones, Tucker & Gable, PLLC, as counsel for Receiver is hereby approved. The compensation of the assistant commissioners or receivers, counsel, clerks, or deputies, and all expenses of taking possession of AmCare Health Plans of Oklahoma, Inc., and of conducting the proceedings shall be fixed by the Insurance Commissioner, as Receiver, subject to approval of this Court, and shall be paid out of the funds or assets of AmCare Health Plans of Oklahoma, Inc., as appropriate and approved by the Court. Within the limits of duties imposed upon them, any assistant commissioner or assistant receiver shall possess all of the powers given to and, in the exercise of

those powers shall be subject to all of the duties imposed upon, the Insurance Commissioner as Receiver with respect to these proceedings.

6. If any legal action is commenced against the Insurance Commissioner, assistant commissioners or receivers, retained counsel, deputies, or any of their employees or personnel, whether personally or in an official capacity, alleging property damage, property loss, personal injury, or other civil liability caused by or resulting from any alleged act, error, or omission of any such person, the Insurance Commissioner, assistant commissioners or receivers, deputies, retained counsel, or any of their employees or personnel shall be immune from liability and indemnified as defined by 36 O.S. § 1937.

7. Until further order of the Court, no obligation, claim or debt of AmCare Health Plans of Oklahoma, Inc., shall be paid except those which the Receiver deems to be necessary or appropriate to facilitate the taking of possession or commencement/furtherance of rehabilitation or liquidation. Except as provided above, no distribution of the property of AmCare Health Plans of Oklahoma, Inc. will be made without approval of the Court.

8. AmCare Health Plans of Oklahoma, Inc., and each of its respective officers, employees, directors, trustees, stockholders, shareholders, members, subscribers, agents, representatives, and all other persons, are hereby permanently enjoined and prohibited from transacting any further business of AmCare Health Plans of Oklahoma, Inc., and are further permanently enjoined and prohibited from transacting any further business of any of the respective companies, and are further permanently enjoined and prohibited from wasting, transferring, selling, concealing, destroying, disbursing, disposing of, or assigning any assets, contracts, causes of action, funds, records, correspondence, memoranda, or any other documents or other property of AmCare Health Plans of Oklahoma, Inc., or any of its respective affiliates.

9. AmCare Health Plans of Oklahoma, Inc., its respective officers, employees, directors, affiliates, trustees, stockholders, shareholders, members, subscribers, enrollees, providers, pharmacy benefits coordinators, medical benefits coordinators, insurers, reinsurers, agents, representatives, contractors, subcontractors and all other persons, are hereby directed to assign, transfer and deliver any amounts owed to and/or property of AmCare Health Plans of Oklahoma, Inc., to the Insurance Commissioner, as Receiver.

10. All persons and entities (including secured and unsecured creditors) are hereby enjoined and prohibited from wasting, transferring, selling, concealing, destroying, disbursing, disposing and assigning, in any manner, the assets and property of AmCare Health Plans of Oklahoma, Inc., and are further enjoined and prohibited from commencing or prosecuting any actions, obtaining any preferences, judgments, attachments, or other liens, or making any levy against AmCare Health Plans of Oklahoma, Inc.

11. Any amounts recovered or recoverable by the Insurance Commissioner from any provider, member, enrollee, subscriber, contractor, pharmacy benefits coordinator, reinsurer, stop loss carrier, or other insurer of AmCare Health Plans of Oklahoma, Inc., shall not be reduced as a result of this delinquency proceeding.

Signed this 8<sup>th</sup> day of July, 2003.

NANCY L. COATS

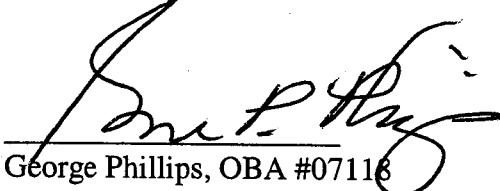
JUDGE OF THE DISTRICT COURT

I, PATRICIA PRESLEY, Court Clerk for Oklahoma County, Okla., hereby certify that the foregoing is a true, correct and complete copy of the instrument herewith set out as appears of record in the District Court Clerk's Office of Oklahoma County, Okla., this 8<sup>th</sup> day of July, 2003.

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By:  PATRICIA PRESLEY

APPROVED:



George Phillips, OBA #07118

Oklahoma Insurance Department

2401 NW 23<sup>rd</sup> St., Suite 308

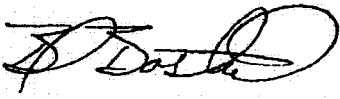
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*Attorney for State of Oklahoma, ex rel. Carroll Fisher, Insurance Commissioner*



AmCare Health Plans of Oklahoma, Inc.

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*Independent Manager of AmCare Health Plans of Oklahoma, Inc.*