

DEC 13 2024

RICK WARREN
COURT CLERK

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IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

STATE OF OKLAHOMA, ex rel.)
GLEN MULREADY, Insurance Commissioner,)

Plaintiff,)

v.)

SENIORSURE HEALTH PLANS, INC., a)
licensed special purpose captive insurer in)
the State of Oklahoma,)

Defendant.)

Case No. CJ-2017-3547

Judge Aletia Haynes Timmons

**RECEIVER'S FINAL RECOMMENDATION ON CLAIMS, MOTION TO
DISTRIBUTE ASSETS, CLOSE ESTATE AND REQUEST FOR DISCHARGE**

Glen Mulready, Insurance Commissioner, as Receiver (the "Receiver") for SeniorSure Health Plans, Inc. ("SeniorSure") hereby submits his Final Recommendation on Claims, Motion to Distribute Assets, Close Estate and Request for Discharge. In support of this Application, the Receiver states as follows:

BACKGROUND

1. On June 27, 2017, this Court placed SeniorSure in liquidation through its Order Placing Insurer into Receivership and Liquidation, Appointing Receiver, and for Permanent Injunction ("Liquidation Order"). The Receiver is charged with liquidating the receivership estate, marshaling the assets and collecting all monies due SeniorSure for the benefit of SeniorSure and its creditors.

2. On July 17, 2017, this Court entered its Order directing that any direct write policies issued by SeniorSure were terminated and the Receiver authorized to return the unearned portion of any premiums paid beyond June 30, 2017.

3. On August 24, 2017, this Court entered its Order Approving Receiver's Combined Application, therein approving the Receiver's proposed: (a) Notice of Liquidation of Insurer, Permanent Injunction and Deadline for Filing Proof of Claim; (b) Form of Proof of Claim and Instructions, and; (c) Form of Unconditional Assignment directing the Receiver to provide notice to potential claimants of record. The Court established October 27, 2017, as the claims filing deadline.

4. On December 27, 2017, the Receiver advised the court that the Notice of Liquidation of Insurer & Deadline to File Proof of Claim had been mailed to 135 current or potential claimants and 6 Proof of Claims had been timely filed.

5. On April 27, 2018, the Receiver filed the Report of Claims Evaluation and Request for Confirmation of Receiver's Recommendation. Since that time, two supplemental reports have been filed and all claims adjudicated except for 3.

6. Pursuant to 36 O.S. §1927.1, the Court has approved the Class 1 Administrative expenses of the receivership through June 30, 2024.

7. Pursuant to 36 O.S. §1927.1, the Court has previously approved the Assistant Receiver's recommendation for allowance of claims by class as follows:

Class 2: Administrative expenses of guaranty associations ("GA")	\$0.00
Class 3: Policy Claims including GA for payment of covered claims	\$0.00
Class 4: Claims of Federal Government not included in Class 3	\$0.00
Class 5: Debts due employees for work prior to liquidation order date	\$0.00
Class 6: Claims not specified elsewhere in the priority classes	\$118,025.00
Class 7: Claims for commissions and service fees	\$0.00
Class 8: Claims for surplus or contribution notes	\$0.00
Class 9: Claims of shareholders	\$0.00

8. Pursuant to 36 O.S. §1927.1, beginning with Class 1, the members of each class must be paid in full or adequate funds retained for such payment before any member of the

next class may receive payment.

9. The Receiver has submitted an affidavit for a federal release agreement with the United States Department of Justice releasing the Receiver from liability under the Federal Priority Statute, 31 U.S.C. §3713.

10. Except for a tax refund due from the Internal Revenue Service, the Assistant Receiver has marshaled and liquidated all assets and concluded all litigation.

11. The Receiver has borrowed \$85,000.00 from the funds held by Oklahoma Receivership Office, Inc. ("ORO") under 36 O.S. §1927.1 (c)(10) for the administration of liquidations of estates which do not have the financial capability to administer the liquidation.

12. The Receiver has faithfully and diligently completed the liquidation and performed the duties assigned to him by the Court's Orders and pursuant to the Oklahoma Uniform Insurers Liquidation Act, 36 O.S. §§1901 *et. seq.*, with the exception of certain ministerial tasks described below.

FINAL RECOMMENDATION ON CLAIMS

13. The Receiver requests the Court's approval and payment of the following fees, costs and other expenses related to the administration of the receivership estate.

a. **Ellingson & Associates, L.L.C.** – Darren Ellingson is a former Deputy Insurance Commissioner for the Oklahoma Insurance Department and a licensed attorney with extensive experience related to insurance liquidations. At the direction of the Oklahoma Insurance Commissioner, Ellingson provides general oversight and guidance for all insurance receiverships pending in the State of Oklahoma. Attached as **Exhibit 1** are copies of the invoices referenced below that detail the services of Ellingson & Associates, L.L.C. provided for the referenced periods and the Declaration page attesting to the billing statements.

