

Cause No. D-1-GV-13-000384

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

**SPECIAL DEPUTY RECEIVER'S QUARTERLY FINANCIAL REPORT**  
**AND SUMMARY OF STATEMENT OF EXPENSE**  
**FOR THE QUARTER ENDING NOVEMBER 30, 2013**

**TO THE HONORABLE JUDGE OF THIS COURT:**

COMES NOW, Jean Johnson, Special Deputy Receiver of Universal HMO of Texas, Inc., and presents to this Court her *Quarterly Financial Report and Summary of Statement of Expense for the Quarter Ending November 30, 2013*, for the above-referenced receivership estate. The Financial Report and Summary of Statement of Expense covers the period of September 1, 2013 through November 30, 2013.

Respectfully submitted,

**Wisener Nunnally Gold, L.L.P**

Original Signed by

By: \_\_\_\_\_

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Receiver of Universal HMO of Texas, Inc.*

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served on all interested parties in accordance with Tex. Ins. Code §443.007(d) this the 16<sup>th</sup> day of December, 2013.

Mr. Tom Collins, Receivership Master  
by serving his Docket Clerk  
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Austin, Texas 78701  
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Original Signed by

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**FINANCIAL REPORT**  
**Relating to**  
**Universal HMO of Texas, Inc.**  
**For the Quarter Ending November 30, 2013**

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**Universal HMO of Texas  
Statement of Net Assets**

**For the Period Ending  
11/30/13**

Line		11/30/13
<b>Cash</b>		
1	Cash	
	Cash - Unrestricted	12,417,231
	APF Funds (Loan proceeds)	
<b>Investments</b>		
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	
<b>Restricted Assets</b>		
10	Statutory Deposits	1,505,000
11	Funds held by or deposited with Reinsured Companies	
12	Restricted - Other	
<b>Reinsurance Receivable</b>		
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	
<b>Other Receivables</b>		
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	
<b>Other Assets</b>		
21	FF&E	
22	Other Assets	
	<b>Total Assets</b>	<b>13,922,231</b>

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**Universal HMO of Texas  
Statement of Net Assets**

**For the Period Ending  
11/30/13**

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**NOTES**

Ref No.

- 10 Funds Held in custody at the Texas Treasury for the benefit of the Texas Department of Insurance.

The following assets have been identified on the Company books and 20 records but due to uncertainty, the amounts have been fully reserved. The SDR will perform additional work to determine the collectible amounts for each item and the amounts and reserve will be adjusted accordingly.

Premium Receivable-MRA	\$ 5,005,246
Premium Receivable-CMS	166,586
Premium Receivable-Members	1,820
Pharmacy Rebates Receivable	217,106
Prepaid Claims to Third Party Administrators	9,642
Deferred Commission Expense	299,495
Deferred Tax Asset	306,687
Reserve for Uncollectible Amounts	<u>(6,006,582)</u>
Net Amount	<u><u>\$0</u></u>

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**Universal HMO of Texas**  
**Changes in Net Assets for the Quarter Ending**

11/30/13

Line		08/31/13	11/30/13	Change
<b>Cash</b>				
1	Cash			
	Cash - Unrestricted	12,451,728	12,417,231	(34,497)
	APF Funds (Loan proceeds)		0	0
<b>Investments</b>				
2	Short-Tem Investments		0	0
3	Bonds	94,971	0	(94,971)
4	Stocks - Preferred & Common		0	0
5	Investments in Subsidiaries, Controlled or Affiliated Entities		0	0
6	Mortgage Loans		0	0
7	Real Estate		0	0
8	Policy Loans		0	0
9	Other Invested Assets		0	0
<b>Restricted Assets</b>				
10	Statutory Deposits	1,505,000	1,505,000	0
11	Funds held by or deposited with Reinsured Companies		0	0
12	Restricted - Other		0	0
<b>Reinsurance Receivable</b>				
13	Reinsurance Recoverables on Paid Losses & LAE (net of allowance)		0	0
14	Reinsurance Recoverables on Unpaid Losses & LAE (net of allowance)		0	0
15	Reinsurance Recoverables on UEP & Contingent Commissions		0	0
<b>Other Receivables</b>				
16	Salvage & Subrogation Recoveries		0	0
17	Premiums Due from Agents & Policyholders		0	0
18	Receivable from Parents, Subsidiaries & Affiliates		0	0
19	Receivable from Guaranty Associations - Early Access Payments		0	0
20	Other Receivables		0	0
<b>Other Assets</b>				
21	FF&E		0	0
22	Other Assets		0	0
	<b>Total Assets</b>	<b>14,051,699</b>	<b>13,922,231</b>	<b>(129,468)</b>

