NYSCEF DOC. NO. 46

INDEX NO. 450500/2016 RECEIVED NYSCEF: 11/03/2016

## Exhibit 6

## James Veach - 450500/2016 Maria T. Vullo - v. - Health Republic Insurance of New York Corp.

From: To:	"Slack, Richard" <richard.slack@weil.com> "cedmead@nycourts.gov" <cedmead@nycourts.gov></cedmead@nycourts.gov></richard.slack@weil.com>
Date: Subject:	10/10/2016 7:00 PM
CC:	"Holtzer, Gary" <gary.holtzer@weil.com>, "James Veach'" <jveach@moundcotton.com>, "John P. Kelly" <jpkelly@nylb.org>, "Hoehne,Debora" <debora.hoehne@weil.com></debora.hoehne@weil.com></jpkelly@nylb.org></jveach@moundcotton.com></gary.holtzer@weil.com>

Dear Judge Edmead:

We write in response to Mr. Veach's email below regarding his intent to appear in Health Republic's liquidation proceeding as "a friend of the Court."

As Your Honor is aware, Health Republic's liquidation is a special proceeding under Article 74 of the New York Insurance Law (the "NYIL"). The New York legislature created Article 74 proceedings to furnish an exclusive and complete procedure for all claims against insolvent insurers. In that regard, the Superintendent of Financial Services, as Court-appointed Liquidator (the "Liquidator") of Health Republic, has been expressly designated by the legislature to act for the benefit of all creditors and other persons with an interest in the insolvent estate. Indeed, the legislature has determined that the Liquidator is best qualified to act on behalf of policyholders in such proceedings because the Liquidator has no special interest in the outcome of the proceeding except to administer the estate for the maximum benefit of all claimants. *See Corcoran v. Ardra Ins. Co.*, 77 N.Y.2d 225, 232 (1990) ("[The Liquidator] holds office . . . solely to protect the interests of policyholders, stockholders and the public . . . ."); *see also Dinallo v. DiNapoli*, 9 N.Y.3d 94, 97 (2007) ("[T]he Legislature, by statutory enactment, bestowed upon the Superintendent broad fiduciary powers to manage the affairs of distressed domestic insurers and to marshal and disburse their assets."). The Liquidator's accountability and fiduciary duties to creditors of the estate in conjunction with the Court's oversight provide adequate safeguards for the proceess.

As far as the Liquidator is aware, Mr. Veach has no interest in this proceeding: he is not a policyholder and does not represent a policyholder or any other party with an interest in this proceeding. As a general matter, courts do not allow parties to insert themselves into a litigation without a valid interest. *See Price v. New York City Bd. of Educ.*, 16 Misc. 3d 543, 553 (N.Y. Sup. Ct. 2007). This is particularly true for Article 74 proceedings relating to the liquidation of insolvent company liquidations because, as noted above, the New York legislature has already provided for an independent voice to represent the interests of all claimants. *See In re Liquidation of Midland Ins. Co.*, 2008 WL 151786, at \*5 (N.Y. Sup. Ct. 2008) ("Because the Superintendent holds office as Liquidator to protect the interests of policyholders in the liquidation proceeding, there is generally no need for the policyholders to speak on their own behalf as a matter of due process." (internal citations omitted)), *aff'd*, 87 A.D.3d 487 (1st Dep't 2011). Indeed, as this Court has recognized, the NYIL does not – for example – contain any provision that would allow for intervention by a non-party. *See In re Fin. Guar. Ins. Co.*, 2013 WL 3940289, at \*1 (N.Y. Sup. Ct. 2013) ("Nowhere in NYIL Article 74, which governs this special proceeding, does it permit intervention..... The absence of such corresponding language in [Article 74] indicates that the Legislature did not intend for intervention in such rehabilitation proceedings." (internal citations omitted)).

Mr. Veach does not meet the standard for submitting an amicus brief or acting as a "friend of the Court" in this proceeding. Although there is no right to file an amicus brief, the proper function of an amicus brief is "to advise the court of the law and the implication of a decision of the Court on the matter before it on other matters." *Price*, 16 Misc. 3d at 553. Mr. Veach does not seek to assist the Court with the disposition of any motion that is pending before the Court. Rather, by his letter, Mr. Veach seeks to raise *new* issues with the Court. The law is clear, however, that an amicus cannot interject new issues in a proceeding. *See N.Y. State Senator Kruger v.* 