Ellingson & Associates, L.L.C.	
<i>Billing Month</i>	<i>Amount</i>
October 2024	\$ 58.00
November 2024	\$157.00
TOTAL	\$215.00

b. Leonard, Long & Cassil, PLLC – Leonard, Long & Cassil, PLLC is a law firm that provides general legal services for the Receiver in relation to the Receiver’s administration of the Estate. Attached as **Exhibit 2** are copies of the invoices referenced below that detail the services of Leonard, Long & Cassil, PLLC provided and expenses incurred.

Leonard, Long & Cassil	
<i>Billing Month</i>	<i>Amount</i>
November 2024	\$62.50
TOTAL	\$62.50

14. The Receiver requests the Court’s approval of the Class 1 expenditures that have been incurred after June 30, 2024, for Expenses Allocated by the ORO of \$130.65 for direct general expenses and \$3,826.97 in General Expenses Allocated to the Estate through October 31, 2024 (**Exhibit 3**).

15. There are 3 proofs of claim for which the Receiver has not made a recommendation to the Court. As there are insufficient funds to repay the debt owed to the ORO, the Receiver is not presenting a recommendation on these proofs of claim.

POC 1009	\$25,000.00
POC 1010	\$4,359.64
POC 1011	\$1,398,210.49

APPROVAL OF POST-CLOSING TASKS

16. The ORO is a not-for-profit Oklahoma corporation. Its purpose is to assist the Oklahoma Insurance Commissioner, as Receiver of insurance companies subject to delinquency proceedings in Oklahoma. The ORO is a perpetual corporation whose existence is expected to continue after the closure and termination of this estate.

17. The ORO is designed for and is uniquely qualified to perform the post-closing ministerial tasks on behalf of the SeniorSure receivership estate, and it is in the best interest of the SeniorSure estate that the ORO perform the post-closing tasks.

18. Attached as **Exhibit 4** is a Closing Budget which details remaining administrative ministerial tasks necessary to conclude the SeniorSure receivership and an estimate of fees and expenses to be incurred post-closing. Included in this request are funds to be reserved pursuant to 36 O.S. §1937(B)(3) for future litigation, if any, of claims or lawsuits against the Receiver, Assistant Receiver, retained counsel or their employees. All reserved funds shall be held by the ORO and should any funds not be expended, the unused funds shall be distributed to the ORO in repayment of the loan.

19. The Receiver requests that the Court expressly authorizes and approves the performance of the ORO of Post-Closing Tasks.

APPLICATION FOR FINAL DISTRIBUTION

20. The SeniorSure receivership estate as of October 31, 2024, has current cash and cash equivalent assets net of disbursements approved by this Court subsequent to October 31, 2024, of \$14,149.91.

21. In addition, SeniorSure has a tax refund that has not been received from the Internal Revenue Service in the amount of \$40,600.

22. The Receiver requests that the Court approve a Class 1 distribution of \$9,000.00 to the ORO for the administration of post-closing tasks as shown in Exhibit 3.

23. As SeniorSure owes the ORO \$85,000 for funds borrowed under 36 O.S. §1927.1 (c)(10), no distribution will be made for Classes 2-10.

APPLICATION TO CLOSE ESTATE AND DISCHARGE RECEIVER

24. Having performed and completed his responsibilities as Receiver, the Receiver further requests that the Court's closing order discharge and release the Receiver, Assistant Receiver and all other agents of the Receiver from any responsibilities and liabilities in relation to SeniorSure effective upon the filing of a Post-Closing Report certifying that the Post-Closing Tasks have been completed without further notice, hearing or order of this Court.

25. The Receiver further requests that the Court enter an Order that confirms all injunctions and stays entered by the Court, including those in the Liquidation Order, permanently remain in full force and effect and that this Court retains exclusive jurisdiction of the enforcement thereof.

26. The Receiver further requests that the Court enter an Order that bars all claims against SeniorSure, the Receiver, Assistant Receiver, retained counsel and any other employee or personnel of the Receiver or Assistant Receiver.