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**Universal HMO of Texas  
Statement of Net Liabilities**

**For Period Ending  
11/30/13**

Line		11/30/13
1	Secured Claims	
2	APF Loan	
3	Special Deposit Claims	
<b>Administrative Claims - Class 1</b>		
4	Administrative Claims - State/Receiver	
	Special Deputy Receiver, Subcontractors Fees & Expenses	36,636
	Liquidation Oversight	3,268
	Special Master's Fees	
5	Administrative Claims - Guaranty Assns	
	Administrative Expense Paid	
	Administrative Expense Reserves	
6	LAE - Guaranty Assns	
	LAE Paid	
	LAE Reserves	
<b>Policy Claims - Class 2</b>		
7	Loss Claims - Guaranty Assns	
	Loss Claims Paid	
	Loss Claims Reserves	
8	Loss Claims - Other	
	Other Loss Claims Paid	
	Other Loss Claims Reserves	6,095,156
9	LAE - Other	62,875
10	Unearned & Advance Premium Claims - GA	
11	Unearned & Advance Premium Claims - Other	
<b>Other Liabilities</b>		
12	Class 3 Claims	
13	Class 4 Claims	
14	Class 5 General Unsecured Creditor Claims	1,635,699
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	
21	Class 11 Claims	
22	Other Liabilities	
	<b>Total Liabilities</b>	7,833,634
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	6,088,597
	<b>Total Liabilities &amp; Equity</b>	13,922,231



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**Universal HMO of Texas  
Statement of Net Liabilities**

**For Period Ending  
11/30/13**

**NOTES**

All amounts recorded based on adjudicated claims unless otherwise specified

Ref. No.

8 Represents amounts reserved based on review of company books and records. In September 2013, the proof of claim process ("POC") was approved by the receivership court, and POC forms and instructions were mailed to potential claimants in October 2013. The POC deadline is June 30, 2014. As a result, this amount has not been formally adjudicated, and will be updated as warranted throughout the POC process.

9 Represents amounts reserved based on review of company books and records. In September 2013, the proof of claim process ("POC") was approved by the receivership court, and POC forms and instructions were mailed to potential claimants in October 2013. The POC deadline is June 30, 2014. As a result, this amount has not been formally adjudicated, and will be updated as warranted throughout the POC process.

14 Represents amounts reserved on company books and records for liability accounts named Accrued Pharmacy Bid Reimb, Coverage Gap Discount Liability, Accrued Pharmacy, and Accrued Risk Share. In September 2013, the proof of claim process ("POC") was approved by the receivership court, and POC forms and instructions were mailed to potential claimants in October 2013. The POC deadline is June 30, 2014. As a result, this amount has not been formally adjudicated, and will be updated as warranted throughout the POC process.

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**Universal HMO of Texas**  
**Changes in Net Liabilities for the Quarter Ending**

