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November 18, 2016

By Hand and E-mail

Hon. Carol R. Edmead  
60 Centre Street, Room 532  
New York, New York 10007

Re: In the Matter of the Liquidation of Health Republic Insurance of New York, Inc.  
Index No. 450500/2016  
Adjournment of Order to Show Cause

Dear Justice Edmead:

Last night about 9:30 p.m. Richard Slack from Weil, Gotshal & Manges called me on my cell phone to ask me to consent to adjourn my order to show cause, now returnable on Monday, November 21st, to some date in the first week of December or later.

Had Mr. Slack asked for an adjournment for a personal or even work-related reason, I believe I would have consented, but the reason given had to do with the appointment of a Special Deputy at the New York Liquidation Bureau who is not at the Bureau yet, but apparently wants to review Weil's response to my motion, a response that is due today.

Because every day's delay in Health Republic's liquidation reduces the amount of money available to pay policyholders, I declined to consent. I was asked when I would be available to discuss the adjournment and I told Mr. Slack that I would be back at my desk at 10:00 the following morning.

At about 9:30 last night, I received via email a copy of Mr. Slack's letter to the Court, dated November 16, 2016, requesting an adjournment of the order to show cause. (Mr. Slack had apologized the night before for not sending me a copy of the November 16th letter.)

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All of this back and forth over my application to appear as a friend of the court costs the estate money. And every delay in the proceeding reduces the amount of money available to pay policyholders and, possibly in some instances, health providers.

More importantly, why is there any opposition to my appearance in the first place? Many applications for leave to file amicus briefs are resolved by stipulation between the parties who then leave it to the court to decide whether to accept an amicus filing. Why can't the Liquidator simply state that she has no objection to my appearing and leave this to the Court?

With respect to time and money, the expense summary posted on the Health Republic website now shows that almost \$4 million dollars have been spent in this proceeding since May 11, 2016. (And we don't know how much was spent from October 27, 2015, when the Health Republic board stepped down, until May 11, 2016.)

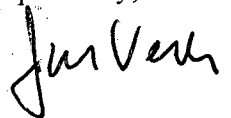
In my opinion, Health Republic should have been placed in liquidation in October 2015. Instead, the Superintendent waited six months before even petitioning to liquidate the company.

Thus far, the Liquidator has not hired an auditor to review the 650,000 unpaid policyholder claims. The claims review process, therefore, won't even begin until 2017. And there is much more that needs to be done if the Liquidator intends, as counsel stated on October 11th, to sue the federal government.

I asked originally that the return date on the order to show cause be accelerated and not made returnable after the Thanksgiving holidays. That meant that I had to forgo submitting reply papers. I asked for the acceleration because I wanted this matter back before the Court as soon as possible.

My application doesn't warrant the Liquidator's opposition in the first place, but if the Liquidator insists on opposing my application, the motion should be returnable as scheduled and the opposition papers served on me now.

Respectfully,



cc: Richard W. Slack, Esq.  
Timothy Butler, Esq.  
David Holgado, Esq.  
David Young, Esq.  
Gary Holtzer, Esq.  
Jack Franschetti, Esq.  
Lauren M. Reber, Esq.