REQUEST FOR RELIEF

Accordingly, the Receiver requests that the Court enter an Order:

- a. approving the Class 1 expenses incurred after June 30, 2024, as shown in Exhibits 1 and 2;
- b. authorizing and approving the performance of the ORO of Post-Closing Tasks;
- c. approving distribution to the ORO for Class 1 administration of post-closing

tasks as shown in Exhibit 3;

d. approving the Receiver not preparing recommendations for the 3 claims not previously reported;

e. approving the distribution of \$9,000.00 for post-closing activities to the ORO;

f. approving a final distribution of remaining assets of SeniorSure to the ORO in repayment of its loan;

g. approving the Assistant Receiver signing the release agreement with the United States;

h. approving the destruction of records, physical and electronic, upon execution of release agreement with the United States and properly advising the Department of Justice of the intent to destroy records;

i. confirming that all injunctions and stays entered by the Court, including those in the Liquidation Order, permanently remain in full force and effect and that this Court retain exclusive jurisdiction of the enforcement thereof;

j. barring all claims against SeniorSure Health Plans, Inc., the SeniorSure receivership estate, the Receiver, Assistant Receiver and all other agents of the Receiver or Assistant Receiver;

k. discharging and releasing the Receiver, Assistant Receiver and all other agents of the Receiver from any responsibilities and liabilities in relation to SeniorSure Health Plans, Inc. and the SeniorSure receivership estate effective upon the filing of a Post-Closing Report certifying that the appropriate post-closing ministerial tasks related to the SeniorSure receivership estate have been completed without further notice, hearing or order of this Court;

l. dissolving SeniorSure Health Plans, Inc.;

- m. closing the SeniorSure receivership estate and terminating this proceeding, and;
- n. granting the Receiver such other and further relief, at law or in equity, to which the Receiver is entitled.

Respectfully submitted,



Ryan Leonard, OBA No. 19155
Travis W. Brown, OBA No. 32597
Leonard, Long & Cassil, PLLC
6301 N. Western Ave., Suite 250
Oklahoma City, Oklahoma 73118
Telephone: (405) 702-9900
Facsimile: (405) 605-8381
rleonard@llc-attorneys.com
twbrown@llc-attorneys.com

**ATTORNEYS FOR RECEIVER
STATE OF OKLAHOMA, ex rel.
GLEN MULREADY, INSURANCE
COMMISSIONER, AS RECEIVER
FOR SENIORSURE HEALTH PLANS,
INC.**

CERTIFICATE OF MAILING

I, hereby certify that on this 13th day of December 2024, I caused to be mailed a true and correct copy of this document by U.S. Mail postage prepaid and/or sent this document by electronic mail with written consent to:

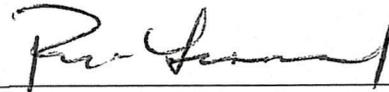
George Gibbs
601 S. Boulder, Suite 500
Tulsa, OK 74119

Darren Ellingson
Ellingson & Associates, L.L.C.
dellingson@ellingsonassociates.com

PrimeSource Healthcare Systems, Inc.
Attn: David Flemming
2100 E. Lake Cook Road, Suite 1100
Buffalo Grove, IL 60089

Mucklough, L.L.C.
c/o Tralee Portfolio Management, L.L.C.
135 LaSalle Stree, Suite 3914
Chicago, IL 60603

Oklahoma Insurance Department
Sherry.Standerfer@oid.gov



Ryan Leonard

Exhibit 1

October 2024

Issue date: 10/31/2024

Due date: 12/30/2024

Bill from

Ellingson & Associates, LLC

9348 E Wood Dr
Scottsdale, AZ 85260

Bill to

SeniorSure Health Plans

3613 NW 56th St, Ste 330
Oklahoma City, OK 73112

ITEM TYPE	DESCRIPTION	QUANTITY	AMOUNT
Service	10/03/2024 - Darren Ellingson - Attend ORO staff meeting.	0.20	45.00 USD
Service	10/25/2024 - Jamin Dawes - Reviewed bank reconciliation for ORIF and updated log.	0.10	13.00 USD

SUBTOTAL 58.00 USD

TOTAL 58.00 USD

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STATE OF OKLAHOMA**

STATE OF OKLAHOMA, ex rel.)	
GLEN MULREADY, Insurance Commissioner)	
for the State of Oklahoma, as Receiver for)	
SeniorSure Health Plans, Inc.)	
)	
Plaintiff,)	Case No. CJ-2017-3547
vs.)	
)	
SENIORSURE HEALTH PLANS, INC.,)	<i>Judge Aletia Haynes Timmons</i>
)	
)	
Defendant.)	

DECLARATION

1. I, the undersigned, am Managing Member of Ellingson & Associates, LLC and I am authorized to make the representations contained in this Declaration on behalf of Ellingson & Associates, LLC.