11/30/13

Line		08/31/13	11/30/13	Change
1	Secured Claims		0	0
2	APF Loan		0	0
3	Special Deposit Claims		0	0
<b>Administrative Claims - Class 1</b>				
4	Administrative Claims - State/Receiver		0	0
	Special Deputy Receiver, Subcontractors Fees & Expenses	38,603	36,636	(1,967)
	Liquidation Oversight	0	3,268	3,268
	Special Master's Fees		0	0
5	Administrative Claims - Guaranty Assns		0	0
	Administrative Expense Paid		0	0
	Administrative Expense Reserves		0	0
6	LAE - Guaranty Assns		0	0
	LAE Paid		0	0
	LAE Reserves		0	0
<b>Policy Claims - Class 2</b>				
7	Loss Claims - Guaranty Assns		0	0
	Loss Claims Paid		0	0
	Loss Claims Reserves		0	0
8	Loss Claims - Other		0	0
	Other Loss Claims Paid		0	0
	Other Loss Claims Reserves	6,095,156	6,095,156	0
9	LAE - Other	62,875	62,875	0
10	Unearned & Advance Premium Claims - GA		0	0
11	Unearned & Advance Premium Claims - Other		0	0
<b>Other Liabilities</b>				
12	Class 3 Claims		0	0
13	Class 4 Claims		0	0
14	Class 5 General Unsecured Creditor Claims	1,635,699	1,635,699	0
15	Class 5 Reinsurance Related Unsecured Claims		0	0
16	Class 6 Claims		0	0
17	Class 7 Claims		0	0
18	Class 8 Claims		0	0
19	Class 9 Claims		0	0
20	Class 10 Interest		0	0
21	Class 11 Claims		0	0
22	Other Liabilities		0	0
	<b>Total Liabilities</b>	<b>7,832,333</b>	<b>7,833,634</b>	<b>1,301</b>
23	Total Equity/(Deficit) Excess (Deficiency) of Assets over Liabilities	6,219,366	6,088,597	(130,769)
	<b>Total Liabilities &amp; Equity</b>	<b>14,051,699</b>	<b>13,922,231</b>	<b>(129,468)</b>

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**Universal HMO of Texas  
Sources & Uses of Cash**

**For Period Ending  
11/30/13**

	<b>Qtr Ending Nov-13</b>
<b>Income</b>	
Premium Receipts	0
Agents' Balances Received	0
Reinsurance Recoveries	0
Salvage & Subrogation Recoveries	0
Affiliates Recovery	0
Settlement/Litigation Recovery	0
Other Receipts	24,166
Sale of Real & Personal Property	0
Investment Sales/Receipts	95,909
Other Asset Receipts	0
<b>Total Receipts from Assets/Receivables</b>	<b>120,075</b>
Interest & Dividend Receipts, EA Interest	59
Cash Deposit Interest	980
<b>Total Cash Receipts</b>	<b>121,114</b>
<b>Disbursements</b>	
SDR Fees & Expenses	30,365
Subcontractor Legal Fees & Expenses	12,873
Subcontractor Other Fees & Expenses	93,960
Non-Subcontractor Fees & Expenses	0
Other Expenses	14,682
RLO Fees & Expenses	3,731
<b>Total Disbursements for Operations</b>	<b>155,611</b>
Loss Claims & LAE Expense Payments	0
Early Access Payments - GA	0
Refunds & Other Distributions	0
<b>Total Cash Distributions</b>	<b>0</b>
<b>Total Cash Disbursements &amp; Distributions</b>	<b>155,611</b>
<b>APF Loan Proceeds (Repayment)</b>	<b>0</b>
<b>Net Increase(Decrease) in Cash</b>	<b>(34,497)</b>
<i>Cash at Beginning of Period</i>	12,451,728
<i>Cash at End of Period</i>	12,417,231

**SUMMARY OF STATEMENT OF EXPENSE**  
**Relating to**  
**Universal HMO of Texas, Inc.**  
**For the Quarter Ending November 30, 2013**

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**Universal HMO of Texas  
Statement of Expenses  
For Period Ending**