regard, the Superintendent of Financial Services, as Court-appointed Liquidator (the "Liquidator") of Health Republic, has been expressly designated by the legislature to act for the benefit of all creditors and other persons with an interest in the insolvent estate. Indeed, the legislature has determined that the Liquidator is best qualified to act on behalf of policyholders in such proceedings because the Liquidator has no special interest in the outcome of the proceeding except to administer the estate for the maximum benefit of all claimants. *See Corcoran v. Ardra Ins. Co.*, 77 N.Y.2d 225, 232 (1990) ("[The Liquidator] holds office . . . solely to protect the interests of policyholders, stockholders and the public . . . ."); *see also Dinallo v. DiNapoli*, 9 N.Y.3d 94, 97 (2007) ("[T]he Legislature, by statutory enactment, bestowed upon the Superintendent broad fiduciary powers to manage the affairs of distressed domestic insurers and to marshal and disburse their assets."). The Liquidator's accountability and fiduciary duties to creditors of the estate in conjunction with the Court's oversight provide adequate safeguards for the proceess.

As far as the Liquidator is aware, Mr. Veach has no interest in this proceeding: he is not a policyholder and does not represent a policyholder or any other party with an interest in this proceeding. As a general matter, courts do not allow parties to insert themselves into a litigation without a valid interest. See Price v. New York City Bd. of Educ., 16 Misc. 3d 543, 553 (N.Y. Sup. Ct. 2007). This is particularly true for Article 74 proceedings relating to the liquidation of insolvent company liquidations because, as noted above, the New York legislature has already provided for an independent voice to represent the interests of all claimants. See In re Liquidation of Midland Ins. Co., 2008 WL 151786, at \*5 (N.Y. Sup. Ct. 2008) ("Because the Superintendent holds office as Liquidator to protect the interests of policyholders in the liquidation proceeding, there is generally no need for the policyholders to speak on their own behalf as a matter of due process." (internal citations omitted)), aff'd, 87 A.D.3d 487 (1st Dep't 2011). Indeed, as this Court has recognized, the NYIL does not - for example - contain any provision that would allow for intervention by a nonparty. See In re Fin. Guar. Ins. Co., 2013 WL 3940289, at \*1 (N.Y. Sup. Ct. 2013) ("Nowhere in NYIL Article 74, which governs this special proceeding, does it permit intervention. . . . The absence of such corresponding language in [Article 74] indicates that the Legislature did not intend for intervention in such rehabilitation proceedings." (internal citations omitted)).

Mr. Veach does not meet the standard for submitting an amicus brief or acting as a "friend of the Court" in this proceeding. Although there is no right to file an amicus brief, the proper function of an amicus brief is "to advise the court of the law and the implication of a decision of the Court on the matter before it on other matters." Price, 16 Misc. 3d at 553. Mr. Veach does not seek to assist the Court with the disposition of any motion that is pending before the Court. Rather, by his letter, Mr. Veach seeks to raise new issues with the Court. The law is clear, however, that an amicus cannot interject new issues in a proceeding. See N.Y. State Senator Kruger v. Bloomberg, 1 Misc. 3d 192, 197 (N.Y. Sup. Ct. 2003) ("[T]he amicus curiae is 'not a party, and cannot assume the functions of a party; he must accept the case before the court with issues made by the parties, and may not control the litigation.'" (quoting Kemp v. Rubin, 187 Misc. 707, 708 (N.Y. Sup. Ct. 1946))); Price, 16 Misc. 3d at 554 ("[A]n amicus which merely alerts the Court to their 'position' ... constitutes an improper attempt to influence the Court to make its decision on other than on the facts and the law. If the law and facts support a particular result, the Court must reach such result rather than conform its decision to political or popular pressure. Such material should not even be submitted."). Thus, Mr. Veach's efforts to encourage the Court to consider issues not otherwise raised in a pending motion are entirely inappropriate.

Notwithstanding the above, Mr. Veach's attempt to interfere in this proceeding is especially concerning because the only ostensible purpose of his submission, which he filed improperly on the docket as a letter to the Court, is to display his credentials and experience in order to generate business for himself. To permit Mr. Veach to submit the proposed filing—which attaches prior

"pitch" articles written by him—would create a troubling precedent where any person could inject themselves into a proceeding by simply writing articles critical of the litigants to that proceeding. Moreover, responding to Mr. Veach's proposed filing(s) would cost Health Republic's estate money that could otherwise be used to pay the claims of Health Republic's policyholders and other creditors.

For these reasons, we respectfully submit that Mr. Veach's intent to participate as a friend of the Court and his proposed submission run counter to the legislative intent underlying Article 74 by, among other things, undermining the Liquidator's ability to manage the liquidation proceedings on behalf of all policyholders and claimants and are otherwise improper. As a result, the Liquidator would object to any motion by Mr. Veach to inject himself into this proceeding.