2. Attached is a copy of the billing statement which accurately details: (i) the services of Ellingson & Associates, LLC performed at the direction of the Receiver, for the captioned insurance company, which is in liquidation, and (ii) the fees and expenses of Ellingson & Associates, LLC charged to the Receiver for the services rendered during the month of October 2024. I have reviewed the attached billing statement and attest that all services described therein were necessary. Additionally, the fees charged for the services provided are reasonable and in compliance with terms of the engagement between Ellingson & Associates, LLC and the Receiver.

3. I state under penalty of perjury under the laws of Oklahoma that the foregoing is true and correct.

SIGNED this 20th day of November 2024.



Darren T. Ellingson

November 2024

Issue date: 11/30/2024

Due date: 01/29/2025

Bill from

Ellingson & Associates, LLC

9348 E Wood Dr
Scottsdale, AZ 85260

Bill to

SeniorSure Health Plans

3613 NW 56th St, Ste 330
Oklahoma City, OK 73112

ITEM TYPE	DESCRIPTION	QUANTITY	AMOUNT
Service	11/02/2024 - Darren Ellingson - Review and approve Calhoun invoice for tax preparation.	0.10	22.50 USD
Service	11/06/2024 - Darren Ellingson - Attend ORO Board meeting. Attend ORO staff meeting.	0.20	45.00 USD
Service	11/18/2024 - Darren Ellingson - Work on class one application and order. Email to/from Debra Crowe regarding same.	0.40	90.00 USD
		SUBTOTAL	157.50 USD
		TOTAL	157.50 USD

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STATE OF OKLAHOMA**

STATE OF OKLAHOMA, ex rel.)	
GLEN MULREADY, Insurance Commissioner)	
for the State of Oklahoma, as Receiver for)	
SeniorSure Health Plans, Inc.)	
)	
Plaintiff,)	Case No. CJ-2017-3547
vs.)	
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SENIORSURE HEALTH PLANS, INC.,)	<i>Judge Aletia Haynes Timmons</i>
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3. I state under penalty of perjury under the laws of Oklahoma that the foregoing is true and correct.

SIGNED this 13th day of December 2024.



Darren T. Ellingson

Exhibit 2

LEONARD, LONG & CASSIL, PLLC

6301 N. WESTERN AVE.
SUITE 250
OKLAHOMA CITY, OK 73118-2101
(405) 702-9900

Seniorsure Healthplan, Inc.
Oklahoma Receivership Office, Inc.
3613 NW 56th, Suite 330
Oklahoma City, OK 73112

Statement Date: December 3, 2024
Statement No. 9490
Account No. 1556.00
Page: 1

Payments received after 12/03/2024 are not included on this statement.

Previous Balance \$152.50

Fees

			Hours	
11/20/2024	ALB	Assist with preparation of Receiver's Application to Approve Fees, Costs and Other Expenses; assist with preparation of Notice of Filing and Proposed Order.	0.30	22.50
	RTL	Review and approve Class 1 application, proposed Order	0.20	40.00
		For Current Services Rendered	<u>0.50</u>	<u>62.50</u>

Recap

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Ryan T. Leonard	0.20	\$200.00	\$40.00
Amy L. Burch	0.30	75.00	22.50

Total Current Work 62.50

Balance Due \$215.00

Exhibit 3

Exhibit 4

OKLAHOMA RECEIVERSHIP OFFICE INC
Estate: SeniorSure Health Plans, Inc.

Post-Closing Tasks to be Performed by ORO
Finalize Estate Accounting Preparation and filing of 2024 tax returns and related documents Maintain estate records pending receipt of United States Release Respond to inquiries of the United States pertaining to request for release Destruction of Records Dissolve corporation

Post-Closing Budget						
	Pending	Nov-24	Dec-24	2025	2026	Total
DIRECT GENERAL EXPENSES PAID BY ORO						
Legal Fees	62.50	100.00	1,500.00			1,662.50
Consultant Fees	215.00	200.00	100.00	500.00		1,015.00
Postage		15.00	50.00	50.00		115.00
Travel		5.00	15.00		15.00	35.00
Tax Preparer				2,500.00		2,500.00
Digital File Storage & Backup	-	3.00	3.00	36.00	36.00	78.00
Corporate Dissolution	-		-		50.00	50.00
TOTAL DIRECT GENERAL EXPENSES PAID BY ORO	277.50	323.00	1,668.00	3,086.00	101.00	5,455.50
ORO GENERAL EXPENSES ALLOCATED TO ESTATE	-	1,000.00	1,000.00	1,000.00	500.00	3,500.00
<i>Projected Closing Budget</i>	277.50	1,323.00	2,668.00	4,086.00	601.00	8,955.50
<i>Funding Requested</i>						9,000.00