11/30/13

	Total Sep	Total Oct	Total Nov	Total Quarter
<b>SDR</b>				
<b>SDR</b>				
SDR	10,027.50	8,715.00	8,887.50	27,630.00
SDR Travel	0.00	375.00	0.00	375.00
Expenses	0.00	162.80	0.00	162.80
<b>Total SDR Billing</b>	<b>10,027.50</b>	<b>9,252.80</b>	<b>8,887.50</b>	<b>28,167.80</b>
<b>SDR Subcontractors - Legal</b>				
Wisener Nunnally Gold, LLP				
Attorney-Partner	216.00	804.00	816.00	1,836.00
Attorney-Partner Travel	0.00	264.00	0.00	264.00
Attorney-Associate	648.00	639.00	144.00	1,431.00
Attorney-Partner	2,352.00	4,128.00	2,040.00	8,520.00
Attorney-Partner Travel	72.00	0.00	0.00	72.00
Expenses	28.96	16.10	453.76	498.82
<b>Total Billing</b>	<b>3,316.96</b>	<b>5,851.10</b>	<b>3,453.76</b>	<b>12,621.82</b>
<b>Total Legal Subcontractors</b>	<b>3,316.96</b>	<b>5,851.10</b>	<b>3,453.76</b>	<b>12,621.82</b>
<b>SDR Subcontractors - Other</b>				
Administrative Insurance Management (AIMS)				
Specialist	2,045.00	2,045.00	2,230.00	6,320.00
Specialist	4,477.50	2,925.00	9,247.50	16,650.00
Specialist - Travel	180.00	0.00	0.00	180.00
Claims Specialist	356.25	243.75	562.50	1,162.50
Claims Manager	11,906.25	13,537.50	7,725.00	33,168.75
Clerical	2,163.00	2,240.00	2,948.75	7,351.75
Expenses (Credit)	676.62	184.00	0.00	860.62
<b>Total Billing</b>	<b>21,804.62</b>	<b>21,175.25</b>	<b>22,713.75</b>	<b>65,693.62</b>
Jennan Enterprises				
Expenses	0.00	30.00	0.00	30.00
<b>Total Billing</b>	<b>0.00</b>	<b>30.00</b>	<b>0.00</b>	<b>30.00</b>
Petrosewicz & Company, Inc.				
Accounting Manager/ Accountant/	647.50	490.00	437.50	1,575.00
Adjust for incorrect rate May-July	1,472.50	1,216.00	1,111.50	3,800.00
Adjust for incorrect rate August	154.50	0.00	0.00	154.50
Expenses	17.50	0.00	0.00	17.50
Expenses	31.17	10.60	31.76	73.53
<b>Total Billing</b>	<b>2,323.17</b>	<b>1,716.60</b>	<b>1,580.76</b>	<b>5,620.53</b>

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**Universal HMO of Texas  
Statement of Expenses  
For Period Ending**

**11/30/13**

	Total Sep	Total Oct	Total Nov	Total Quarter
Buttner Hammock & Co				
Accountant	0.00	1,100.00	0.00	1,100.00
Accountant	0.00	20,006.25	0.00	20,006.25
Expenses	0.00	1,756.09	0.00	1,756.09
<b>Total Billing</b>	<b>0.00</b>	<b>22,862.34</b>	<b>0.00</b>	<b>22,862.34</b>
<b>Total Other SDR Subcontractors</b>	<b>24,127.79</b>	<b>45,784.19</b>	<b>24,294.51</b>	<b>94,206.49</b>
<b>Receivership Service Providers</b>				
USPS POC Mailing-Postage	0.00	11,190.91	0.00	11,190.91
Computer Creations-Printing Mailing Services	0.00	0.00	1,641.07	1,641.07
Chase Operating Account Charges	0.00	95.00	95.00	190.00
Fifth Third Depository Account Charges	159.14	67.63	66.23	293.00
Wells Fargo Payroll Account Charges	290.45	290.49	290.48	871.42
Texas Treasury	0.00	0.00	219.38	219.38
<b>Total Other</b>	<b>449.59</b>	<b>11,644.03</b>	<b>2,312.16</b>	<b>14,405.78</b>
<b>Sub-Total SDR, Subcontractor &amp; Provider Expenses</b>				
<b>Sub-Total SDR, Subcontractor &amp; Provid</b>	<b>37,921.84</b>	<b>72,532.12</b>	<b>38,947.93</b>	<b>149,401.89</b>
<b>Liquidation Oversight Allocation</b>				
RLO Allocation-Adjusted	174.58	2,165.65	2,837.24	5,177.47
Special Master's Fees	76.00	0.00	430.54	506.54
<b>Total RLO &amp; SM Expense</b>	<b>250.58</b>	<b>2,165.65</b>	<b>3,267.78</b>	<b>5,684.01</b>
<b>Total Expenses</b>	<b>38,172.42</b>	<b>74,697.77</b>	<b>42,215.71</b>	<b>155,085.90</b>